



INVESTOR READINESS: ASSESSING FACTORS INFLUENCING WOMEN MSMES PREPAREDNESS FOR INVESTMENT IN MALAWI

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Abstract: This study investigates the factors influencing the investment readiness of Women-Owned Micro, Small, and Medium Enterprises (WMSMEs) in Malawi. The research aims to identify key barriers hindering investment and propose strategies to enhance WMSMEs' preparedness for capital injection. By examining access to finance, financial product evaluation, capacity building, regulatory environment, and entrepreneurial ecosystem development, the study contributes to understanding the investment landscape for women entrepreneurs. Key findings highlight the need for tailored financial services, enhanced literacy programs, mentorship, networking opportunities, and supportive policies to improve investment readiness. The research offers valuable insights for policymakers and investors to foster the growth of WMSMEs in Malawi.

Keywords: investment readiness, WMSMEs, Malawi, women entrepreneurship, access to finance, capacity building, regulatory environment, entrepreneurial ecosystem.

INTRODUCTION

Women Micro, Small, and Medium Enterprises (WMSMEs) refer to businesses that are owned and operated by women, typically characterized by their small size in terms of employees, revenue, and market reach. According to the International Finance Corporation (IFC, 2014), WMSMEs encompass a wide range of businesses across various sectors, including retail, manufacturing, and services. These enterprises are distinguished by their limited scale of operations and resource constraints, but they play a vital role in local and national economies. In Malawi it is paramount for academic researchers to do more research concentrated on these WMSMEs which is mostly dominated by women and youth who are a biggest drive to the country's economy. Therefore, as the country is geared to achieve National Agenda 2063. Favorable economic policies and programs tailor made to foster fair competitiveness and survival must be adopted to strengthen the WMSMEs to allow its booming in the business industry.

WMSMEs contribute significantly to GDP of the country. They provide essential goods and services which are mostly accessible and cost effective to local people who cannot afford goods and services with exorbitant prices at the local market. According to Malawi Gemini survey of 2000, Women contribute to 15.6% to the country's (GDP) which shows that women has a great role in developing this country to achieve its objectives.

Employment, WMSMEs create jobs for women and youth in general. The presence of vibrant SMEs in a country provide a platform to create more jobs for the youth in the country particularly young women who are mostly left out in social-economic activities due to gender economic disparities. For example, in sub-Saharan Africa, women-owned enterprises account for up to 30% of registered SMEs, highlighting their economic importance (IFC, 2014). They are known for their capacity for generating employment at a faster rate than larger enterprises in the retail, services, and light manufacturing sectors. This is very important in economies where unemployment rates are high, like here in Malawi, in so far as it helps to absorb labour market entrants and contributes to poverty alleviation, according to World Bank 2019. Moreover, some of the women are employed by WMSMEs targeting gender empowerment: giving them a chance for independent economic status and performing leadership roles in their local communities.

Another area is innovation; WMSMEs shine brighter than it has mostly been perceived due to lack of documentation for most of its actors in the business sector. The smaller scale businesses enable these entrepreneurs to agile and responsive to local market demand and needs, especially in developing new products, services, and business models. This ability of running innovations is not only a source of enhancing their competitiveness but also provides opportunities for broad growth in economic development through technological change and productivity improvement within different sectors (IFC, 2014).

Additionally, WMSMEs contribute to economic resilience through diversification of the economic base of communities, reducing dependency on a few industries or sectors. Women in small scale businesses do engage in local manufacturing and value addition enterprises which reduce total dependency and monopoly of larger manufacturing companies which are mostly foreign to meet the needs and depends of goods and services on the local markets and ensure that they contribute significantly to the GDP of a nation as some of these goods and services are exported to regional and global markets.

According to UNCTAD (2014), women entrepreneurship is normally oriented towards sustainability; women are engaged in many business activities that are environmentally friendly. WMSMEs are mostly concentrated in the organic farming, eco-tourism, and renewable energy sectors and thus serve and conserve the environment by ensuring that the resources are used in a sustainable way. Their interest in sustainability aligns with wider global goals of sustainable development and expanding efforts to mitigate climate change.

