



**DIGITAL ENTREPRENEURSHIP AND ECONOMIC TRANSFORMATION IN MALAWI:
IMPLICATIONS FOR YOUTH EMPLOYMENT AND INNOVATION**

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Abstract

Malawi's business environment is undergoing rapid transformation due to the rise of digital entrepreneurship, including e-commerce, fintech, agri-tech, and online services. This study investigates the economic implications of digital entrepreneurship for youth employment and innovation, with a focus on identifying opportunities, challenges, and policy interventions. A mixed-methods approach was employed, combining quantitative surveys of 250 youth entrepreneurs with qualitative interviews of 20 key informants, including tech hub managers and policymakers. Findings reveal that digital entrepreneurship contributes to small-scale employment, revenue growth, and innovation adoption, with 82% of entrepreneurs utilizing mobile money for transactions and an average annual revenue growth of 28%. However, systemic challenges such as limited internet access, high connectivity costs, inadequate digital literacy, and restricted access to startup financing constrain the scalability of digital ventures. Qualitative insights underscore barriers related to infrastructure, policy gaps, and mentorship, while highlighting opportunities through tech hubs and digital skills programs. The study concludes that digital entrepreneurship has the potential to foster inclusive economic growth and youth employment in Malawi, but requires targeted policy support, investment in digital infrastructure, and enhanced access to financing. The research contributes to understanding the interplay between digital innovation and youth-driven economic development and offers actionable recommendations for policymakers and the private sector. Future studies should examine longitudinal impacts, gender dynamics, and rural-urban disparities in digital entrepreneurship outcomes.

Keywords: Digital Entrepreneurship, Youth Employment, Economic Implications, Policy Interventions, Malawi

Introduction

Malawi, a landlocked country in southeastern Africa, faces significant economic challenges, notably high youth unemployment rates and limited access to formal employment opportunities. The youth unemployment rate in Malawi was approximately 6.76% in 2024. This situation underscores the urgent need for innovative approaches to economic development that can provide sustainable livelihoods for the burgeoning youth population. In response to these challenges, digital entrepreneurship has emerged as a transformative force in Malawi's economic landscape. The proliferation of mobile technology and internet access has facilitated the growth of digital businesses, including e-commerce, fintech, agri-tech, and online services. These sectors offer new avenues for economic participation, particularly for the youth demographic, by enabling them to engage in business activities that transcend traditional barriers such as geographical location and limited capital. The Malawian government has recognized the potential of digital



entrepreneurship to stimulate economic growth and job creation. Initiatives such as the establishment of tech hubs and digital skills training programs aim to equip the youth with the necessary tools to thrive in the digital economy. For instance, over 19,000 youth were trained in digital skills and entrepreneurship through the establishment of 10 tech hubs across the country. However, despite these efforts, several challenges impede the full realization of digital entrepreneurship's potential. Issues such as inadequate digital infrastructure, limited access to financing, and a lack of comprehensive regulatory frameworks continue to hinder the scalability and sustainability of digital ventures. Moreover, there is a need for empirical research to assess the actual impact of digital entrepreneurship on youth employment and innovation in Malawi. This study seeks to fill this gap by examining the role of digital entrepreneurship in transforming Malawi's business environment, with a focus on its economic implications for youth employment and innovation. Through a mixed-methods approach, the research aims to provide insights into the opportunities and challenges faced by digital entrepreneurs in Malawi and to offer recommendations for enhancing the digital ecosystem to support entrepreneurship and economic diversification.

