



Sveriges lantbruksuniversitet
Swedish University of Agricultural Sciences

Faculty of Natural Resources and
Agricultural Sciences

The Role of Social networks in Supporting Micro and Small Entrepreneurship in Malawi

James C. Kumdana



Master's Thesis • 30 HEC

Rural Development and Natural Resource Management - Master's Programme

Department of Urban and Rural Development

Uppsala 2020

The Role of Social networks in Supporting Micro and Small Entrepreneurship in Malawi

James C. Kumdana

Supervisor: Associate Professor Linley Chiwona-Karlton, Swedish University of Agricultural Sciences, Department of Urban and Rural Development

Assistant Supervisor: Josep Nagoli, PHD, World Fish

Examiner: Mohamed Semkunde, Swedish University of Agricultural Sciences, Department of Urban and Rural Development

Assistant Examiner: Harry Fischer, PHD, Swedish University of Agricultural Sciences, Department of Urban and Rural Development

Credits: 30 HEC

Level: Second cycle, A2E

Course title: Master thesis in Rural Development

Course code: EX0889

Course coordinating department: Department of Urban and Rural Development

Programme/education: Rural Development and Natural Resource Management – Master's Programme

Place of publication: Uppsala

Year of publication: 2020

Cover picture: A sugar cane seller going to the city for business early in the morning. Showcasing some of the enterprises rural youths are engaged in. Source: Kondwani Jere

Copyright: All featured images are used with permission from copyright owner.

Online publication: <https://stud.epsilon.slu.se>

Keywords: Social Networks, Entrepreneurship, Bank Nkhonde, Social Capital, Youth, Kinship networks

Sveriges lantbruksuniversitet
Swedish University of Agricultural Sciences

Faculty of Natural Resources and Agricultural Sciences
Department of Urban and Rural Development

Abstract

In rural Malawi, the youth do not have access to credit and adequate entrepreneurship training. Despite alienation from Microfinance institutions, there are many Micro and Small Enterprises operating in the rural informal sector. This study was undertaken to understand how these entrepreneurs acquire the resources to engage in micro and small enterprises. To investigate the role that social networks play in providing the necessary inspiration, skills and resources for rural young people to participate in entrepreneurship. Using semi-structured interviews, group discussions, focus group discussions, and key informant interviews to collect field data in Mpemba, Blantyre District, Southern Region of Malawi. Social networks are responsible for socialising young people to desire entrepreneurship by transferring the necessary skills, social capital and resources. Bank Nkhonde and church membership; are the social groups that develop social networks which are important in mentoring the youth for investments. The cultural context has enabled social networks to be relevant as the transactions involved in the networks are backed by cultural obligations and expectations. Women were found to be limited in the enterprises they pursue due to cultural expectations and sharing of responsibilities while men were likely to migrate. Social networks act as a safety net in times of illnesses, funerals and dire need for communities.

Keywords: Social Networks, Entrepreneurship, Bank Nkhonde, Social Capital, Youth, Kinship networks

Acknowledgements

I am indebted to the participants of this study for allowing me to discuss and interview them. I appreciate the support by the group village headman and other community members, who guided me, introduced me to persons of interest and travelled with me, Zikomo Kwambiri.

To my supervisor and my mentor, Associate professor Linley Chiwona-Karlton, you have been supportive throughout my time in Sweden beyond the classroom. Thank you for all the life lessons and this thesis would not be possible without your guidance, encouragement and insights all the way.

Dr Joseph Nagoli, thank you for assisting me with my research, your availability and insights have shaped it into what it is today. A special thanks should go to Associate Professor Ildiko Asztalos Morell, thank you for sharing your work with me which inspired me to choose the subject of study. I appreciate your efforts and feedback on my work.

To my parents, you have been my pillar of support in my life journey. Dad, you have been the shoulders I have stood on. Thank you for being my research assistant and sponsor throughout this study. Mum, you were always there to pray and encourage me. Yami and Sunge, you are the best support system a brother could have. Joel, thank you for your support and encouragement throughout my journey.

Kruger & Rodney, you provided me with the orientation, tour and information I needed for life in Sweden, I am very grateful. Chido, thank you for your support and long hours spent proofreading my work during my studies.

I want to appreciate the Swedish Institute for awarding me the scholarship to pursue my master's degree. Indeed this research would not have materialised if not for that opportunity.

Table of contents

Acknowledgements	2
List of tables	5
List of figures	6
Abbreviations	7
1 Introduction	8
1.1 Problem Statement	11
1.2 Research Objectives	11
1.3 Research Questions	11
1.4 Thesis Outline	12
2 Thematic Background	13
2.1 Youth and entrepreneurship in Malawi	15
2.2 Financial Challenge	17
2.3 Social networks in Malawi	19
2.3.1 Malawi Government Efforts for Enterprise Development	22
3 Theoretical Approaches	24
3.1 Social Capital	24
3.1.1 Bridging and Bonding Social Capital	25
3.2 Trust and Reciprocity	26
4 Methodology	28
4.1 Research Design	31
4.1.1 Study Site	31
4.1.2 Participants Sampling	33
4.1.3 Methods and Field Experience	34
4.1.4 Analysis	36
4.1.5 Ethics	37
4.1.6 Reflexivity	37
4.1.7 Limitations	39
4.1.8 Validity	39

5	Empirical Findings	41
5.1	Informal Social groups that develop social networks	43
5.1.1	Bank Nkhonde	43
5.1.2	Bulk shopping for discounts	45
5.1.3	Social Welfare	45
5.1.4	Church Membership	46
5.1.5	Kinship Networks	46
5.2	Income Generation through Social Networks	47
5.2.1	Ganyu	47
5.2.2	Katapila	48
5.2.3	Chipereganyu	48
5.3	Collaboration and Skill sharing through Social Networks	49
5.4	Social Networks as safety nets	51
6	Discussion	52
6.1	Skill sharing through Social networks	53
6.2	Financial Income through social networks	54
6.3	The importance of social capital in rural entrepreneurial outcomes	57
6.4	The Role of Informal Social groups in developing social networks	61
6.5	Upbringing Influences tendency for entrepreneurship	62
6.6	Impact of cultural context on entrepreneurship in Mpemba	64
7	Conclusion	66
7.1	Summary of key findings	67
7.2	Recommendation for further studies	69
	References	70

List of tables

Table 1. Interest rates of popular banks in Malawi	18
Table 2. Characteristics of participants in the study.	36
Table 3. Details of Participants of the Research Study	41
Table 4. Participants education level and monthly enterprise tum over	42

List of figures

Figure 1	Map of Malawi, showing districts and neighbouring countries	14
<i>Figure 2.</i>	Map of Blantyre showing Mpemba	32
<i>Figure 3.</i>	Pie chart illustrating type of enterprises represented the study	42
<i>Figure 4.</i>	A picture of Chigwirizano Bank Nkhonde Constitution	44

Abbreviations

GDP	Gross Domestic Product
GoM	Government of Malawi
MEDF	Malawi Enterprise Development Fund
MSE	Micro and Small Enterprise
MWK	Malawi Kwacha
NGO	Non- Governmental Organisation
TRADE	Transforming Agriculture through Diversification and Entrepreneurship
VSL	Village Savings and Loan
USD	United States Dollar

1 Introduction

Much has been written about social networks, their role in economic development, famine, conflict resolution and even entrepreneurship (Jenssen 2001; Kebede 2018; Kristiansen 2019; Nagoli & Chiwona-Karltun 2017). Berrou & Combarous (2011) highlighted the importance of social networks in structuring economic activities, especially in Africa, due to institutional failure. Having the assumption that social networks are essential through resources such as information, emotional support, skills and financial capital (Jenssen 2001; Kuada 2009). Unanimously, the world bank and other development agencies agree that social networks are the tools needed for development; this is exemplified by the promotion of Micro-financing institutions to provide credit to the poor through informal self-regulating groups (Rankin 2011). A social network consists of formal and informal relationships between an individual and other individuals in a circle of acquaintances (Kristiansen 2019). Social networks are primarily informal; personal and can raise the social capital of an individual outside the direct business transactions (Kristiansen 2019). It is the product of investment strategies aimed at establishing relationships that can be used in the short or long term (Svendson et al. 2016). Thus, social networks are the personal relationships that are built when people interact in families, communities, at their workplaces, at church and a range of other meeting places (ISN Special Issue 2006; Kebede 2018). Social networks in this study are defined as the myriad of social and personal relationships that occur between people such as family ties, personal relationships accumulated over time and any other informal grouping that might arise from these (Jenssen 2001).

The contributions of social networks to entrepreneurship in Africa has rarely been investigated due to insufficient relevant data in most African countries(Kebede 2018). Jenssen (2001) states that entrepreneurship is socially embedded in networks of lasting relationships. Social networks are channels through which entrepreneurs get access to resources for business start-up, growth, and success (Ibid). Johannisson (1988) in Jenssen (2001) argues his case by stating that an entrepreneur is synonymous with social networks and is only as good as their social networks.

Entrepreneurship is a popular concept that has several definitions depending on the emphasis of the study. The term entrepreneurship covers the creation of enterprises, innovations and management of small enterprises(Jenssen 2001). Mwatsika (2017) describes entrepreneurship as the act of creating and developing an economic profiting activity through innovation and exploiting opportunities. The meaning of this term has been extended to include it as a way of thinking that is opportunity obsessed and the creation of a new business(Kew *et al.* 2017). Interestingly, Martin and Osberg (2007) describe the word entrepreneurship as a “mixed blessing” lamenting on the difficulties of defining it because it requires some time for an individual’s efforts to be successful enough to be considered as entrepreneurship. They define entrepreneurship as “*innate ability to sense and act on opportunity, combining out-of-the-box thinking with a unique brand of determination to create or bring about something new to the world*”(Martin & Osberg 2007).