Furthermore, UN Women 2020, indicates that, the other instrumental role that WMSMEs play is social-economic empowerment to women; this simply means creating opportunities whereby women can be economically independent with the possibility of assuming leadership roles. These empowered women further distribute this status into their respective communities whereby most of these women entrepreneurs serve as role models and market leaders, encouraging or influencing other women and girls to engage in business and seek education. Moreover, greater economic independence accruable from entrepreneurship allows women to have more control over their lives and this in return contribution significantly to decision-making at household level and welfare of the community.

PROBLEM STATEMENT

Women-owned Micro, Small, and Medium Enterprises (WMSMEs) are pivotal drivers of economic growth and poverty reduction in Malawi. However, these enterprises face significant challenges in accessing finance, developing requisite business skills, navigating a complex regulatory environment, and overcoming deeply ingrained gender biases. This study aims to comprehensively understand the multifaceted factors contributing to the limited growth and development of WMSMEs in Malawi. By examining the interplay between financial constraints, skill deficiencies, regulatory hurdles, and socio-cultural barriers, this research seeks to identify key obstacles hindering the success of WMSMEs and to inform the development of targeted interventions to support their growth and sustainability. Addressing these challenges is essential for empowering women entrepreneurs, fostering inclusive economic development, and realizing Malawi's full economic potential.

OBJECTIVES OF THE STUDY

The primary objective is to assess the factors influencing the investment readiness of women-owned micro, small, and medium enterprises (WMSMEs) in Malawi, with the goal of identifying barriers and proposing interventions to enhance their preparedness for investment.

Specific objectives are

1. To identify the specific barriers faced by women-owned MSMEs in Malawi in accessing formal financing, including gender biases, collateral requirements, and high-interest rates.
2. To evaluate the effectiveness of existing financial products and capacity-building programs aimed at improving access to finance for women-owned MSMEs.
3. To assess the impact of regulatory complexities and bureaucratic procedures on the investment decisions of MSMEs in Malawi.
4. To examine the key gaps in the entrepreneurial ecosystem that hinder the growth and competitiveness of women-owned MSMEs in Malawi.
5. To develop strategies for strengthening the entrepreneurial ecosystem, including improving access to finance and business support services, to support women-owned MSMEs in attracting investment.

LIMITATIONS

The study recognizes several limitations, including sampling biases that could have been incurred, constraints in data collection, and challenges related to participant availability. Such limitations were addressed in the careful research design and methodological rigor in enhancing the strength of findings. Notwithstanding these challenges, it gives insight into the investment readiness among women-led MSMEs.

REVIEW OF LITERATURE

Ghosh et al. (2024) identifies the key readiness factors of SMEs for implementing CE practices, with top management's willingness to implement such practices as the chief factor. When the top management is at the helm of making sure that there is smooth implementation of these key readiness factors it will spur a lot of women to venture into SMEs with confidence to participate fully in the economy of the country. When women are convinced with these implementations then it is easy to tap into their potential and expertise to benefit the economy of the country.

Drawing from works such as Nair et al. (2019) and Maroufkhani et al. (2022), the Technology Organization Environment framework makes it very clear that organizational variables have a great influence on the readiness towards implementing IT. In particular, the owner's attitude toward IT, knowledge about IT, and top management support may act as modulating factors that influence successful adoption and integration of new technologies, in this case, those related to Circular Economy practices. This information gives valuable guidance on how to enhance an organization's preparedness for technology adoption by focusing on leadership and organizational factors.

According to Nkwabi and Mboya 2019; Mashizha et al. 2019. In their assertion, they analyze the various constraints that impinge on SMEs operability, most of which do apply in the context of business environment to WMSMEs operating in Malawi. One of the most common challenges to SMEs being resources and technology limitations, along with regulatory issues that affect SME survival and growth rates.