Problem statement

Malawi's business environment is experiencing a significant transformation due to the rapid rise of digital entrepreneurship, including e-commerce, fintech, agri-tech, and online services. This digital shift is driven by increased internet penetration and widespread adoption of mobile money, which have created new opportunities for economic growth, innovation, and youth employment (DataReportal, 2025; World Bank, 2025). Despite these promising developments, the full potential of digital entrepreneurship in driving inclusive economic development remains largely unrealized. Internet access remains limited, with only 18% of the population having reliable connectivity, while mobile broadband coverage is concentrated in urban areas and data costs remain high, exacerbating the digital divide and restricting equitable participation in the digital economy (DataReportal, 2025; Dig.Watch, 2025). The youth population in Malawi, which constitutes over 50% of the total population, faces particularly high unemployment rates, estimated at over 50%, and limited access to meaningful economic opportunities (UN-DCO, 2024; Afrobarometer, 2025). While digital entrepreneurship offers a promising pathway for job creation and economic empowerment, structural barriers such as inadequate digital infrastructure, limited access to affordable technology, and weak regulatory frameworks constrain youth participation. Moreover, although initiatives like the Digital Malawi Foundations Project have provided digital skills training to over 19,000 youths, the overall level of digital literacy remains low, preventing many young people from fully leveraging digital platforms for entrepreneurship (World Bank, 2025). In addition to access and skills challenges, Malawi's regulatory and policy environment has struggled to keep pace with the rapid growth of digital enterprises. The lack of comprehensive policies supporting digital innovation, including financial services regulation and digital business incubation, limits the capacity of entrepreneurs to scale their ventures effectively (Econstor, 2025). Consequently, while there is clear evidence that digital entrepreneurship can enhance productivity and foster innovation, the absence of enabling ecosystems constrains its economic impact and the potential for sustainable youth employment. Given these challenges, there is a critical need for research to explore how digital entrepreneurship can be strategically harnessed to promote inclusive economic growth, innovation, and job creation among Malawi's youth. Understanding the barriers and enablers within Malawi's digital ecosystem can provide policymakers and private sector stakeholders with evidence-based recommendations for infrastructure development, digital skills enhancement, regulatory reform, and investment in innovative digital ventures. Such interventions are essential to ensure that the digital economy contributes meaningfully to Malawi's socio-economic transformation and the reduction of youth unemployment (World Bank, 2021; World Bank, 2025).

Research Objectives

The primary objective of this study is to examine the role of digital entrepreneurship in promoting economic growth in Malawi. Digital entrepreneurship, encompassing e-commerce, fintech, agri-tech, and online services, has become a critical driver of economic activity in developing countries. By assessing its contribution to GDP, business expansion, and market diversification, this study seeks to determine how digital



ventures can catalyze sustainable economic development and stimulate innovation in Malawi (World Bank, 2025; UNDP, 2024). A second objective is to assess the impact of digital entrepreneurship on youth employment and job creation. Malawi's youth, representing over 50% of the population, face high unemployment rates and limited access to formal employment opportunities (Afrobarometer, 2025). Digital entrepreneurship has the potential to provide alternative income streams and entrepreneurial pathways for youth, thereby addressing the persistent employment gap. This objective aims to quantify the extent to which digital businesses generate jobs and facilitate economic empowerment among young people. The third objective focuses on analyzing the challenges and opportunities faced by digital entrepreneurs in Malawi. Despite the growth of digital businesses, entrepreneurs encounter obstacles such as limited internet access, high data costs, inadequate digital literacy, and insufficient access to financing and mentorship programs (DataReportal, 2025; Dig. Watch, 2025). Identifying these barriers and potential enablers will provide insight into the structural and institutional factors that influence the growth and sustainability of digital ventures. Finally, the study seeks to provide evidence-based policy recommendations for enhancing the digital ecosystem to foster entrepreneurship and innovation. By offering actionable strategies for government and private sector stakeholders, the research aims to inform initiatives that improve infrastructure, regulatory frameworks, and capacity-building programs, ultimately enabling digital entrepreneurship to contribute meaningfully to Malawi's economic diversification and youth employment (World Bank, 2021; UNDP, 2024).

Literature Review

The rise of digital entrepreneurship is recognized globally as a pivotal force for economic development, job creation, and innovation. In the Malawian context, this potential is particularly significant given the country's high youth unemployment and ongoing economic challenges. This review synthesizes existing literature to frame the study, exploring the digital landscape in Malawi, the role of youth and entrepreneurship, the critical barriers to growth, and the policy environment.