As much as I agree with the definition, my view is something being new to the world is not what qualifies as entrepreneurship. However, the concept includes developing new things as well as the old. Surprisingly, Schumpeter, as cited by Kew *et al.* (2017) agrees with this view by expressing that the term entrepreneurship includes doing new things and old things in a new way. Not all entrepreneurship has profit as the primary goal; social entrepreneurship is about creating value that will serve the community as a philanthropist, many times at the expense of making a profit (Martin & Osberg 2007). Schölin *et al.* (2016) argue that the concept entrepreneurship is different from self-employment because entrepreneurship focuses on innovation, opportunistic thinking and action while self-employment emphasizes on profitability.

According to Kew *et al.* (2017), the word “entrepreneur” is a French word which has come to mean someone who undertakes a venture.

In this thesis, I use the term entrepreneur according to the definition of Mwatsika (2017) and Martin & Osberg (2007) to reflect the profit nature of the relationships on focus. The individual who develops and creates an economic profiting activity through out-of-the-box thinking and determination is known as an entrepreneur. The created economic profiting activity is labelled as an enterprise or business; however, for this study to align with literature, we use the term enterprise.

The study explores how social networks promote the start-up of micro and small enterprises in, a low-income country of Malawi; where many challenges for venturing into enterprises have been documented such as lack of finance, no access to credit, lack of skills training and shortage of land (De Gobbi 2014; Mwatsika 2017). Recently, a report highlighted the importance of social networks by stating that; “*Also, OECD recognizes that rural youth entrepreneurs in Malawi have low education levels and acquire business skills informally (80.3%), either by being self-taught (43.9%) or through family members (36.5%)*”(IFAD 2019b, P.10). The 80.3% of skills are learned informally through social networks one has been exposed to; this further emphasizes the need to conduct this kind of research.

There are different kinds of enterprises, but the focus of this paper is on Micro and Small Enterprises (MSE) in Malawi. According to the Danish Trade Union Development Agency (2019), 87% of the non-farm enterprises in Malawi are sole traders signifying a huge number of small enterprises. The Malawi Government (1999, cited in Chirwa 2008) defines micro-enterprises as those businesses that employ between one to four people and have a maximum turnover of 120 thousand Malawi Kwacha (MWK). While Small enterprises are any businesses that employ between six to twenty persons and have a turnover of 120 thousand MWK to a maximum of 4 million MWK (Ibid). In Malawi, MSEs play an important role in economic development; in 1992, it was estimated that 1.07 million self-employment and employment opportunities were created by MSEs (Chirwa 2008).

1.1 Problem Statement

The purpose of this study is to understand how social networks contribute to the entrepreneurial process of young micro and small entrepreneurs in rural Malawi. It is a phenomenological understanding of how entrepreneurs utilise kinship and friendship social networks to develop enterprises in Mpemba without access to financial capital from finance institutions.

1.2 Research Objectives

- To elucidate how rural micro and small entrepreneurs develop their enterprises in Malawi
- To characterise the influence family and friends have on the young people's choice to pursue entrepreneurship.
- To analyse the effect of social networks on entrepreneurial outcomes

1.3 Research Questions

This study is expected to answer the following questions:

1. How do rural micro and small entrepreneurs access resources for enterprise development in Malawi?
2. What is the importance of social networks in transmitting the intention for youth to be engaged in entrepreneurship?
3. What is the contribution of social networks to entrepreneurial outcomes in Malawi?

1.4 Thesis Outline

This paper contains seven chapters structured as follows: chapter one is the introduction. The second chapter presents the thematic background to the problem being investigated as well as research questions and objectives. The third chapter includes the theoretical concepts to be applied while chapter four covers methodology. Lastly, chapter 5 presents the empirical findings followed by a discussion section in chapter 6 and ends with a conclusion in chapter seven.

2 Thematic Background

Malawi is a landlocked country in Southern Africa, with a population of approximately 17.6 million (NSO 2018). According to the 2018 census, 84% of the population live in rural areas, and their livelihood is in agriculture (Ibid). Approximately 70% of the population live below the poverty line, a figure which has dropped down from 74% reported in 2004/2005 (IFAD 2019b). The population boasts of more than half being youth, approximately 13 million (NSO 2018). The Malawi National Youth Policy (2013) defines a youthful person as any male or female aged 10 to 35 years irrespective of race, culture, economic, sex, education, marital and physical status. Malawi has a young age structure, with 44% of its population consisting of persons under the age of 15 and 34% between 15 and 34 years of age (Baulch *et al.* 2019). There is an unemployment rate estimated at 15.2% for the youth (IFAD 2019b). These statistics illustrate that there could be a crisis if the youth do not participate in productive labour.

The total contribution of agriculture to the Malawian Gross Domestic Product (GDP) as of 2017 is at 30% and supports the majority of the livelihoods (IFAD 2019b). Agriculture has maintained its position as the largest employer of formal and informal jobs estimated at 77% of the total employment (Ibid). Climate change has affected rainfall patterns, and Malawi, which relies on rain-fed agriculture has been affected (Nagoli *et al.* 2017). As a result of the country's diminishing farm yields diversifying rural livelihoods is the way to reduce poverty.

The assets include natural capital, physical capital, human capital, financial capital and social capital. This study would like to support livelihood diversification by studying the circumstances that enable an individual to pursue off-farm entrepreneurship. Although described as off-farm or non-farm, many of these activities are linked to agriculture such as restaurants, traditional regalia making (from animal skin), basket weaving, transportation etc. (Nagler & Naudé 2014).

Studies show that rural households derive within 30% and 50% of their income from non-farm sources in Sub-Saharan Africa (Ellis 2000; Wiggings & Hazell 2011). The Danish Trade Union Development Agency (2019) found that 89% of all employed persons in Malawi are engaged in informal employment which is characterised by low income and not properly regulated. However, the labour market in Malawi discriminates against women as 90% of all employed women operate in the rural informal sector, with the rest getting low paying jobs in the formal sector (Danish Trade Union Development Agency 2019). If there are no policies target developing the rural informal economy, 89% of Malawi's labour force will be ignored. The growth of the rural non-farm economy can contribute to economic growth and poverty reduction by multiplying and spreading the growth from the agricultural sector and also linking the rural and the urban areas (Wiggings & Hazell 2011). The most common type of informal enterprises found in Malawi is carpentry with making up 41%, welding 22% and mechanics at 19% (Danish Trade Union Development Agency 2019). Self-employment contributes to 55% of total employment and women tend to make up a huge proportion than men in this category (Ibid).

2.1 Youth and entrepreneurship in Malawi

For a low-income country where the need for development is widely accepted, there are some problems faced in income creating activities. 83% of the labour market participants have a skill mismatch due to under-education among the age group of 15-29, therefore cannot support the labour demands in Malawi (Danish Trade Union Development Agency 2019). The public sector has the role of absorbing educated youth, but, with a huge proportion of the youth not finishing secondary school (12 years of schooling) which makes them ineligible for most jobs hence the mismatch.

The formal sector in Malawi contributes about 7.2% of the total labour force as of 2008, with the public sector making a lion share of 3.6% while private businesses 2.5% and estates 1.1% of the formal sector (Ibid). The integrated household survey shows that 20% of households in Malawi operate as non-farm enterprises and 17% of the rural households engage in small economic activities (ibid). Growth in salaried employment does not match the growth in the labour force, as a result, the young job seekers turn to self-employment for their livelihood (Danish Trade Union Development Agency 2019).

De Gobbi (2014), points out that the Global Entrepreneurship Monitor (GEM)/Youth Business International (YBI) 2013 report, finds the older youth aged 25-34 years are more likely to engage in entrepreneurial activities than their younger counterparts in Sub-Saharan Africa. The huge representation in entrepreneurship is due to the perceptions of farming, where many youths consider it as not profitable because it is challenging. The prices for inputs such as fertilizer are high, and farming requires intensive labour because it is not mechanised. Despite the government putting in place a fertilizer subsidy program, the youth have no access to agricultural inputs since they are still considered part of a household unless sometimes married (Chinsinga & Chasukwa 2012; Ascuitti *et al.* 2016). Many of the respondents in that study consider engaging in entrepreneurship as one of their paths to achieving a good life (Ibid). According to the 2019 labour market profile, 87% of non-farm enterprises are sole traders (Danish Trade Union Development Agency 2019).

There is a scarcity of land as a result of population growth and higher life expectancies leading to land parcels reducing in size and parents farming for more extended periods without giving their children inheritance (IFAD 2019a). Despite this being true for the whole Sub-Saharan Africa, in Malawi landlessness records at a low level of 3%. Meanwhile, in Sub-Saharan Africa, 33% of the adults individually own land while only 10% of young people claim the same (Ibid). Another reason land is in short supply, is the consequence of market-led solutions which favours large scale commercial farms than the smallholder farmers. In a continent where there is a youth bulge, this leaves a high proportion of the population without farmland, assets and lacking the necessary contacts, therefore, looking for alternative opportunities.

With climate change affecting the country's yields, diversifying livelihood has been an attractive concept to policymakers and farmers.

2.2 Financial Challenge

Micro-finance institutions have been heralded as the heroes in the fight against poverty since they are supposed to give credit to the poor (Rashid & Makuwira 2014; Mwatsika 2017). However, access to credit from microfinance institutions is minimal in Malawi, due to high-interest rates and demands for collateral as illustrated in Table 1 below (De Gobbi 2014; Mwatsika 2017; IFAD 2019a). This is illustrated when the Governor of the Reserve Bank of Malawi, Mr Perks Ligoya, in 2011 rebuked micro-finance institutions by telling them to stop stealing from the poor (Rashid & Makuwira 2014). This outcry came after a careful investigation found that the microfinance institutions charge interests as high as 60% when, in fact, the conventional lending bank rate was 24% at the time (Ibid). This situation excludes a high proportion of the nation from accessing credit from any formal institutions; a situation shared across Sub-Saharan Africa (IFAD 2019a). Mwatsika (2017), in a study in Malawi, found that lack of capital was cited as a critical challenge to starting a business despite participants being aware of micro-financing institutions operating in their area. None of the participants in the study had accessed financial assistance from these organisations because preference is given to those already in doing business and security requirements are exorbitant (Ibid).