It is lucid in both articles that there exist significant constraints for SMEs to access to financial resources. According to Nkwabi and Mboya, 2019, financial limitations have been assessed as the most critical barrier to SME growth in Malawi. Regulatory complexities and lack of financial literacy being the major issues affecting WMSMEs to access financial products tailor made for these businesses to thrive. In the same light, Mashizha et al., 2019 argues that inadequate funding often leads to SMEs failing to invest in relevant technologies and scaling up their operations. The financial constraints undermine investment readiness and business sustainability. In correlation to Mashizha assertion. Most of the SMEs in the country are not at the level of having strong financial base to pay for supporting services that can help business growth and resilience due to high cost of formal credit in financial lending Institutions. Despite Government efforts to mitigate the challenges. MSMEs continue to struggle in their quest to scale

Regulatory challenges and red tapism emerge as critical factors against SME growth. According to Nkwabi and Mboya, 2019, complex and red-tapism regulatory processes can stifle business operations and discourage investment. A similar view is echoed in Mashizha et al., 2019, showing that this may require a call for reforms in the regulatory framework towards creating an enabling environment for SMEs. Simplification of regulations and enhancement of institutional support are very instrumental in facilitating the smooth business operations of WMSMEs in Malawi. This comes in very handy with what was established by Nkwabi & Mboya, 2019; Mashizha et al., 2019.

Out of many identified binding constraints, financial literacy has been isolated as a major determinant affecting SMEs in their undertaking of proper financial decision-making. Alluded by Nkwabi and Mboya, 2019. Low levels of financial literacy are likely to result in less-than-optimal financial management and decision-making. This in return affect the operations of business and deter the business growth sharply. The same view is shared by Mashizha et al., 2019, who noted that increase in the levels of financial literacy within SMEs is likely to surge their chances of accessing finance, better managing their finances, and dealing with financial issues. In Malawi, enhancing financial literacy is key to the development of entrepreneurial skill and ability in WMSMEs' making better financial decisions in improving their overall investment readiness.

These are, in the final analysis, very relevant constraints to the context of WMSMEs in Malawi identified by Nkwabi and Mboya, 2019; Mashizha et al., 2019. Thus, with respect to this, adequate and necessary strategies should be placed on the ground towards addressing and mitigating financial limitations through easy access of appropriate technologies, smoothing regulatory processes, and enhancing financial literacy in support of the growth and sustainability of such enterprises.

RESEARCH METHODOLOGY

The target population consists of women micro small medium enterprises from Malawi, specifically Lilongwe, Zomba, Blantyre, Mzuzu and other districts. The researchers have opted for simple random sampling to select a sample of 385 women MSMEs for their study.

Data Collection Method: The primary tool used for data collection in this research is a questionnaire. Questionnaires are a common and effective method for gathering information from a large number of respondents. In this case, the questionnaire likely includes items related to access to formal financing experienced by women, evaluation of financial products and capacity-building programs, impact of regulatory complexities and bureaucratic procedures and to develop strategies for strengthening the entrepreneurial ecosystem.

Data Analysis: The researchers plan to use descriptive analysis and crosstabulation and Chi square test as a statistical method to examine relationships in the data.

DATA ANALYSIS AND INTERPRETATION

Demographic analysis of samples

The study consisted of 178 respondents. These were comprised of 160 females representing 89.89%, 15 males representing 8.43%, and 3 respondents who preferred to have their gender unidentified representing 1.7. With regards to the respondents age composition, it was skewed to the left with 46% of the respondents being aged between 18 and 35. Those aged 36 to 45 comprised 23.6% of the total population, those aged 46 to 55 comprising 20.2%, and those aged above 55 being 9.6%. The study found that 76.6% of the businesses owned by the respondents were operated as sole proprietors indicating a lack of cooperation among the running of business enterprises. Partnerships accounted for 19.66% of the enterprises, with only 6.7% being incorporated. With regards to whether the business operation is formally registered, 62.92% of the respondents indicated to having corresponding business certificates as opposed to 37.08% of those who indicated to operating informally. A follow up question to those who indicated not having formally registered, showed that a majority either intended to register soon (37.7%) and others found the registration process too complex (36.2%). The reasons for not registering also indicated that 10.1% believed to not needing the registration, and 15.9% having no intentions to register. Business location results on the other hand

showed that most respondents had businesses operating from Lilongwe the capital city (42.7%), followed by Zomba (33.7%), Blantyre (7.3%), Mzuzu (5.8%), with other districts having a combined ratio of 10.7%. This was followed by 78.09% of these businesses characterized as operating in urban areas and 21.91% in rural areas. The characterization of type of business operated or sector showed that a majority of the enterprises skewed towards being agriculture and agribusiness related comprised of 42.7%, with food and beverage at 12.9%, retail and trading at 12.4%, and textiles and apparel at 10.7%. The remainder of the business categories were less than 5% of each category as presented in their distribution below.