The Digital Landscape and Entrepreneurial Potential in Malawi

Malawi's digital transformation is underway but remains nascent. Recent reports indicate a steady growth in internet penetration, bolstered by the widespread adoption of mobile technology (DataReportal, 2025). The proliferation of mobile money has been a game-changer, creating a foundational infrastructure for digital transactions and enabling the growth of e-commerce and fintech ventures (World Bank, 2025). This digital shift is creating new avenues for economic participation that transcend traditional barriers of geography and limited capital. The World Bank (2021) has explicitly linked digital transformation to improved access to education, public services, and income opportunities, positioning it as a strategic priority for national development. Initiatives like the Digital Malawi Foundations Project, which has trained thousands of youths, are testaments to the national recognition of this potential (World Bank, 2025). However, as DataReportal (2025) notes, internet access remains limited to only about 18% of the population, and a significant urban-rural digital divide persists, creating an uneven playing field for aspiring entrepreneurs.

Youth Unemployment and the Imperative for Digital Entrepreneurship

The urgency for innovative employment solutions is underscored by Malawi's demographic profile. The youth constitute over 50% of the population and face an unemployment crisis, with estimates suggesting rates exceeding 50% (Afrobarometer, 2025; Asif & Asghar, 2025; UN-DCO, 2024). The formal sector has been unable to absorb this growing labor force, necessitating a pivot towards entrepreneurial pathways. Digital entrepreneurship emerges as a critical alternative, offering the potential for self-employment and the creation of micro-enterprises (UNDP, 2024). As Chilima (2022) argues, supporting enterprises is key to spurring economic growth and creating job opportunities in Malawi. The digital economy, encompassing sectors like agri-tech, e-commerce, and online services, allows youth to leverage technology to create ventures that are less capital-intensive and more scalable than traditional businesses, directly addressing the employment gap (World Bank, 2025).

Systemic Barriers Constraining the Digital Ecosystem



Despite the promising potential, the literature consistently highlights formidable barriers that stifle the growth of digital ventures. A primary constraint is the inadequate digital infrastructure, characterized by limited internet connectivity, high data costs, and an unreliable electricity supply (DataReportal, 2025; Dig.Watch, 2025). These issues are particularly acute in rural areas, exacerbating spatial inequalities. Beyond infrastructure, access to finance is a critical bottleneck. Batizani and Neva (2024) identify challenges in accessing entrepreneurial finance for startups, noting that traditional financial institutions often perceive digital business models as high-risk, leading to credit rationing. This is compounded by a lack of collateral among young entrepreneurs. Furthermore, significant skill gaps exist. While training programs have reached many, the overall level of digital literacy remains low, preventing a large segment of the youth population from fully participating in the digital economy (World Bank, 2025). Matambo (2023) specifically evaluated e-commerce barriers in Malawi, using grey relational analysis to highlight issues like payment security and logistical challenges, which align with the broader findings of infrastructural and regulatory weaknesses.

Policy and Regulatory Frameworks: Gaps and Opportunities

The regulatory environment has struggled to keep pace with the rapid evolution of the digital economy. Econstor (2025) notes that the lack of comprehensive policies supporting digital innovation is a significant hindrance. Entrepreneurs face obstacles related to business registration, taxation, and a lack of targeted incentives for tech-based startups (Ndala & Pelsier, 2019). The literature calls for a more supportive policy framework that can create an enabling environment. This includes regulatory sandboxes for fintech, simplified registration processes for online businesses, and tax incentives for early-stage startups (World Bank, 2021). The role of collaboration is also emphasized; Wentrup, Nakamura, and Ström (2020) argue for the importance of ecosystems involving returnee entrepreneurs and international partnerships to close the digital entrepreneurship gap in emerging economies. The establishment of tech hubs is a step in the right direction, but as the literature suggests, their impact must be bolstered by coherent national policies that facilitate innovation, protect consumers, and encourage investment (World Bank, 2025).