Another limitation is that unless the rural farmers have title deeds, they would not be able to use the land to get a loan. The title deeds are expensive for the average farmer to get, and most farmers are not aware of it. Village chiefs who are the administrators of customary land in Malawi equally do not know due to high illiteracy levels. Moreover, debates are ongoing on how sustainable it is for rural farmers to use their land as collateral since it may be the quickest way for them to lose it (Holden *et al.* 2006). The current lending rates of the 6 popular banks after being revised downwards in Malawi are listed in the table below:

Table 1. Interest rates of popular banks in Malawi

Name of Bank	Base Lending rate (%)	Maximum lending rate (%)
National Bank of Malawi (NBM)	14.9	25.9
Standard Bank	13.9	24.9
First Capital Bank	14.9	26
My Bucks Bank	12.9	25.5
New Building Society Bank (NBS)	12	-
First Discount House (FDH) Bank	13.2	-
Continental Development House Bank (CDH)	12	-

- No maximum rate stipulated

Rural entrepreneurs are unlikely to get a base rate as they are often referred to as high risk. In this paper, I assume the maximum lending rates as the going rates for rural MSEs.

Despite the problems of accessing capital through microfinance institutions, several people are becoming successful entrepreneurs while others are unable to do so. This is the motivation in studying the role of social networks in developing entrepreneurs. According to Dzanja *et al.* (2013), social networks and association fuels development and prosperity from the bottom up. De Gobbi (2014) highlighted from the GEM/YBI report that 40% of the businesses studied in Sub-Saharan Africa reported that 25% to 100% of their customers are friends and family. In Malawi, 24.3% of the youth interviewed sourced their start-up capital from friends and family, while only 4% got their capital from funding institutions (Ibid).

This reveals how youth with advantageous social networks can tend to be more successful in enterprise start-ups. The question is, how we can replicate this? How does this happen? Are other communities better at networking than others? How can we share such lessons?

One problem I find with De Gobbi(2014) is her recommendation to not address the lack of financial access for the youth in Sub-Saharan Africa; instead, she states this should preferably be a learning experience.

As much as I agree on her emphasis on training and education, I argue there should be a solution to the finance problem, and I believe maximising the usage of social capital could make the difference. Ascuitti, Pont and Sumberg(2016) explain that the problem of lack of access to credit is not unique to Africa and its institutional failure, instead it is the same challenge experienced all over the world.

2.3 Social networks in Malawi

In Malawi, family ties are strong; where one regards their cousins as brothers or sisters and aunts or uncles as parents(Nagoli & Chiwona-Karlton 2017b; Kebede 2018). Children are raised to eventually take up the role of supporting their parents when they achieve economic independence(Dzanja *et al.* 2013). They support their parents with necessities such as care, food and shelter. Family and relatives are relied upon in cases of crisis such as chronic illness, death and celebrations like weddings to help meet the costs(Dzanja *et al.* 2013; Nagoli & Chiwona-Karlton 2017b). Kebede (2018) explains that in African cities, the urban poor is known to call on relatives and friends as a form of social security when in need. From my experience those people that attend family funerals, celebrations consistently are de facto considered family.

According to Dunn and Holtz-Eakin as cited by Schölin *et al.* 2016 the presence of a self-employed parent approximately doubles the probability of the child to end up as self-employed. Morell (2014) concurred with this point in her study on family farming enterprises in Hungary when it transitioned from a communist to a capitalist state.

She observed that individuals pursued farming business after the communist state was dissolved were those whose parents had farms before collectivisation and later became supervisors under a communist state. There was a clear transfer of skills, attitudes, values, social networks from parents to children which enabled the children to create income through farming enterprises (Ibid). Parents influence their children towards self-employment through direct and indirect processes of socialisation by providing them with access to social and financial capital(Schölin *et al.* 2016). It is not unusual to see children follow in the same career paths as their parents and this study

will try to understand the influence of the parent-child relationship on the tendency of youth to pursue entrepreneurship.

Most studies highlight the challenges and review policies yet little research has been conducted on the role that social networks play in developing entrepreneurship in Malawi. The focus has been on the individual qualities of the entrepreneur and not on the way of doing business. The focus on social networks is vital because connections with friends and family who are not part of the formal relationships can lead to access to information and resources essentially cutting business costs and time(Jenssen 2001). There is no research done on the influence of social networks on Micro and small entrepreneurs in Malawi, instead of studies focus on entrepreneurship in general.

There are two types of studies in the study of social networks in African informal economies and MSEs; the first focuses on analysing networks in the industrial sector, and the other is based on social capital literature and focusing on the social networks the entrepreneurs are involved in(Berrou & Combarnous 2011). The second type of study on the role, nature and impact of social networks on entrepreneurship in Africa is still in its infancy because most literature focuses on households rather than entrepreneurs especially in rural areas (Ibid). Most of the research conducted on entrepreneurship in Malawi have employed statistical and econometric analysis using quantitative data which are trying to understand the relevance and performance of MSEs. This study showcases how social networks acquired over time influence people's ability to pursue entrepreneurship.

The power status of different groups is what has led to scientific studies to evaluate both physical capital in the form of money, land, infrastructure and social capital focusing on reciprocity, respect, obligations, trust and social networks(Svendson *et al.* 2016). Bourdieu developed a social, economic analysis aimed at developing a general science of the economy of practices. The term capital is defined loosely as accumulated human labour which can produce different kinds of profits(ibid). Capital, therefore, means investment strategies at an individual/group level, which is different from the popular definition of capital as a resource which facilitates production but is not

consumed in the process. Kebede (2018), states that successful entrepreneurs are those that can build networks of trust.

The work of an entrepreneur is using his existent networks to build and have access to other networks. The opportunities an entrepreneur sees are in his networks, how to raise capital, how to sell things people in his networks need, and how to grow them. In fact, "*The network is more like a pool of resources that can be taken advantage of, virtually whenever the need arises*"(Jenssen 2001, P.2). Nagoli & Chiwona-Karltun (2017) found that a vast proportion of the aid people received during drought at Lake Chilwa area came from family and friends in comparison to other sources. Therefore, studying this "*natural resource*" called social networks and how it is built and maintained in the entrepreneurship sector should be central to entrepreneurship studies in low-income countries.

One trend I experienced growing up, is the work of informal self-help groupings where people save money together and use it to borrow one another at an interest throughout the year only to share the profits at the end of the year (Ascuitti *et al.* 2016). These groupings are known as "*Village Banks*" or "*Bank Nkhonde*" literally meaning a bank on your doorstep. People have found a way to make their social networks work for them away from microfinance institutions(Rashid & Makuwira 2014; Mwatsika 2017). "*The core aspects of these associations are social relationships to fulfil economic needs; compulsory savings; regular contribution, accumulation and rotational distribution from the common pool of resources*"(Rashid & Makuwira 2014, P.3).

These "*banks*" are not affiliated to any organisation even though in some communities, there are Village Savings and Loans (VSL) initiated by Non-Governmental Organisations (NGO) (Ascuitti *et al.* 2016). In this scenario, the profit is used for community development, and the organisation provides start-up capital. Unlike the formal loan groups, these Bank Nkhonde are based on existing social networks and with much emphasis on regular social interaction; sometimes women host parties etc. (Rashid & Makuwira 2014). In other instances, several wage workers come together to put a stipulated amount of money together every month, and it handed to one person in the group, then it rotates with each month until every member gets their turn.

This is usually started at workplaces because people know they are all going to get paid, and it is easy to collect debts when someone loses their job.

Rashid & Makuwira (2014) reiterates that these groups are formed by people who know each other and have a regular income, and any new member is added by reference. These groups exist in the rural and urban setting, as people still prefer this way of saving finances and having safety nets than the banks (ibid).

However, Rashid & Makuwira (2014) disagrees with all the support microfinance institutions get by stating that there is not enough evidence to conclude that microfinance institutions play a significant role in eradicating poverty because they leave out the poorest of the poor with their high interest and strict conditions. Besides, Self-help groups may not help the poor because of high interests charged to borrowers because of ignorance in economics; however, they foster networks which are helpful for information, business partnerships as well as alternative means of paying.

2.3.1 Malawi Government Efforts for Enterprise Development

The Government of Malawi (GoM) has continually developed several initiatives to help in addressing problems in enterprise development. This is not surprising as it is recognised that the development of a country involves more people moving out of agriculture into other sectors (Baulch *et al.* 2019). The GoM recently signed an agreement worth 125 million United States Dollars (USD) on funding that will see the promotion of entrepreneurship among the rural youth to diversify livelihoods, under a project termed Transforming Agriculture through Diversification and Entrepreneurship (TRADE) (IFAD 2019b).

A recent article by Nyasa times dated 23 February 2020, The minister of Gender, Children, Disability and Social Welfare In Malawi, Mary Navicha stated that;

“Government has set aside 4 billion Malawian Kwacha special for women in Bank Nkhonde...Women face a lot of challenges, especially in rural areas.so the coming in of this loan facility will change the lives of women in the country” (Navicha 2020). The GoM is pumping approximately 5.5

million USD in Bank Nkhonde social networks shows that they have noticed the effectiveness and magnitude of reach embedded in these groups. Since 90% of the employed women function in the rural informal sector, this is a good strategy to reach them (Danish Trade Union Development Agency 2019).

On the 4th of March 2020, As earlier notified by the minister, Nyasa times wrote an article on the president Peter Wa Mutharika launching 13 billion Malawi kwacha loans for youth and women to be disbursed through a government finance company called Malawi Enterprise Development Fund Limited (MDEF). This company used to be called MARDEF and was recently found to have misallocated funds. Mutharika said *“We can only achieve our vision if we empower youth and women to be drivers of change. Under this program we want women and youth to participate in the economy so that we achieve community development, minimize wealth inequalities and improve lives in Malawi.”* (Mutharika 2020).

By including informal groups like Bank Nkhondes to be eligible for loans even without collateral shows the interest GoM policymakers have on informal social networks. However, these initiatives are met with little support as people do not trust MDEF after losing so much money before and people believe it is only party loyalists will benefit. Savings groups have been included in the Malawi National Social Support Programme II and National Strategy for Financial Inclusion 2016-2020 recognising them in promoting poverty alleviation pathways and increasing savings and investments respectively (Jarden & Rahamatali 2018).