Table 1:. Access to formal financing

In assessing access to formal financing for women-owned MSMEs the paper inquired on how gender biases impact lending practices towards access to finance in Malawi. Questions relation got the same were asked with respondents given ranking options of strongly agreeing to the statement, agree, neutral, disagree and strongly disagree which were coded 5 to 1 respectively, with 5 being highly ranked agreeableness and 1 being strongly disagreeing.

A question on how easy it is for women owned MSMEs to obtain loans from formal financial institutions showed that on average respondents either disagreed (a score of 2) or were neutral (a score of 3) with a Mean measure of 2.47, Median at 2 and a Mode of 2. This implied that most respondents disagree with the statement, implying difficulties in obtaining loans. The standard deviation of 1.24 showed moderate variability in responses.

With regards whether respondents agreed with the statement that women owned MSMEs faced higher interest rates, the results showed a Mean of 2.37, Median of 2, and Mode of 2. This suggests respondents generally disagreed to being neutral regarding women-owned MSMEs facing higher interest rates. The standard deviation of 1.10 indicates responses are less spread out compared to other statements.

A question on whether collateral requirements for loans are reasonable for WMSMEs showed similar results with a Mean of 2.55, Median of 2, and a Mode of 2. The results suggest respondents generally disagree to being neutral regarding the reasonableness of collateral requirements. The median (2) and mode (2) indicate most respondents disagree, suggesting that collateral requirements may be challenging. The standard deviation of 1.23 shows moderate variability in responses.

A statement on whether gender biases affect loan approvals for WMSMEs showed a Mean of 3.05, a of Median: 3, and a Mode of 2. This suggests that respondents were neutral regarding the impact of gender biases. The median of 3 indicates a neutral position, while a mode of 2 suggests some respondents still disagree. The standard deviation of 1.24 shows moderate variability, indicating differing opinions.

A statement on whether WMSMEs receive adequate support and guidance from formal financial institutions during the loan application process resulted in a Mean of 2.98, a Median of 3, and a of Mode of 3. The results imply a neutral response to the statement with a moderate variability in responses as seen with ad standard deviation 1.16.

A statement on lack of financial literacy being a barrier for WMSMEs to accessing loans from formal financial institutions resulted in a Mean of 3.71, a Median of 4, and a Mode of 5. The mean suggests respondents agree that lack of financial literacy is a major barrier, while the median (4) and mode (5) indicate that the results were skewed to the right towards agreeing, such that most respondents agree or strongly agree with the statement. The standard deviation of 1.42 shows the highest variability, indicating a wide range of opinions.

Table 4.1 below presents the key findings for each question with 1 representing strongly disagree, 2 for disagree, 3 for neutral, 4 for agree, and 5 for strongly agree.

Table 4.1 Statements on Access to finance

Statement	Mean	Median	Mode	Standard Deviation
It is easy for women-owned MSMEs to obtain loans from formal financial institutions in Malawi.	2.4719	2.0000	2.00	1.24047
Women-owned MSMEs face higher interest rates compared to their male counterparts when applying for loans.	2.3708	2.0000	2.00	1.09835
Collateral requirements for loans are reasonable for women-owned MSMEs in Malawi.	2.5506	2.0000	2.00	1.22600
Gender biases significantly affect the approval process of loans for women-owned MSMEs.	3.0449	3.0000	2.00a	1.24338
Women-owned MSMEs receive adequate support and guidance from formal financial institutions during the loan application process.	2.9775	3.0000	3.00	1.15448
Lack of financial literacy among women-owned MSMEs is a major barrier to accessing formal financing.	3.7079	4.0000	5.00	1.41583

4.4. Financial Products and Capacity Building Programs

In assessing the role of financial products and capacity building for women-owned MSMEs the paper inquired on what specific financial products and capacity-building programs are needed to improve women-owned MSMEs' access to finance. Statements were presented to

respondents where they had options of selecting Strongly effective which had an ordinal code of 5, effective which corresponded to 4, neither effective nor ineffective to correspond to 3, ineffective which was coded 2, and strongly ineffective coded 1.