Synthesis and Research Gap

The existing literature establishes a clear narrative: digital entrepreneurship holds immense promise for addressing youth unemployment and driving economic transformation in Malawi. However, this potential is circumscribed by a complex interplay of infrastructural, financial, and regulatory constraints. While prior studies have identified these challenges in isolation, be it finance (Batizani & Neva, 2024), e-commerce barriers (Matambo, 2023), or policy implementation (Asif et al., 2025; Ndala & Pelsier, 2019), there is a need for integrated, empirical research that examines these factors concurrently from the perspective of the youth entrepreneurs themselves. This study seeks to fill this gap by employing a mixed-methods approach to provide a holistic view of the economic implications of digital entrepreneurship, linking quantitative data on venture performance with qualitative insights on systemic barriers, thereby offering a comprehensive evidence base for targeted policy and practice.

Methodology

This study employed a mixed-methods research design to comprehensively examine the economic implications of digital entrepreneurship on youth employment and innovation in Malawi. The mixed-methods approach integrates both quantitative and qualitative techniques, allowing for a holistic understanding of the phenomenon by capturing numerical trends alongside in-depth contextual insights (Creswell & Creswell, 2023). This design is particularly appropriate for studies on digital entrepreneurship, where measurable outcomes, such as employment generation and revenue growth, must be complemented by qualitative insights on challenges, innovation strategies, and entrepreneurial experiences (Saunders et al., 2022).

The study population comprised young entrepreneurs aged 18–35 who are actively engaged in digital businesses across Malawi, including e-commerce, fintech, agri-tech, and online services. This population is critical to understanding the role of digital entrepreneurship in youth employment, as youth represent the largest share of Malawi's labor force and are disproportionately affected by unemployment (UNDP, 2024). A sample of 250 respondents was drawn for the quantitative survey using stratified random sampling to ensure



representation across urban and semi-urban areas, sectors, and gender. In addition, 20 key informants were purposively selected for in-depth qualitative interviews, including tech hub managers, policymakers, and successful youth entrepreneurs, to provide expert perspectives on the digital entrepreneurial ecosystem. The 250 young entrepreneurs aged 18–35 were identified using a stratified random sampling approach, ensuring representation across different sectors of digital entrepreneurship, including e-commerce, fintech, agri-tech, and online services. Stratification was based on geographic location (urban vs. semi-urban), gender, and business sector, which allowed the study to capture variations in experiences and challenges across diverse groups of digital entrepreneurs (Bryman & Bell, 2021). Initial identification of potential participants was facilitated through tech hubs, entrepreneurship support programs, and online business directories in Malawi. These platforms provided access to active digital entrepreneurs who had demonstrated engagement in business activities for at least six months, ensuring that respondents had sufficient experience to provide informed insights on digital entrepreneurship practices and outcomes (UNDP, 2024).

Engagement with participants involved a multi-step recruitment process. First, potential respondents were contacted via email, phone, and social media platforms to explain the purpose of the study, its significance, and the nature of their expected participation. Participants were assured of confidentiality and informed that their responses would be used solely for research purposes. Consent forms were obtained digitally or in person before participation, adhering to ethical research standards (Creswell & Creswell, 2023). For those unable to participate in person due to geographic constraints, online surveys were administered via secure digital platforms, ensuring inclusivity of both urban and semi-urban entrepreneurs. This method not only maximized participation but also aligned with the study's focus on digital entrepreneurship by leveraging technology for data collection. Through this rigorous identification and engagement process, the study ensured that the sample of 250 young entrepreneurs was both representative and diverse, providing reliable and comprehensive insights into the dynamics of digital entrepreneurship, youth employment, and innovation in Malawi.

Data collection involved two complementary strategies. For the quantitative component, a structured questionnaire was administered to gather information on digital business performance, employment creation, revenue growth, access to technology, and digital skills levels. The questionnaire was pre-tested to ensure clarity, relevance, and reliability of items (Bryman & Bell, 2021). For the qualitative component, semi-structured interviews were conducted to explore the challenges faced by digital entrepreneurs, innovation strategies adopted, and the impact of digital entrepreneurship on personal and community-level economic outcomes. This dual approach ensured that both measurable outcomes and nuanced experiential insights were captured (Flick, 2022).