3 Theoretical Approaches

In this section, I expand on the theoretical concepts to be used in this study. The concept of social capital, trust and reciprocity are used to analyse why people have different kinds of networks in both quality and quantity.

3.1 Social Capital

An asset necessary to compete for a position in the entrepreneurship field is the amount and type of capital (Inglis 2012). Bourdieu distinguishes two types of capital, namely economic and social (Inglis 2012; Bourdieu & Wacquant 1992). The economic capital entails the monetary resources an individual has while social capital is about whom you know and how connected are you; there are the norms, trust, networks (Ibid). Putnam (1993) in Dzanja *et al.* (2013) defines social capital as norms of reciprocity and networks which constitute assets to be called upon in times of crisis.

Coleman, as cited by Svendsen & Svendsen (2004), views social capital as reciprocal obligations and expectations between people. He goes further to suggest that reciprocity happens when there are shared values like mutual trust, which encourage cooperation. Social capital focuses on relations between persons, and it is the glue that holds institutions together (ISN Special Issue 2006). It is because of this cooperation inspired by shared values and trust that social capital is regarded as significant as other types of capital in economic activities. Someone with high social capital will be connected to people who are resourceful and influential, while low social capital will entail having contacts with little resourcefulness or influence.

Bourdieu's perspective is best explained by stating that; "*network relations within a group are viewed as a potential, but concrete and useful, resource from which the individual group member can profit - socially as well as economically. In this way, social capital becomes.*"(Svendsen *et al.* 2016, P.13). Putnam's definition of social capital tends to focus on the numbers and amounts of the social networks while Coleman and Bourdieu emphasize the relational aspect of the networks; the emotional, cultural and social quality(Svendsen *et al.* 2016). Parents influence their children into entrepreneurship by giving them privileged access to social and financial capital (Schölin *et al.* 2016).

3.1.1 Bridging and Bonding Social Capital

Svendsen *et al.* (2016) describe the study of social capital together with the traditional capital like physical and economic in creating economic prosperity and development to be "Bourdieuconomics". In this study, Bourdieu's socioeconomic framework will be used to establish the link with entrepreneurship, exploring how vital the role of informal institutions and relations is in Malawi. Svendsen *et al.* (2016) introduces bonding and bridging social capital concepts. Bonding social capital is the networks that are designed to be exclusive to a particular kind of people like a tribe, men or even educated people. Bonding social capital is also known as negative social capital because of the isolation and limited freedom it can cause (Portes 1998 cited in Svendsen & Svendsen 2004). Putnam(1993) in Rankin(2011) explains that when people engage in networks and associations, they develop common beliefs and values which hold them together. However, bonding capital can lead to isolation such as the situation black neighbourhoods in the United States of America are facing, where poor black people stay in one neighbourhood or Projects, pushing out the white middle-class families (Portes 1998 cited in Svendsen & Svendsen 2004). This has left the neighbourhood with little social capital resulting in high unemployment rates and dependence on social welfare (Ibid.)

Another disadvantage is that of limited freedom which robs individuals of choice; Malawi, for example, is a country with strong community relations and consider themselves to share values and social norms.

As such, a girl wearing miniskirts walking in the street can incite rage from strangers who will quickly be hostile to her in attitude, sometimes vendors will even try to strip her naked to force her to conform to the cultural norms. Svendsen & Svendsen (2004) calls the action taken by the community in this case as a sanction in the form of social ostracism.

In several studies, it has widely been claimed that this bonding capital in the form of family ties and close friends is essential especially for support in business and times of crisis (Dzanja *et al.* 2013; Nagoli & Chiwona-Karlton 2017). In this study, I will explore how bonding happens in pursuit of entrepreneurship; the benefits and disadvantages in the Malawian context. In the rural areas, people live in close knit family ties where children, parents and even extended relatives live together (Dzanja *et al.* 2013). Bonding capital refers to the efforts people take to exclude others and maintain their beneficial interests (Svendsen & Svendsen 2004). It happens when a community actor is socialising only with people like them such as family, neighbours, similar influence and similar enterprises (Dzanja *et al.* 2013). Bridging social capital, on the other hand, happens when a variety of social networks are developed with individuals/groups from diversified backgrounds without exclusion of anyone. This scenario includes a community actor developing relationships with people who do not share any similarities (Dzanja *et al.* 2013).

3.2 Trust and Reciprocity

Reciprocity forms a link which converts different types of capital; linking the economic and the social world (Svendsen & Svendsen 2004). Mauss, as cited by, (Svendsen & Svendsen 2004) defines reciprocity as an exchange of goods and services. In any group, constant relations of exchanges of services, information, resources mutually bind individuals to repay according to specific norms of reciprocity (Simmel 1955 cited in Svendsen & Svendsen 2004).

Trust is the expectation that arises from a community with regular cooperation based on shared norms; it encourages reciprocity (Svendsen & Svendsen 2004). It involves placing a valued outcome at the risk of other's failures, mistakes or goodwill (Tilly 2005).

Trust is developed through the predictable behaviour of other actors or voluntary binding decisions taken between actors(Otto 2013).

Trust relationships are observed by the actions involved such as trusting someone to raise and educate your child, borrowing someone your savings for investment, going to help someone during their crisis with the hope that they will help you when in need, giving someone goods with the promise of paying later (Otto 2013; Tilly 2005). The importance of trust in reducing transaction costs is well known especially in helping to search for information and constraining opportunistic behaviour(Otto 2013). Labels such as kinsman, fellow church member and fellow entrepreneur signify the presence of a trust relationship (Tilly 2005). Rose Ackermann in Otto (2013) believes trust happens with social proximity especially when people are sharing the same rights, duties, values and interests. Social networks are therefore characterised by a trust that everyone will comply with group expectations to maintain their reputation and social capital in the community(Amurwon 2019). Through these social networks, individuals tap into the resources embedded in the community when the need arises (Ibid).

Finally, it is important to note that the concepts of social capital and trust and reciprocity are linked. Having social capital includes possessing trust and reciprocity in the community. Moreover, trust and reciprocity are tools that transform social capital into economic capital and vice-versa, in this case, it can transform social capital into economic capital for entrepreneurs to access.

4 Methodology

This is a qualitative study which combines constructivist and transformative paradigms to understand the problem and contribute to the solutions. A paradigm is a general philosophical view about the world and the assumptions that hold for research studies (Creswell, John & Creswell, John 2018). I used individual interviews, key informant interviews, group discussions, focus group discussions and observation as the data collection tools in Mpemba.

Qualitative research is the study of how individuals interpret their environment (Creswell, John & Creswell, John 2018). There is nothing like neutral qualitative research as the study is influenced by the author's biases and prior interactions (Bryman 2012; Silverman 2014). Constructivist paradigm is a perspective that looks at the world as socially created by relations between people and that it continually changes (Creswell, John & Creswell, John 2018). The researcher's view of the world is also as a result of previous interactions and experiences (Bryman 2012). The aim is to understand the participant viewpoint and their context; hence, information is gathered personally with the assumption that individuals spend every day making sense of their world (Creswell, John & Creswell, John 2018). My assumption, in this case, is that people in rural areas with no access to microfinance institutions have a way of making sense of their environment which influences how they pursue entrepreneurship.

This Qualitative Phenomenological research is an inquiry for understanding how individuals perceive things around them (Creswell, John & Creswell, John 2018; Inglis 2019).

Individual's life experiences are central to the study; it involves studying how an individual's actions and activities are affected by a phenomenon (Inglis 2019). Phenomenon is from a Greek word meaning observable occurrence (Inglis 2019).

In this case, the aim is to understand entrepreneurs path into entrepreneurship focusing on their experiences and the impact of social networks and informal institutions had in facilitating their way to entrepreneurship(Creswell, John & Creswell, John 2018). Phenomenology developed from psychology and philosophy and the founding pioneer was Immanuel Kant (Inglis 2019). Phenomenology assumes that everyone has their own lifeworld shaped by their culture, hence it is important to understand the experience of individuals (Ibid). A "lifeworld" is the everyday world where people interact and operate in (Inglis 2019).

I had semi-structured interviews in collecting data, containing questions on support from kin and any other social groups. I used interview notes to record the interview rather than recording audio because the transcribing will take more time when I use a recording device(Bryman 2012; Otto 2013). Moreover, to prevent risking the comfortability of the interviewees who might want to sound intelligent and presentable when responding, note-taking is an ideal choice. The participant's views were valuable in the in developing interview guides, which was amended depending on the common issues brought up by the participants without deviating from the research objectives(Creswell, John & Creswell, John 2018).

A transformative paradigm involves action-oriented research with an agenda for change mostly related to politics(Creswell, John & Creswell, John 2018). It dwells on social justice, and research develops from the issue then allowing participants to help in designing the research tools. Its focuses on the needs of people who are oppressed to improve their lives(Creswell, John & Creswell, John 2018).In this case, the disadvantaged people were the rural youth who have no access to credit, hence this paper suggests ways of improving their lives through policies that focus on informal social networks and changes in microfinance institutions operations. This paradigm is suitable because of the aims of this study is to raise awareness about the plight of rural communities that are excluded from the formal economy.

In this study, I used a variety of methods to triangulate the data collected as recommended by Bryman (2012). Observation, was used to note the natural way of life in the communities, their values and norms while participating in their day to day activities. I spent the first three weeks of my stay observing business activities in the marketplace, trying to survey the villages and interact with people. Besides, I chose key informant interviews as a method where I found individuals having information concerning the community or social networks to guide my data collection and get contextual information. These people are held in high esteem by the communities and their recommendations are respected. Lastly, I used group discussions and focus groups to allow people to debate ideas which could enrich my discussion (Silverman 2014). Group discussions were used to get a variety of views without having many individual interviews since the number of targeted participants was few. while focus group discussions were used to discuss defined topics with a smaller number of people who seemed knowledgeable from the group discussions while observing the interactions between the group members as well. A focus group discussion differs from a group discussion in that there is a specific topic to be discussed with at least 4-6 people conversant in that area (Bryman 2012). A group discussion involves discussing a wide variety of points with a larger group of people and no particular emphasis on how the discussion is taking place within the group (Ibid).