A statement on how effective do you find existing loan products tailored for women-owned MSMEs in meeting their financial needs? The responses showed a mean of 2.70 suggesting that respondents generally find the existing loan products to be somewhat ineffective to neutral in meeting their financial needs. The median of 3.0 indicates a neutral stance, while the mode of 2.0 shows that the most frequent response is ineffective. The standard deviation of 1.08 shows moderate variability in responses, indicating differing opinions among respondents.

A statement on what extent capacity-building programs, such as financial literacy workshops and training sessions, help women-owned MSMEs in managing their finances effectively resulted in a mean of 3.29 which suggests respondents perceive the capacity-building programs to be somewhat effective to neutral in helping manage finances. The median of 4.0 and mode of 4.0 indicates that most respondents find these programs effective. The standard deviation of 1.27 shows moderate variability, suggesting differing levels of effectiveness perceived by respondents.

A statement on how successful are mentorship programs in providing guidance and support to women-owned MSMEs in navigating the financial landscape, the results showed a mean of 3.37 indicating that respondents find mentorship programs to be somewhat successful. The median of 4.0 and mode 4.0 suggest that many respondents find these programs effective. The standard deviation of 1.19 indicates moderate variability in the success of mentorship programs as perceived by respondents.

Another statement was presented that asked if respondent you believed that existing financial products and capacity-building programs adequately address the unique challenges faced by women-owned MSMEs in accessing finance. The results indicated a mean of 3.05 which suggests respondents are neutral regarding the adequacy of financial products and programs in addressing unique challenges. This was associated with a median of 3.0 showing a neutral stance, and a mode of 4.0 indicating a rightward skew towards respondents find these programs effective. The standard deviation of 1.19 reflects moderate variability in responses, indicating differing opinions on the adequacy of these products and programs.

Lastly, a statement on how likely women-owned MSMEs are to recommend existing financial products and capacity-building programs to other women entrepreneurs, showed a mean of 3.01 indicating a neutral likelihood of recommending these programs. This was correlated with a median of 3.0 showing a neutral stance, and a mode of 4.0 indicating that many respondents are likely to recommend these programs. The standard deviation of 1.25 shows moderate variability, suggesting differing opinions on recommending these programs.

The results on financial products and capacity building programs are therefore summarized in table 4.2 below.

Table 4.2 Financial products and capacity building

Statement	Mean	Median	Mode	Standard Deviation
How effective do you find existing loan products tailored for women-owned MSMEs in meeting their financial needs?	2.6966	3.0	2.0	1.08
To what extent do capacity-building programs, such as financial literacy workshops and training sessions, help women-owned MSMEs in managing their finances effectively?	3.2865	4.0	4.0	1.28
How successful are mentorship programs in providing guidance and support to women-owned MSMEs in navigating the financial landscape?	3.3708	4.0	4.0	1.19
Do you believe that existing financial products and capacity-building programs adequately address the unique challenges faced by women-owned MSMEs in accessing finance?	3.0506	3.0	4.0	1.19
How likely are women-owned MSMEs to recommend existing financial products and capacity-building programs to other women entrepreneurs?	3.0056	3.0	4.0	1.25

The summary of the findings indicates an overall neutral to slightly positive perception towards the effectiveness of financial products and capacity-building programs for women-owned MSMEs. The standard deviations for all questions indicate moderate variability in responses, showing that opinions vary among respondents in a slight manner.

4.5. Regulatory and Bureaucratic Processes

The study also aimed to evaluate how regulatory complexities and bureaucratic procedures impact investor confidence towards investment in women owned MSMEs in Malawi. The crosstabulation of the agreement with the statement on regulatory complexities and rating of transparency in regulatory processes in Malawi gives an insight into the relationship between these variables among MSMEs.