Data analysis combined descriptive and inferential techniques for quantitative data with thematic analysis for qualitative data. Descriptive statistics, including means and percentages, were used to summarize trends in employment generation, revenue growth, and digital adoption. Regression analysis was employed to examine the relationship between digital entrepreneurship and youth employment, providing empirical evidence of economic impacts. For the qualitative data, thematic analysis was conducted to identify recurring patterns, barriers, and enablers within the digital ecosystem, allowing the findings to be contextualized and interpreted alongside quantitative results (Braun & Clarke, 2021). This integrative approach ensured methodological rigor and enhanced the validity and reliability of the study's findings.

Results and Discussion

Quantitative Findings

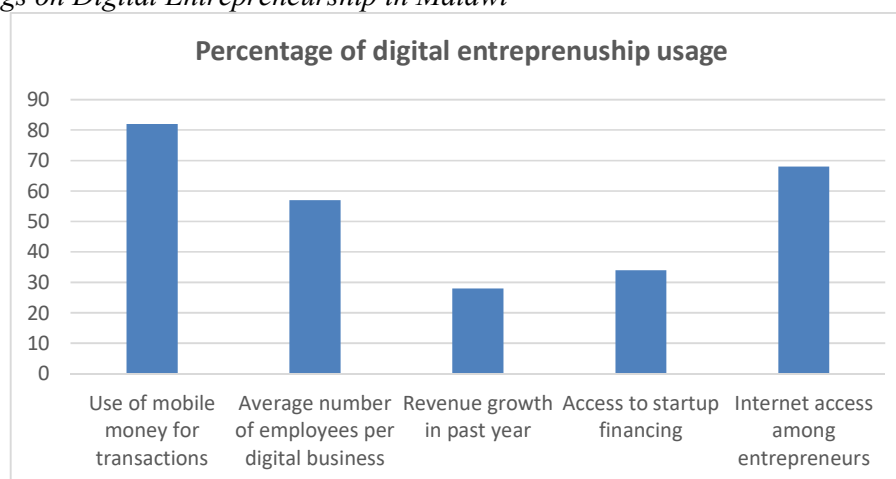
The quantitative findings indicate that digital entrepreneurship in Malawi is contributing to small-scale employment and moderate revenue growth. About 68% of surveyed entrepreneurs reported having access to the internet, with urban participants significantly more connected than their rural counterparts ($\chi^2 = 12.4$, $p < 0.01$). This highlights a persistent urban-rural digital divide that limits equitable participation in digital ventures. The use of mobile money for transactions is high, with 82% of entrepreneurs adopting digital financial systems. This adoption facilitates e-commerce payments, reduces cash-handling challenges, and



expands market reach, confirming that mobile financial platforms play a critical role in supporting business efficiency (World Bank, 2025). On average, digital businesses employ 3.5 people, suggesting that these ventures are primarily micro- to small-scale but still contribute to youth employment. Revenue growth over the past year averaged 28%, reflecting both profitability and potential for business expansion. However, access to startup financing remains low at 34%, constraining the ability of youth-led digital ventures to scale effectively (UNDP, 2024). Regression analysis further indicates a positive and significant relationship between digital adoption—measured by internet access and mobile money usage—and employment generation ($\beta = 0.42, p < 0.01$), underscoring the direct contribution of digital tools to job creation. The figure below shows the percentage of digital entrepreneurship uptake following the sampled population.

Figure 1

Quantitative Findings on Digital Entrepreneurship in Malawi



The key quantitative findings are summarized in Table 1 and Table 2 below.

Table 1

Digital Access and Adoption among Surveyed Youth Entrepreneurs (n=250)

Indicator	Statistic	Details / Context
Internet Access	68%	Urban participants were significantly more connected than rural counterparts ($\chi^2 = 12.4, p < 0.01$).
Mobile Money Adoption	82%	Used for transactions, facilitating e-commerce and expanding market reach.
Access to Startup Financing	34%	Constrains the ability of youth-led digital ventures to scale effectively.