Mpemba is chosen as a case study site for how social networks influence entrepreneurship in rural Malawi. Despite the chosen method being criticised for not being appropriate to generalize findings to a broader context however Morell (2014) and Flyvbjerg (2006) argues that case studies have the advantage of closing in on real-life situations and in fact, "*Beveridge's (1951) conclusion that there are more discoveries stemming from the type of intense observation made possible by the case study than from statistics applied to large groups*" (Flyvbjerg 2006, P.18). This criticism on generalization applies to methods including quantitative as generalising is frowned upon in sciences but this does not mean the knowledge collected from a single case study cannot be of added value to the body of knowledge in a particular field (Flyvbjerg 2006).

4.1 Research Design

I used the qualitative phenomenological design to capture the perceptions of the young people on the role that social networks play using Mpemba as a case study.

4.1.1 Study Site

The study is conducted in Mpemba T/A Somba approximately 12 km outside of the Blantyre City (see figure 2). Mpemba is located in Blantyre rural, in the southern region of Malawi. The study was carried out in the villages of Khunju, Jossam and Kuloya which are all under the Senior Group village head man Mwangata. I went to these three because that is where the Bank Nkhonde groups I targeted met for their weekly meetings. The nearest village to the main road is Kuloya with approximately 7 kilometres while the farthest is Khunju approximately 16 kilometres from the road. It was a stony and dusty road, I used motorbikes to get to the villages instead of a car. I chose Mpemba because it has a budding rural market called Chadzunda and I hoped to find many young micro and small entrepreneurs in this area. It is not unusual to see cars from the city travel to 20 Kilometres to the Chadzunda market to stock up on charcoal and other fresh vegetables. Blantyre district is divided into rural and urban, Blantyre city which is also famously known as the “commercial city” of Malawi is in the centre of Blantyre urban. The predominant tribes in Blantyre are Mang’anja and Yao which constitute 60% of the population(Blantyre District Council 2019).

The majority of the Yao are located in TA’s Somba, Kapeni, Machinjiri, Makata, Lundu, and Kuntaja whereas a huge proportion of the Mang’anja are located in TA’s Chigaru and Kunthembe (Ibid). In the Villages, I conducted the study under TA Somba most of the participants were Mang’anja except for those who had emigrated to the area. The district was chosen because of the numerous entrepreneurial activities found in the Southern region of Malawi hence making this a location of interest to the study. I chose a rural area because a larger percentage of the rural population are the ones involved in the informal sector and self-employment(Danish Trade Union Development Agency 2019). Blantyre rural has a population of 451,220(NSO 2018).

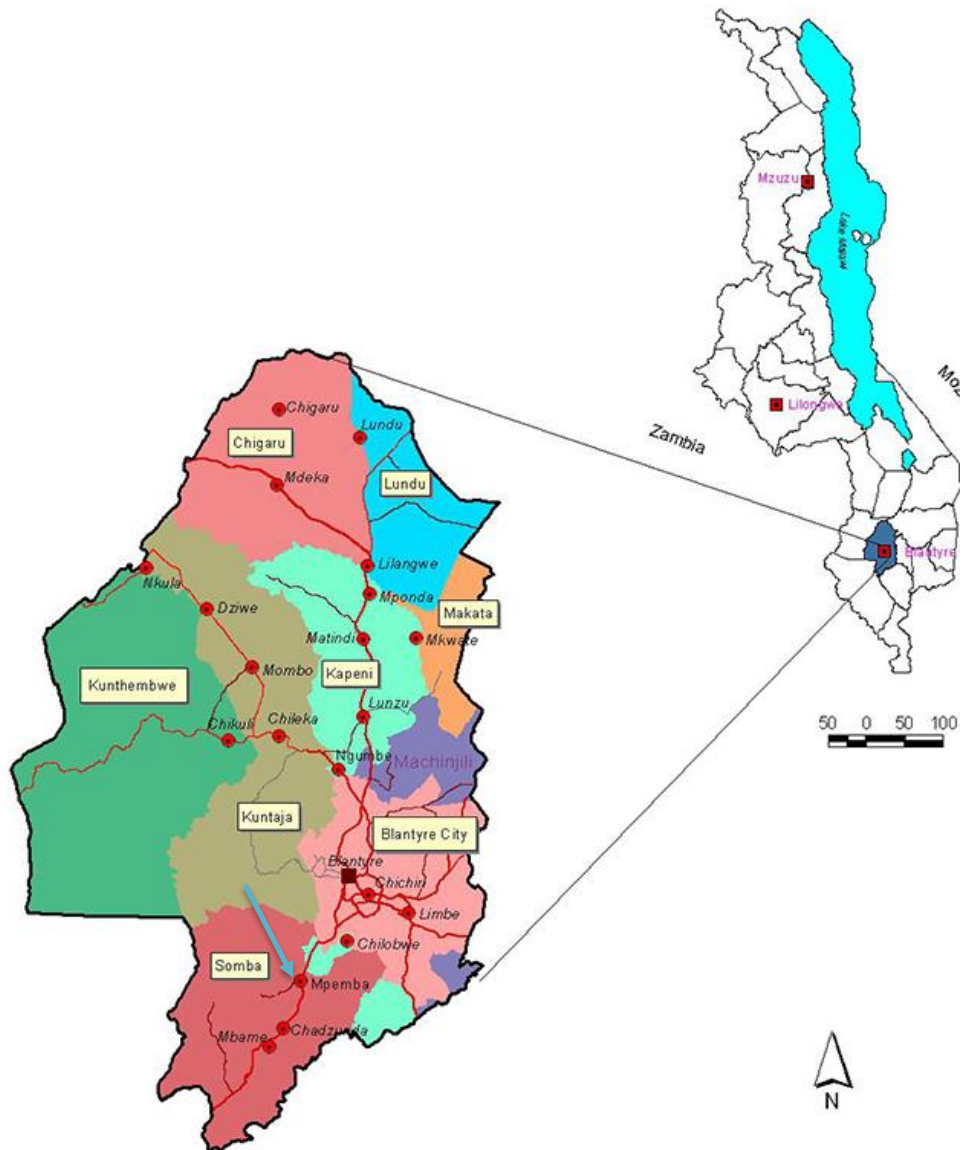


Figure 2. Map of Blantyre showing Mpemba

Source: <https://localgovt.gov.mw/districts/181-blantyre>

4.1.2 Participants Sampling

Participants were chosen by purposive sampling, which is a non-probability form of sampling that considers research objectives (Bryman 2012). The idea was to choose participants based on qualifying as either a micro or small entrepreneur and youth according to the government of Malawi's policies. This means for one to be considered as a micro-enterprise they need to have one to a maximum of 4 employed and their turnover should be less than or equal to MWK 120 thousand (163.1 USD) (Chirwa 2008). While a small enterprise is that which employs from 6 to 20 people and have turnover from MWK 120 thousand to MWK4 million(5436.3USD) maximum (Ibid). I decided to use the definition of youth as a person who is 10 to 35 years old when choosing participants (Malawi National Youth Policy 2013). As I was conducting my studies it became clear to me that most young men conducted their business in the city in search of higher profits and larger markets. Upon my arrival in Mpemba, I realised how difficult it was to get a hold of young men doing business as most men present were older than my initial age range. The young women fitting the criteria were easily found participating in the Bank Nkhonde groups as shown by Table 3. During group discussion, it was revealed that the older people chose to have their businesses in the village or near the main road for travellers to buy their products which ranged from charcoal, firewood, pears, tomatoes and other farm products. A large percentage of the participants said they sold different products depending on the season.

According to literature, a huge percentage of employed women work in the informal rural sector, therefore, I made sure that a good percentage of women are reflected in the list of participants as Table 2 will show (Danish Trade Union Development Agency 2019). I had limited time to locate willing eligible participants therefore I decided to use Bank Khonde associations to locate participants after getting introduced to a key informant. After a group discussion, I would then use the criteria earlier outlined to choose participants for an individual interview. Sometimes the discussions would end late and only have a few interviews. Most of the entrepreneurs I interviewed qualified as Micro entrepreneurs while only 4 qualified as Small entrepreneurs.

I then decided to increase my age criteria from a maximum of 35 years old to a maximum of 70 to accommodate more men in the study and a few other women. I also realised there were other people present in the entrepreneurship networks of Bank Nkhonde who were not involved in any kind enterprise. I included three participants who fit this profile to find out why it is so.

When I talked to entrepreneurs around the road or the marketplace, I usually did not find the owner as they had employees who manned the shop or workshop. This situation showed me that it was not going to be easy to interview a variety of entrepreneurs because the more readily available ones were the women and a few men who sold similar goods by themselves on the roadside. In my study, I had planned to interview 3 people of each kind of enterprise to get a reasonable idea of the happenings of entrepreneurship. However, I did not find it easy because it was difficult to convince people to give me an honest interview as they thought I had ulterior motives and instead wanted to concentrate on their customers. It became clear to me that I needed a gatekeeper to reach out to these entrepreneurs in a way they can want to listen and give me time.

4.1.3 Methods and Field Experience

I contacted the village chief who explained that most of the Bank Nkhonde's in this area were formulated under the guidance of a Save the Children Ubale project in 2017, therefore he was able to connect me to an adviser for the Bank Nkhondes in his area. The adviser who was referred to as *Mlangizi*, in the local dialect agreed to help me to meet the entrepreneurs and the groups. *Mlangizi* is a term that has a lot of respect in Malawian rural communities because most of the essential needs of the community have one. There is *Mlangizi wa za umoyo* (advisor for health) and also a *Mlangizi wa Ulimi* (agriculture/farming advisor) who are employed by GoM to support communities. The advisor reported that he was trained under a Save the Children project to initiate Savings and Internal Lending groups in the area. All the advisors trained are known as Private Service Providers (PSP) because they are not employed by the project but get their fee from the groups, they supervise.

All the advisors in Blantyre agreed to ask all the groups to be asking their members to contribute a MWK 100 (0.13USD) minimum monthly for their monthly fees. He currently oversees 28 groups in TA Somba, each with a minimum of 15 and a maximum of 25 people.