Crosstabulation Analysis the responses indicate that the higher the agreement with the statement "Regulatory complexities in Malawi make it challenging for MSMEs to efficiently operate and grow", the more the ratings of transparency tilt towards the very opaque and transparent ends. On the other hand, the lower the agreement with the statement, the higher the ratings of transparency from transparent to very transparent.

Outputs of the Chi-Square Test: Pearson Chi-Square value 29.334, 16 df, asymptotic significance 0.022 (2-sided). At this p-value of 0.022, which is less than normally used a level of significance of 0.05, there is sufficient evidence to provide a statistically significant association between the rating of transparency in regulatory processes and agreement with the statement on regulatory complexities. The linear-by-linear association test result is significant, with a p-value of 0.001, pointing to a linear relationship where high Rated transparency corresponded to low ranked in agreement with the statement.

These results have important implications. For policy and regulatory reform, the need is quite clear: the regulatory processes need to be transparent enough to reduce the perceived complexities among MSMEs in Malawi. In terms of the business environment, MSMEs that perceive more complex and less transparent regulations will be more challenged in efficiently operating and growing—hence affecting their economic contributions and sustainability. One direction for further research may be to identify those fields in the regulatory environment where improvements in transparency would bring the most benefits for MSMEs and therefore lead toward a more MSME-friendly business climate.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
"Regulatory complexities in Malawi make it difficult for MSMEs to operate efficiently and grow" The transparency of regulatory processes and procedures in Malawi?	178	100.0%	0	0.0%	178	100.0%

To what extent do you agree or disagree with the statement: "Regulatory complexities in Malawi make it difficult for MSMEs to operate efficiently and grow"? * On a scale of 1 to 5, how would you rate the transparency of regulatory processes and procedures in Malawi? Crosstabulation

Count

		On a scale of 1 to 5, how would you rate the transparency of regulatory processes and procedures in Malawi?					Total
		very opaque	Opaque	Neutral	Transparent	Very Transparent	
To what extent do you agree or disagree with the statement: "Regulatory complexities in Malawi make it difficult for MSMEs to operate efficiently and grow"?	Strongly Disagree	1	3	3	3	0	10
	Disagree	1	4	5	3	0	13
	Neutral	5	8	14	4	1	32
	Agree	2	16	23	9	2	52
	Strongly Agree	20	30	17	4	0	71
Total		29	61	62	23	3	178

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.334 ^a	16	.022
Likelihood Ratio	31.791	16	.011
Linear-by-Linear Association	11.182	1	.001
N of Valid Cases	178		

4.6. Ecosystem Gaps

The study also aimed to evaluate the key gaps in the entrepreneurial ecosystem that hinder the growth and competitiveness of women-owned MSMEs in Malawi. It aimed to understand how streamlined regulations and implementing transparent, and investor-friendly policies would enhance the investment readiness of MSMEs in Malawi. Similarly, respondents were asked to what extent they agreed with the statement presented where 5 indicated strongly agree, and 1 indicated strongly disagree, with 3 being neutral.

A statement on access to finance is a significant barrier for women-owned MSMEs in attracting investment, had results of a mean of 3.92, a median of 4, and mode of 5 with a standard deviation of 1.15. The results indicate a skewness to the right towards strongly agreeing with the statement that access to finance is a significant barrier for women owned MSMEs.

Similarly, a statement on women-owned MSMEs facing challenges in accessing tailored financial products and services showed a mean of 3.86, a median of 4, mode of 4, and standard deviation of 1.06. The results indicate a skewness to the right towards strongly agreeing with the statement that women-owned MSMEs encounter challenges in accessing tailored financial products and services.

A statement on improving financial literacy programs specifically targeted at women entrepreneurs can enhance investment readiness also showed a skewness to the right with a mean of 4.21, median of 4.5, and a mode of 5 with standard deviation of 1.06. this showed that respondents agree to strongly agree that enhancing financial literacy programs for women entrepreneurs can enhance investment readiness.