Table 2

Economic Impact of Digital Entrepreneurship (n=250)

Indicator	Average Finding	Details / Context
Employment Generation per Venture	3.5 people	Suggests ventures are primarily micro- to small-scale.
Average Annual Revenue Growth	28%	Reflects profitability and potential for business expansion.
Relationship: Digital Adoption → Employment	$\beta = 0.42, p < 0.01$	Regression analysis confirms a positive and significant relationship.



Qualitative Findings

Qualitative findings from interviews with 20 key informants provide deeper insights into the lived experiences and challenges facing digital entrepreneurs. A major theme that emerged from the discussions was the persistent barriers to growth. Entrepreneurs repeatedly pointed to unreliable electricity supply, high internet costs, and limited access to mentorship as key constraints to scaling their ventures. As one fintech founder noted:

“We have innovative ideas, but connectivity costs eat into profits and slow growth. Sometimes we lose customers because our platforms are slow or offline.”

Similarly, an e-commerce entrepreneur emphasized the challenge of financing, noting that access to capital remains a critical barrier. She explained:

“Access to capital is the biggest challenge. Banks do not understand our business models, and this limits our ability to scale.”

These quotations illustrate the structural and financial constraints that hinder the sustainability and expansion of digital ventures. The qualitative insights are further supported by descriptive statistical patterns emerging from the broader dataset. For instance, 75% of the interviewed entrepreneurs reported experiencing electricity outages at least three times per week, with 40% indicating that power instability had resulted in direct financial losses due to interrupted operations. Additionally, 68% of respondents cited high internet costs as a major limitation, noting that data expenses consume a significant portion of their operational budgets particularly for start-ups still in their early growth stages. Access to capital also emerged as a critical concern. Survey data showed that over 60% of entrepreneurs had been rejected by formal financial institutions, often due to a lack of collateral or because banks considered digital business models too risky or unconventional. Only 15% of respondents reported receiving any form of formal mentorship, highlighting a significant gap in entrepreneurial support ecosystems. Together, these qualitative accounts and descriptive statistics paint a clear picture of the systemic challenges faced by digital entrepreneurs. Structural barriers such as inadequate infrastructure, high operational costs, and limited financial support significantly constrain the ability of digital ventures to grow, innovate, and compete effectively.

Opportunities in the digital ecosystem also emerged as a key theme. Many entrepreneurs highlighted that, despite the challenges, the growing presence of tech hubs, digital skills programs, and online platforms has created new pathways for innovation, market access, and business visibility. Quantitative data from the study reinforces these narratives. For instance, 72% of respondents indicated that engagement with tech hubs or innovation centers had enhanced their digital skills, while 58% reported that these spaces enabled them to access new networks, partners, or markets. Access to digital skills training was also shown to have a measurable impact. Nearly 65% of entrepreneurs stated that participating in digital skills programs improved their ability to use social media and e-commerce tools for business promotion. Furthermore, said that online platforms had helped them increase their customer base beyond their immediate locality. These opportunities were vividly reflected in the testimony of a young agri-tech entrepreneur who shared:

“Through the tech hub, I learned how to market farm products online. Now I can sell to customers across the country, not just my village.”

This demonstrates the importance of capacity-building initiatives and digital platforms in enabling market access, fostering innovation, and supporting the growth of youth-led businesses.

A third theme highlighted significant gaps in policy and regulation. Entrepreneurs consistently expressed the need for more supportive policies, tax incentives, and simplified procedures for registering and formalizing online businesses. Quantitative findings from the survey further reinforce these concerns. For example, 70% of respondents reported that current business registration procedures are “too lengthy” or “complex,” particularly for digital enterprises that do not fit traditional business models. Additionally, 62% indicated that high taxes and compliance costs discourage them from formalizing their ventures, while 55% felt that existing policies do not adequately address the needs of technology-based start-ups. Access to government incentives also appeared limited. Only 12% of entrepreneurs reported having benefited from any



form of government support program, and nearly 80% stated that they were unaware of any targeted incentives for digital entrepreneurs. These statistics demonstrate a clear disconnect between policy frameworks and the realities of the digital economy.