When I started visiting the groups most young males were not part of these groups because they did their business further away from the village and left it for their wives to join. I improvised to conduct group discussions and focus group discussions to be able to take some background information and common trends in the area. I decided to get these discussions done by going there on their meeting days. Initially, I had planned to use life story interviews to typify how upbringing influences one into entrepreneurship. However, in my quest to do this, I found that participants did not attribute their decision to venture into entrepreneurship as a choice but rather as a survival mechanism, as the only thing they can do. This situation made me want to abandon the method until I increased the age of the target I participants to increase the number of male interviewees. Despite finding eligible candidates I soon found out that the data I was collecting would not complement my studies hence I chose to exclude it.

I facilitated 4 group discussions comprising a maximum of 13 people and 2 focus group discussions with a maximum of 6 people. These group discussions were made up of Bank Nkhonde members who I would meet on their day of meeting. I also carried out individual interviews of 24 people; having 10 males and 14 females. In-depth interviews were carried out with four participants and one microloan institution MEDF. I decided to interview MEDF because the GoM announced a loan package to women and the youth at the time of my research. I needed to find out how this was different from what the other microloan institutions were offering. I had an hour interview with one of their staff who explained to me their experiences of the entrepreneurs they help and their organisation's operations. The in-depth interviews were made with key informants comprising of two males and two females; one chairperson of a Bank Nkhonde, the area adviser of the Bank Nkhondes in Mpemba and 2 entrepreneurs. The two entrepreneurs were part of the 24 individuals I had personal interviews with who showed to have some real awareness of some common trends around their area and the other two are key informants.

Then I also visited seven Banks to find out their lending interest rates and their conditions to understand the real picture facing micro and small entrepreneurs

Another challenge I had in the field was the people were expecting that I am linked to an organisation that wants to give them money. Many times, the respondents were trying to give politically correct answers like not mentioning they sale firewood, charcoal or even that they sell off group members goods when they fail to recover money. To the point, after the group discussions this question would come up and I had to explain what my study would mean for them and the benefits such as recognition which may accrue to them. I also used the opportunity to inform them of the newly announced loans by GoM through MEDF if they were thinking about growing their group’s fund. Below is a table with more details of the participants of the study.

Table 2. Characteristics of participants in the study.

Type of Interview	Male	Female
Group Discussion	18	31
Individual	10	14
Focusgroup discussion	4	6
In-depth	3	2

*: As indicated one of the key interviews was with MEDF official

4.1.4 Analysis

Data was analysed as soon as it is collected, and significant themes highlighted to categorise the findings(Creswell, John & Creswell, John 2018). I went through my data colour coding recurring discussion points and then grouped similar points which I described to later become themes. Using the inductive approach by building themes and description from the bottom up, I also use the inductive approach to check if there is further evidence for the themes developed (Ibid). The main three themes are how the social networks contained in kinship, friendships and other informal groups influence young people towards an entrepreneurial path.

Whereas I was determined to use life stories as a data collection method, whilst in the field, I realised this would not be feasible because of the data I was doing. I tried to still locate a few individuals to do the life story with but it simply did not work and I excluded the data from this research. Creswell, John & Creswell, John (2018) explains that in qualitative studies, not all of the data is used since it is narrative in nature hence irrelevant data will be discarded.

4.1.5 Ethics

This study is sensitive to ethical issues; therefore, participants were asked to express consent by signing forms of their willingness to participate and have their identities used. During group discussions, I requested all willing group members to write down their names on the paper as consent after explaining my study. I did not reveal the identities of the participants to protect their privacy. However, I mentioned the names of the Bank Nkhonde's I had discussions with to allow them recognition in case future readers would like to work with them. The results of the study will be shared with the participants and other government departments.

One of my key informants explained that for me to have maximum participation from the group or individuals, I need to give them some money. I decided against doing this as I thought it is expensive and might distort the information I was collecting. Furthermore, groups kept asking if I was linked to an NGO or some organisation that would provide them with loans. My informant advised me to lie so that I can get them to cooperate but, in every instance, I chose to be honest that I was just a student, and this is an independent study with no immediate benefits.

4.1.6 Reflexivity

During this study, my personal views and upbringing have influenced the interpretation of the findings, analysis and conclusion of the study because it is not possible to be neutral in qualitative research (Creswell, John & Creswell, John 2018). The fact that I have grown up in Malawi, I consider some practices as normal, some of the issues might escape my attention because of my familiarity with them.

I also have been involved in entrepreneurship and have experienced the role that church membership and kinship in entrepreneurship start-up. One thing I expected is for people to be reluctant in giving me information about their enterprises because they assumed, I am a competitor who has come to spy on them or had ulterior motives. My initial plan was to get written approval from a chief to be able to show people my agenda but there exists a general distrust of authorised documents in Malawi due to the political climate. I also understood that people respect an individual sent by the chief more than a signed document as it could be anybody. Therefore, I managed to find a key informant through the chief, who then gave me access to participants in the area through Bank Nkhonde groups.

This study was conducted in Chichewa and since it is my mother tongue, I managed to translate my tools accurately and even had other people to check if they were objective in the local dialect. Knowing the dialect helped me to easily interact and ask for information. I thought by being a Malawian I would easily have access to people talking to me however I found myself to be a stranger in this community as people would easily recognise, I was a stranger in this area. After some critical reflection, I realised I was a stranger in my own country, having a big body size made matters worse as people easily knew no one from that area was as big. I found myself struggling to convince people of my intentions and them not showing any interest in participating in the study. It is only when I went through the key informant that I realised people would now be happy to respond to my questions and even were willing to leave their enterprises for a while.

Malawi is a conservative country as it is a Christian nation, and as such female participants did not feel comfortable in a one on one interview that will take an extended period. They might be afraid their spouses or the community might think they are having an affair. I decided to include the advisor of the Bank Nkhonde to sit in our interviews to reduce suspicions and probability of ending the interviews quickly.

Furthermore, I made sure to interview them in an open space where everyone can see us without making the conversation very public due to the sensitive nature of some questions.

4.1.7 Limitations

The time frame was limited for the study and findings presented within four months as required by University programme. Therefore, some methods such as observation which include interaction with the community were not carried out to an optimal level. Moreover, I was not able to find a variety of enterprises due to the time factor.

Secondly, limited finances to carry out the research also reduced the data sample size by limiting the number of districts and locations in Malawi to gather data to validate the study. I decided to use Mpemba as a case study which can be used to portray a picture of what is happening in Malawi.

Lastly, at the time of collecting data, there were fears of the coronavirus pandemic and it affected the variety of participants in my study as some were unwilling to move around or participate in groups. I was unable to move around as planned out of concern for my health. This limited the number of groups and villages visited in Mpemba, hence limiting the variety of entrepreneurs I met.

4.1.8 Validity

To ascertain the accuracy of the findings in this study there several strategies I employed. Firstly I used different methods of data collection, from key informant interviews, group discussion, focus group discussion, participant interviews and also observation, this allowed me to cross-check the information given (Silverman 2014; Creswell, John & Creswell, John 2018). Another reason I used several methods is that I found out contrary to my expectations people had little to say in response to my questioning or probing. Most of the individual interviews were short, none of the focus group discussions lasted more than an hour.

I believe there was little to say because the things being discussed are things people rarely reflect on even though they experience them in their day to day lives. The group discussions were the ones that lasted long and provided me with a lot of information as people would fact check one another and debate on some points. This information helped me to have a better approach to the focus group discussions which I did at the end of my study.

Moreover, I did try to do life story interviews to enrich the study, but I found the interviews did not go as planned and the information I was gathering would not add significant detail to what I had. So, I did not include the data for life stories in this study.

Finally, I went back to share to participants the findings of my study with them to get feedback if the descriptions are accurate, a process also known as member checking (Ibid). After this feedback session, I was convinced I had represented their views fairly and promised to send them a copy of my completed thesis after completion through the *Mlangizi*.

5 Empirical Findings

This chapter presents the empirical findings of the study and explains how social networks support young people in rural areas. The findings are presented according to notable themes that were observed from the data whilst linking them to the research questions. The following data was collected from the 24 individual interviews carried out.

Table 3. *Details of Participants of the Research Study*

Characteristics	No. of years as an entrepreneur			
	0 – 5 years	6– 10 years	11 – 15 years	≥ 16 years
Gender				
Men	2		1	7
Women	10	5		
Marital Status				
Married	12	5	1	7
Single				
Education				
< 4 years				
5 – 8 years	3			2
9 – 12 years	9	5	1	5

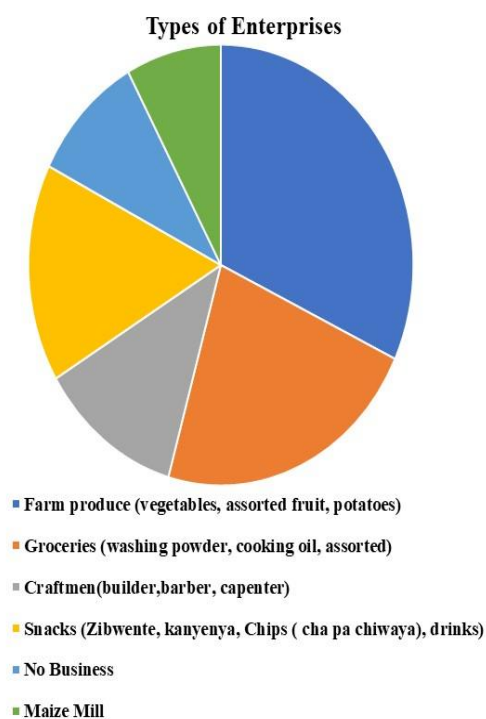


Figure 3. Pie chart illustrating type of enterprises represented the study

Source: This thesis

The most popular enterprises had to do with selling farm produce, followed by groceries and snacks as the pie chart above is showing.

Table 4. *participants education level and monthly enterprise turn over*

	Number of schooling years			Enterprise Turn over ranges (per month in MWK)			
	1-4 years	5-8 years	9-12 years	5000-29000	30000-50000	51000-120000	121000-500000
Participants							
Male	0	3	7	0	2	4	1
Female	0	5	9	4	6	2	0

It is interesting to note that despite there being more female entrepreneurs, it is the men that were represented more in the higher turnover ranges.