On providing mentorship programs led by successful women entrepreneurs can boost the confidence of women-owned MSMEs: There was also a strong agreement shown by a mean of 4.31, a median of 5, mode of 5, and standard deviation of 1.07. The mode being 5 indicates widespread support for this idea.

A statement on offering networking opportunities specifically for women-owned MSMEs facilitating access to potential investors had results of a mean of 4.24, a median of 4, and mode of 5 with a standard deviation of 1.01. The results indicate a skewness to the right towards strongly agreeing with the statement that offering networking opportunities specifically for women-owned MSMEs facilitating access to potential investors.

Strengthening partnerships between financial institutions and women-led business associations can improve access to funding had similar results of a mean of 4.24, a median of 4, and mode of 5 with a standard deviation of 1.01. This suggests a strong agreement (mean close to 4.5) that strengthening partnerships between financial institutions and women-led business associations can significantly improve access to funding. The mode being 5 indicates widespread support for this approach.

Creating tax incentives for investors who support women-owned MSMEs can encourage investment in these businesses: Respondents agree (mean close to 4) that creating tax incentives for investors supporting women-owned MSMEs can encourage investment. The mode being 5 suggests strong support for this incentive-based strategy.

Developing gender-inclusive policies in the entrepreneurial ecosystem can foster a more supportive environment for women entrepreneurs: There is a strong agreement (mean close to 4) that developing gender-inclusive policies can foster a more supportive environment for women entrepreneurs. The mode being 5 indicates broad support for policy-driven initiatives.

Providing grants or subsidies specifically for women-owned MSMEs can stimulate investment in these businesses showed a mean of 4.21, median of 5, mode of 5, and standard deviation of 1.04. This indicates most respondents agree to strongly agreeing with the statement.

Enhancing visibility and recognition of successful women entrepreneurs can attract more investment to women-owned MSMEs: There is a strong agreement (mean close to 4.5) that enhancing visibility and recognition of successful women entrepreneurs can attract more investment. The mode being 5 indicates strong support for initiatives focusing on visibility and recognition.

Table 4.4 presents the summary of findings on ecosystem gaps.

Table 4.4 Ecosystem gaps

Statement	Mean	Median	Mode	Std. Deviation
Access to finance is a significant barrier for women-owned MSMEs in attracting investment.	3.9213	4	5	1.152
Women-owned MSMEs face challenges in accessing tailored financial products and services.	3.8596	4	4	1.06163
Improving financial literacy programs specifically targeted at women entrepreneurs can enhance investment readiness.	4.2135	4.5	5	1.05736
Providing mentorship programs led by successful women entrepreneurs can boost the confidence of women-owned MSMEs.	4.309	5	5	1.0683
Offering networking opportunities specifically for women-owned MSMEs can facilitate access to potential investors.	4.236	4	5	1.00869
Strengthening partnerships between financial institutions and women-led business associations can improve access to funding.	4.3258	5	5	1.01152
Creating tax incentives for investors who support women-owned MSMEs can encourage investment in these businesses.	4.1798	4	5	1.07422
Developing gender-inclusive policies in the entrepreneurial ecosystem can foster a more supportive environment for women entrepreneurs.	4.2135	4	5	0.99117
Providing grants or subsidies specifically for women-owned MSMEs can stimulate investment in these businesses.	4.2079	5	5	1.03964
Enhancing visibility and recognition of successful women entrepreneurs can attract more investment to women-owned MSMEs.	4.2584	5	5	1.07386

4.7. Ecosystem Strategies

The study further aimed to review what strategies can be implemented to strengthen the entrepreneurial ecosystem and support women-owned MSMEs in attracting investment. Like the previous statements on ecosystem gaps, all responses showed a mean off greater than 4, with median and modes of 4 and 5, and standard deviations of 1.00 to 1.07. Table 4.5 presents the detailed findings on the statement.