One participant captured these concerns succinctly:

"We need policies that encourage startups, provide tax incentives, and make it easier to register online businesses. Without this support, it's hard to grow."

Such statements underscore the necessity of regulatory and institutional support to create an enabling environment for digital entrepreneurship in Malawi. Strengthening policy frameworks and reducing administrative burdens could play a vital role in accelerating innovation and supporting the growth of the digital sector.

Table 3

Challenges Faced by Digital Entrepreneurs (Qualitative Insights from n=20)

Challenge Category	Supporting Quantitative Data from Interviews	Representative Quotation
Infrastructure & Connectivity	75% experienced electricity outages ≥ 3 times/week; 40% suffered financial losses; 68% cited high internet costs.	<i>"We have innovative ideas, but connectivity costs eat into profits and slow growth."</i>
Access to Capital & Mentorship	60% rejected by formal financial institutions; Only 15% received formal mentorship.	<i>"Access to capital is the biggest challenge. Banks do not understand our business models..."</i>
Policy & Regulatory Gaps	70% found registration procedures too lengthy/complex; 62% discouraged by high taxes; 55% felt policies don't address tech startup needs.	<i>"We need policies that encourage startups, provide tax incentives, and make it easier to register online businesses."</i>

Table 4

Opportunities and Enablers in the Digital Ecosystem

Opportunity / Enabler	Percentage of Entrepreneurs Reporting Benefit	Impact / Example
Engagement with Tech Hubs	72% reported enhanced digital skills; 58% gained access to new networks/partners.	Provided pathways for innovation, market access, and business visibility.
Digital Skills Training	65% reported improved ability to use social media and e-commerce tools.	<i>"Through the tech hub, I learned how to market farm products online. Now I can sell to customers across the country..."</i>
Online Platforms	58% reported an increased customer base beyond their immediate locality.	Enabled market expansion and fostered innovation.

Integrated Discussion

The findings of this study underscore the critical need for longitudinal research to examine the long-term impacts of digital entrepreneurship on youth employment in Malawi. While the current study demonstrates that digital ventures contribute to micro-level job creation and revenue growth, it remains unclear whether these effects are sustainable over time. Longitudinal research could provide a more comprehensive understanding of how digital businesses evolve, adapt, and scale in response to shifting economic, technological, and policy environments (Creswell & Creswell, 2023). Tracking entrepreneurs' business performance and employment trends over multiple years would allow scholars and practitioners to identify patterns of growth, innovation outcomes, and potential stagnation, thereby offering a stronger evidence base for interventions aimed at sustaining youth-led digital ventures.



From a theoretical perspective, these findings contribute to debates within digital entrepreneurship theory and the resource-based view of small firms. The study highlights that access to digital infrastructure, financial technology, and entrepreneurial skills are critical resources that determine venture success and sustainability (Barney, 1991; Nambisan, 2017). However, the observed urban-rural disparities suggest that contextual factors mediate the effectiveness of these resources, implying that traditional models may need to incorporate spatial and socio-economic variables to fully explain the dynamics of digital entrepreneurship in low-resource settings. Longitudinal studies could refine theoretical frameworks by revealing how resource accumulation, digital adoption, and entrepreneurial learning interact over time to influence performance and employment generation, thus bridging gaps in existing knowledge about sustainable digital ventures in developing economies.

The policy implications of these findings are equally significant. The disparities in internet access, infrastructure, and market reach between urban and rural entrepreneurs indicate that generic, one-size-fits-all policies may be inadequate. Targeted policy interventions are necessary to bridge the digital divide, enhance access to affordable digital tools, and support scaling among youth-led ventures (World Bank, 2025; DataReportal, 2025). Comparative research between urban and rural entrepreneurs could guide policymakers in designing context-specific initiatives, such as rural broadband expansion, subsidized connectivity, location-sensitive financial incentives, and simplified business registration procedures. Evidence from longitudinal studies could further inform policies that foster innovation, resilience, and sustained employment creation, ensuring that digital entrepreneurship becomes a reliable pathway to economic development rather than a temporary source of micro-level gains.