50% of the men interviewed are in the categories of MWK51000 (69.3 USD) going up yet only 15% of the females interviewed are represented in that higher spectrum. This could indicate that they have different access to resources and the kind of enterprises they can pursue. From table 4 it shows women are just as likely to drop out in primary school.

5.1 Informal Social groups that develop social networks

5.1.1 Bank Nkhonde

I visited Chisomo, M'bawa, Chiyembekezo and Chigwirizano groups on their meeting days in Mpemba. Every group develops its unique constitution and it was interesting to find that in one group the constitution included that there were no men allowed. The constitution can include a variety of things, the one in figure 3 below goes from talking about gossiping not being allowed, strict condition to not disturb the group harmony to penalties for missing meetings. The groups meet weekly where members buy shares in the group fund ranging from MWK 200(0.27USD) to MWK 500(0.68USD) per share and a person can acquire a maximum of 5 shares in a week. At any point in time, no person can borrow more than 50% of the number of shares they have bought. When a member borrows money, they are supposed to pay it back in 1 month at 20% interest or risk being charged further interest on the money. Where the group is unable to collect their credit, the member's goods may be confiscated and sold off to recoup what they owed. Another thing I noticed is that the prices of the shares of the Bank Nkhonde reduced the further away I got from the road into Mpemba area. The furthest village from the road was Khunju, which had the cheapest shares at only MWK200 per share whilst the closest village Kuloya had shares MWK500 per share.

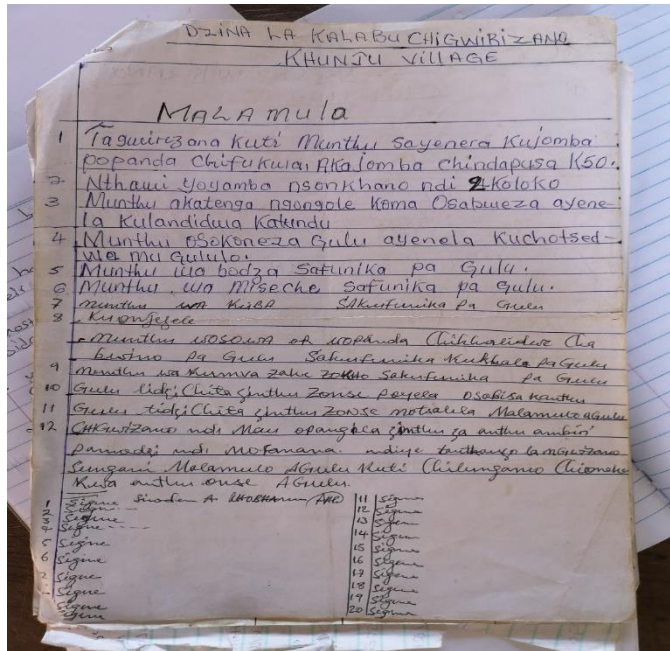


Figure 4. A picture of Chigwirizano Bank Nkhonde Constitution

Source: James Kumdana

From the group discussions, these groups based on trust as seen by one of the groups called Chisomo on their decision to be an all-female group because they claimed to not trust men. They backed their decision by expressing their concern by stating that men can easily leave the village at any time in search for greener pastures as has been the custom in this village. Women, on the other hand, are less mobile as they usually take care duties of the household. As a result, Chisomo group has not had any cases of fraud, unlike the Chigwirizano group which consists of mixed gender. The same sentiments were shared with other groups as they said they need to investigate a person before allowing them to join a group.

The members explained their group formulation is based on proximity, ability to contribute and traceability. When they notice a member having financial troubles like being unable to contribute or pay back the group's money. They encourage the member to pay back what they owe and then remove them from the group to allow someone else who seems capable. The groups share the money plus profits at the end of the year based on the number of shares a person bought throughout the year or agreed period.

The group is set up so that the treasurer never has to hold money since the money is supposed to be loaned out every week. In an interview, a participant said: " *we cannot allow one person to keep all this money because we don't have security, so as soon as the money comes we must find group members to borrow even if they were not willing to take the loan*" (In-depth interview, Chairman of Bank Nkhonde, Khunju Village, 5/3/2020).

In an in-depth interview, the Bank Nkhonde advisor explained that the main income-generating activities for the participants in this area were firewood and charcoal. He further explained that participants could not talk openly about firewood and charcoal because they know how the government and NGOs are on awareness programs to stop these activities. He explained that the participants feel and expect that I might be linked to an NGO who might want to help them with more funds, hence, do not want to state that they make charcoal or sell firewood because of the environmental concerns. I had noticed most of the participant's responses to where they get their capital was working on other people's farms which in this case might have been false claims.

5.1.2 Bulk shopping for discounts

Some groups also contribute money to buy pots, plates, mattress or groceries as agreed by the group on wholesale to get a discount. Through this initiative, they have items of their choice at cheaper prices. In my observation, in urban areas groups like these exist with an agenda to buy groceries in bulk after saving for 6 months to share among themselves. These groups are not connected to the Bank Nkhonde like in rural areas though adopted the name *groceries village bank*.

5.1.3 Social Welfare

Close relations and able friends usually contribute food and money for when a household is facing a crisis like a funeral, long illness or when in need. The Bank Nkhonde members also have an emergency fund which they use to support members in such hard times and the money from this fund is interest-free, which they refer to as welfare and contributions are given every month.

So even when a member has an emergency in their life which is not a funeral and health-related, they can borrow money from this fund and repay within a week. Apart from the emergency fund, some group members also set aside a personal amount to supplement whatever they are giving their friend.

5.1.4 Church Membership

Despite all respondents belonging to a church, they stated that it was their faith in God and prayer that helped their businesses and not their church membership. A participant expressed this by stating "*when you ask from God, he gives you*" (Group discussion, Khunju, 05/03/2020). They explained that people in the church did not feel obligated to buy from fellow members. Indeed, they receive emotional and spiritual guidance, but fellow parishioners did not feel obligated to buy from them except close friends in the church.

Even though most of the indicated that they do not go to the church looking to develop their enterprise. However, they agree that church allows them to meet people from different places which they might not have had an opportunity to meet any other way. This situation necessitates that others know about their enterprise and might lead them to become customers.

5.1.5 Kinship Networks

Many claimed family will be customers when the enterprise location is convenient otherwise, they are just like every other customer. Extended Family members may feel entitled to get goods on credit and not be under pressure to pay back. Being someone's family did not guarantee their support as they reported many are jealous of your progress and are awaiting your downfall. However, close family members are also good advertisers of the enterprises which mostly rely on word of mouth and as a reward they are allowed things on discount or credit. One participant exclaimed, "*they will say things like oh my sister just went and ordered powder soap and this soap makes a lot of bubbles which means it is powerful*" (Group discussion, Jossam Village, 2/03/2020).

The participants were unanimous in the view that family are do not make good customers, they tolerate them because they also trust that when they have fallen on hard times, the family will be able to support them. For example, during funerals and long illnesses or when they need help taking care of children. Most women attributed their financial capital to their spouses and claimed their husbands help them when their enterprise is going through a rough patch. In terms of their customers, they explained that they sell to the contacts they know and from there other people get to know about them. As for the craftsmen that I interviewed, they explained that they taught at least one of their children and other interested relatives in their trade. Most of the family ties were important for skill and knowledge sharing.

Participants in one group stated that the ability to grow their finances in the village has helped their marriages because previously men had to migrate to other districts to work for several months to make money. This caused a lot of problems as the men developed extramarital relationships but now the men stay back and start an enterprise knowing if they fall on hard times, they can raise funds through the Bank Nkhonde.

5.2 Income Generation through Social Networks

5.2.1 Ganyu

In this arrangement, people go around the village to looking for work from community members needing help in any form like farms and other menial chores. It is usually offered to help in clearing land or tilling and sometimes in building houses. The ganyu workers are paid upon finishing the work on an agreed amount. In this area, people rarely work with strangers but rather people they know so as not to have any problems. An interviewee explained that when someone gets a ganyu worker there might be misunderstandings on the payment, or the nature of the work so most prefer people they know. Most ganyu workers have their farms but do this to get an extra income.

5.2.2 Katapila

This is an arrangement where an individual goes to borrow money from a moneylender who charges 50% interest on any amount taken for a stipulated period. If the individual does not return the money in the agreed period, each day the money is not repaid attracts more interest.

This arrangement involves the moneylender being able to know where the person stays, his assets and even his friends or trade. This arrangement is based on the ability of the money lender to trace the clients through their enterprise or one of their assets.

5.2.3 Chipereganyu

At the same time, during some group discussions, members revealed that they engage in Chipereganyu which is different from the Bank Nkhonde's operations. In this arrangement, members who have developed friendships contribute and save 1000MWK (1.4USD) or more weekly and give it to an individual each week, rotating between the members until all the members get their turn. Some groups contribute a higher amount depending on how the members decide. This is an interest-free rotation fund and members just have to commit to paying their money weekly so support can go to others as well. People feel better participating in a Chipereganyu with Bank Nkhonde members because they are assured their fellow members can be able to honour the amount based on their faithfulness at their Bank Nkhonde.

In urban areas, Chipereganyu is usually practised by people employed from the same company or know each other to have a constant source of income. This is done so that everyone is assured the cycle will not be broken by someone unable to contribute at a point and one can only join by reference. The main aim of this arrangement is saving since there is no interest whatsoever; people use this method to save their money so that they do not use it for any unplanned expenditures. After a few weeks or months depending on the period, an individual will have accumulated the amount he/she would have saved if he or she had just been keeping it in the bank.

The difference with Chipereganyu that amount to put aside is legally binding as fellow members can take you to task for not contributing since it will affect an individual's withdraw at every point. So once in this arrangement defaulting is not an option.