Table 4.5 Ecosystem strategies

	Mean	Median	Mode	Std. Deviation
Access to finance is a significant barrier for women-owned MSMEs in attracting investment.	3.9213	4	5	1.152
women face challenges accessing tailored financial	3.86	4.00	4	1.062

literacy programs enhance investment	4.21	4.50	5	1.057
mentorship led by women boost confidence	4.31	5.00	5	1.068
networking opportunities facilitate investors	4.24	4.00	5	1.009
Partnerships financial institutions and women improve funding	4.33	5.00	5	1.012
tax incentives encourage investment	4.18	4.00	5	1.074
gender-inclusive policies support women	4.21	4.00	5	.991
grants subsidies for women stimulate investment	4.21	5.00	5	1.040
visibility and recognition women attract investors	4.26	5.00	5	1.074

FINDINGS

Objective 1: To identify the specific barriers faced by women-owned MSMEs in Malawi in accessing formal financing, including gender biases, collateral requirements, and high-interest rates.

The finding suggests that women-owned MSMEs in Malawi face significant challenges in accessing formal financing as most respondents disagree with the ease of obtaining loans, interest rates and collateral requirements being challenging, a neutral perception of gender biases affecting loan approvals, a neutral opinion on support and guidance from financial institutions, and lack of financial literacy being widely recognized as a major barrier, with a strong agreement to the statement from respondents.

Objective 2: To evaluate the effectiveness of existing financial products and capacity-building programs aimed at improving access to finance for women-owned MSMEs

The summary of the findings indicates an overall neutral to slightly positive perception towards the effectiveness of financial products and capacity-building programs for women-owned MSMEs. The standard deviations for all questions indicate moderate variability in responses, showing that opinions vary among respondents in a slight manner. These findings suggest that while there is a general appreciation for existing financial products and capacity-building programs, there are significant areas that need improvement to better support women-owned MSMEs.

Objective 3: To assess the impact of regulatory complexities and bureaucratic procedures on the investment decisions of MSMEs in Malawi

The significant association found between perceptions of regulatory complexities and transparency highlights opportunities for policy interventions aimed at improving regulatory practices in Malawi. Addressing these issues can enhance the business environment for MSMEs, ultimately contributing to economic growth and development

Objective 4: To examine the key gaps in the entrepreneurial ecosystem that hinder the growth and competitiveness of women-owned MSMEs in Malawi.

All of the data on enhancing ecosystem gaps shows a strong consensus among respondents that various strategies suggested aimed at improving access to finance, tailored support services, financial literacy programs, mentorship, networking opportunities, policy development, incentives, grants, and visibility can significantly enhance the investment readiness of women-owned MSMEs. This was reflected in means and modes towards the higher end of the scale of 4 and 5 indicating a strong support and agreement across these strategic areas, suggesting that these are considered effective avenues for strengthening the entrepreneurial ecosystem for women entrepreneurs.

Objective 5: To develop strategies for strengthening the entrepreneurial ecosystem, including improving access to finance and business support services, to support women-owned MSMEs in attracting investment

The summary of the results indicate that all proposed strategies are agreeable to strongly agreeing that tailor made financial services for women are key, more enhanced literacy programs, women mentorship, networking opportunities, tax incentives, gender inclusive policies, and grants and subsidies, and recognition of successful women owned enterprises

CONCLUSION

This research has identified a number of critical barriers to making WMSMEs in Malawi investment-ready. It reveals that these can range from problems in access to finance and business support, to systemic gender biases. The findings bring out the need for comprehensive strategies to address these challenges effectively. The research offers significant insights into how these obstacles can be overcome to improve investment readiness by underlining specific challenges that WMSMEs have gone through. In addition, this research makes both a theoretical and practical contribution to the literature on gender and entrepreneurship by its nuanced understanding of the problems WMSMEs face, therefore offering new perspectives on the intersection of gender and business readiness. This will be important to advance theory and practice in developing interventions and strategies that would help close the gap between WMSMEs and potential investors.

Furthermore, the findings are also an important guide to financial institutions and policymakers, with actionable recommendations to better the support ecosystem for WMSMEs. In doing this, it advocates for policy reforms and financial products that shall address these gaps by bringing to the attention of these stakeholders specific needs and challenges that woman entrepreneurs face. Lastly, this guidance is very key to creating an enabling environment that is fair and supportive to women in business.

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