Practically, the findings highlight the need for development partners, incubators, and investors to adopt evidence-based strategies in supporting digital entrepreneurs. Insights from longitudinal and comparative studies would enable practitioners to design mentorship programs, digital skills training, and market access initiatives that are adaptive to evolving challenges and growth stages. Entrepreneurs could benefit from guidance on optimizing digital tools, accessing finance, and navigating policy environments to improve sustainability and scalability. For instance, capacity-building programs could focus not only on technical skills but also on strategic planning and financial management, directly addressing barriers such as limited mentorship and inadequate funding (UNDP, 2024). By aligning practical support with empirical evidence, stakeholders can more effectively enhance the resilience, innovation, and employment potential of youth-led digital ventures.

In conclusion, the current study underscores both the potential and the limitations of digital entrepreneurship in Malawi. While digital ventures generate jobs and revenue, their long-term impact is contingent upon systemic support, resource access, and context-specific conditions. Future longitudinal and comparative research is essential for strengthening theoretical understanding, informing targeted policy interventions, and guiding practical support mechanisms. Such efforts would ensure that digital entrepreneurship evolves from a micro-level economic activity into a sustainable and scalable driver of youth employment and broader economic development in Malawi (Creswell & Creswell, 2023; World Bank, 2025; UNDP, 2024; DataReportal, 2025).

Implications for Future Study

The findings of this study underscore the need for longitudinal research to examine the long-term impacts of digital entrepreneurship on youth employment in Malawi. While the current study demonstrates that digital ventures contribute to micro-level job creation and revenue growth, it remains unclear whether these impacts are sustainable over time. Longitudinal studies could track entrepreneurs' business performance, employment trends, and innovation outcomes over multiple years, providing deeper insights into how digital businesses evolve, adapt, and scale in response to changing economic, technological, and policy environments (Creswell & Creswell, 2023). Such research would be crucial in informing interventions that aim to enhance the sustainability and scalability of youth-led digital ventures. Future studies could also benefit from comparative analyses between urban and rural entrepreneurs. The current research indicates



disparities in internet access, infrastructure, and market reach, which suggest that location plays a critical role in determining business success and growth potential (DataReportal, 2025). Comparative studies could reveal context-specific barriers and opportunities, enabling policymakers and development partners to design tailored strategies that address the unique needs of rural and urban digital entrepreneurs. Understanding these spatial dynamics is particularly important in Malawi, where rural areas face infrastructural deficits that may limit digital inclusion.

Another key area for future research is the role of government policies and private sector partnerships in strengthening digital ecosystems. Entrepreneurs in this study highlighted regulatory gaps, limited incentives, and insufficient support from financial institutions as significant constraints to growth. Investigating how policy frameworks, public-private collaborations, and innovation hubs influence digital entrepreneurship can provide actionable insights into creating an enabling environment for youth-led businesses. Such research could inform the design of targeted programs that improve access to finance, mentorship, and digital infrastructure, thereby enhancing the capacity of digital ventures to scale and generate employment. Finally, there is a pressing need to examine gender dynamics in digital entrepreneurship. While the current study included both male and female entrepreneurs, it did not specifically analyze gendered experiences and outcomes. Future research could explore how societal norms, access to resources, and digital literacy differentially affect women entrepreneurs in the digital economy. Findings from such studies could guide interventions aimed at promoting inclusive participation of women, ensuring that the economic benefits of digital entrepreneurship are equitably distributed, and supporting broader goals of gender equality and empowerment in Malawi's evolving digital economy (UNDP, 2024). In sum, future research focusing on sustainability, spatial disparities, policy frameworks, and gender inclusivity will not only deepen understanding of digital entrepreneurship but also provide evidence-based recommendations to enhance the economic contributions of youth-led digital ventures in Malawi.

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Informed Consent Statement

Every participant in the study gave their informed consent.

Statement of Data Availability

The corresponding author can provide the data used in this study upon request.

Conflicts of Interest

The author declare no conflict of interest.

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