5.3 Collaboration and Skill sharing through Social Networks

Those participants involved in carpentry, welding and building claimed to learn their trade through apprenticeship. Usually, it involved them locating someone involved in that craft and learning from them. One participant who was interviewed did not know the people around their community doing that trade and had to move to the city where he stayed with relatives to be able to learn. When they arrived in the city, he quickly located a craftsman who was looking for young men to do some work at a low wage and signed up, so they learn the trade. They pointed out that it is different with workshops because people with a constant flow of customers like a workshop charge those who want to learn from them a fee. However, when becoming an apprentice to a craftsman who looks for contracts or jobs then the arrangement is that someone learns the trade whilst getting a small pay.

On how they get their clients, the participants said their work as contractors depend on word of mouth and who they know to refer them. When they do a good job for someone and had a good working relationship with them as well, their customers refer them to other people.

When I quizzed on why they did not join a Bank Nkhonde, they replied: *“We usually depend on contracts, therefore, we do not know when our next pay is coming but when it comes it's a large amount”* (Individual interview, 52-year-old carpenter, Kaloya 10/03/2020).

They felt the nature of their job may not allow them to be able to participate in the weekly contributions of the Bank Nkhonde, however, they encouraged their wives to join in so that at times when they are not earning the home does not suffer. One participant said, *“when I don't have money and need to borrow, I ask my wife to go borrow from the Bank Nkhonde”* (individual interview, 35-year-old builder, Jossam, 07/03/2020). The carpenter explained that:

“At first it was difficult to get a job as I had to go out in search for work, find an uncompleted house people are building then introduce myself. Now I get most of my jobs through people who already know me, many of the people who contact me now are children or siblings of my former clients” (Interview, 52-year-old carpenter, Kuloya, 10/03/2020).

I enquired what they do during times when they don't have any work, one participant explained that " *I have other friends whom I know who do the same work, so when I don't have work I tell them I have fallen on hard times and if they have some work they do subcontract me. When I get a contract, I make sure to subcontract someone if it is a big enough job.*" (interview, 35-year-old builder, Jossam,07/03/2020). All the participants that were involved in craftsmanship were able to train their children and/or several interested relatives in the trade. Many of those have gone on to start their enterprises or to work for some companies.

The interviewees reported that there is a collaboration between carpenters, welders and builders when referring each other for jobs.

They try to develop friendships with each other and aim to work well with one another so that they can benefit from each other's support. A builder will have a pool of friends who are carpenters, welders and vice versa.

When one finds a contract, he can recommend another craftsman, and the recommended person has to give his referee some money as a token of appreciation. When one is recommending a colleague, they do not explicitly tell them they expect a token of appreciation, but it is expected if you want them to recommend you for another job opportunity. Sometimes they are not expected to provide a token of appreciation but instead just provide a discount on the service charges. In this job chain, the most important people to be connected to are the builders because they start the work and can easily recommend carpenters and welders.

I interviewed a barber and he said he learnt his skills by watching other barbers and practising by himself. He got an opportunity to work with a barber who was a friend and learnt some practical skills for the trade. He then got jobs working in other establishments until he saved enough money to start his enterprise. He explained that:

"barbers pride themselves in special skills it is rare for someone to teach you but if you observe a good barber long enough and practice, you can be able to cut several styles professionally" (individual interview, 38-year-old barber, Kuloya,03/03/2020).

He gets his customers by using his reputation, he explained that:

“This business is not just about opening a place up, you need to be known and interact with people. A good barber should greet people in the street and chat with everybody without making active enemies. People come to the barbershop to chat, have someone to confide in and to get advice apart from the haircut. I was already known in my area as somebody who cuts hair at an executive barbershop in town. So, when I decided to open here and put an affordable price for my services, I invited people who know me to come for haircuts. When they were impressed, they brought me more customers until I had a regular clientele” (individual interview, 38-year-old barber, Kuloya, 03/03/2020).

5.4 Social Networks as safety nets

There were several people found participating in the Bank Nkhonde groups but did not participate in any business as a result. They aimed to have somewhere they can borrow money when a need arises and be supported. To them being part of the Bank Nkhonde is their enterprise. No one is allowed to buy more shares than the maximum allocated shares per individual, many join several Bank Nkhonde groups and even husband and wife join different ones to ensure their money gains interest instead of just keeping it. Moreover, they wanted the added advantage of having the group members come to celebrate with them and console them during good and bad times. In most group discussions emphasizing the family likeness of these groups was emphasized.

One important observation was the households had no security guards unlike in the urban area. In this area, your neighbour is your security as they are the ones to come to your aid when in trouble. This is another reason why people will support their neighbour in crisis as your safety also lies in the ability of your neighbour to come to aid quickly. As a result, houses are built closer together and it becomes an obligation for someone to live well with neighbours and support them.

6 Discussion

I will present a discussion of the findings in this chapter by interpreting them in line with the analytical concepts of social capital, trust and reciprocity earlier mentioned in the study. The discussion will consider literature review to further elucidate findings with the main research question on how social networks support micro and small entrepreneurship in Malawi.

Most respondents are not aware of any microfinance institutions who can offer credit. This is in line with the findings of Mwatsika (2017) where he stated that people in rural areas were not aware of microfinance institutions who could give them loans and those who were aware, could not access them due to eligibility problems. Mwatsika (2017), explains that there are several organisations and policies aimed to support entrepreneurs and start-ups. Some offer training and loans; however, the availability here is not in question but instead access. Many of the interviewees who participated in this study had never visited a micro-finance institution before.

De Gobbi (2014) explores the trends and challenges in the African continent especially among the youth and recommends the businesses and the policies that appear to be working. He found that the more one is educated, the better the chances of developing a profitable business but to his surprise in Malawi; a large percentage of the educated ones would rather have a job than pursue entrepreneurship. Consequently, most participants of this study did not finish their secondary school dropping out after only 10 to 12 years of schooling as Table 4 will show. When asked why that seemed to be the trend, no concrete answer was given except that they just decided to do so.

This could be a cultural norm to drop out at that stage in education as continuing secondary education is frowned upon or discouraged since they do not expect formal employment. Thus, their habitus can be observed in the community through their way of thinking, where it is normal for people to drop out after 10 years of schooling and pursue other interests.

The Danish Trade Union Development Agency (2019) earlier in this paper highlighted that 90% of the women participate in the rural informal sector and rarely have jobs. I observed that most of the female respondents had never been on salaried jobs before. On the other hand, most men were known to travel out to other districts to look for seasonal formal employment in the estates or plantations. The trend of men migrating out of the villages to find greener pastures is what has led to the distrust of men observed in the discussion. Several participants reported that men cannot be trusted because they can leave anytime and disappear, unlike women. Whilst the men would migrate to make a living for their families the consequence is that a lot of the women were abandoned no wonder why one of the common statements often said by participants were our marriages are stronger now because the coming of the Bank Nkhonde reduces the migration.

6.1 Skill sharing through Social networks

The findings show that there is a transfer of skill and knowledge through social networks as seen with cases where people are learning from friends, family and fellow Bank Nkhonde members. In response to the first objective of this research study, it appears young people develop their enterprises by learning skills through social networks in line with literature findings (IFAD 2019b). Kinship ties have shown to be very important in transferring skills and knowledge as they happen in a family setting such as when the 52-year-old carpenter reported in chapter 5 that he had taught his children. These sentiments were shared by several participants who stated that they had trained their family members. A look through the participant list in chapter 4 will show a considerable number of entrepreneurs who started their enterprises at the inception of Bank Nkhonde groups or when they joined the group. I submit that it is of interest to policymakers to understand how such informal training takes place to empower the youth who are mainly the recipients.

83% of skills in Malawi are transferred through social networks therefore networks of interest have to be looked at when seeking to intervene for rural youth(IFAD 2019b).

It would take more than building technical colleges to reach out to the rural youth as GoM has done in the past but deliberate efforts to target social networks could go a long way.

“A growing body of evidence suggests that savings groups contribute to increased savings, access to credit, consumption, household and business assets, food security and nutrition, investments in education, self-confidence and resilience” (SEEP Network 2020, P.5)

Apart from the financial activities, several individuals have benefited by learning entrepreneurship skills from the Bank Nkhonde members, they have been advised on what businesses they can pursue and how to make it profitable. Participants expressed that in terms of hierarchy on whom to take advice from on entrepreneurship ventures, spouses come first then Bank Nkhonde members, lastly other family relations.

6.2 Financial Income through social networks

Problems in accessing institutional finance from organisations have resulted in MSEs mobilizing resources from their networks. It is widely accepted that microcredit may not be reaching the ones who need it the most as quoted below;

“micro-credit has not significantly advanced our understanding of how to lend successfully to farm and non-farm enterprises in rural areas where population densities are lower and where the seasonality in cash flows, lending costs, and risks typically prove greater” (Wiggings & Hazell 2011, P.31)

The 20% interest offered by the Bank Nkhonde might seem high but when compared to the alternatives such as; the 50% interest offered by the Katapila and the maximum lending rates in banks shown in Table 1(see chapter 2) would offer them for being a high-risk population. The 20% through bank Nkhonde is more reasonable and fairer for rural communities.

Despite facing such high entry costs in business compared to urban communities, the rural informal communities contribute a high proportion of the MSEs in Malawi (Danish Trade Union Development Agency 2019).

One of the surprising findings was that the participants were not aware of the presidential initiative to provide loans through MEDF despite some dissemination efforts by the government. This means the poorest of the poor might not be reached with this initiative just as Rashid & Makuwira (2014) stated in their paper. The poorest of the poor in developing countries are the youth and women.

Most interviews revealed that the participants would not consider taking a loan from an institution due to fears on collateral demands and high-interest rate in line with the findings of the study by Mwatsika (2017). A minority reported that they would be willing to contact a microfinance institution if found to be eligible for credit. It is unfortunate to note that loans are available which don't need collateral to collect since they are by a presidential decree and there are communities needing financing but don't have the information. The information gap here leaves the rural communities vulnerable even when there are initiatives to help them. It is not enough to be aware of such an initiative, rural youth might need mentors to help them with the loan application process.

The major way of accessing financial resources for young people in Mpemba has been by using their social capital. Who they know, their reputation are assets on which they can access support from community members (Dzanja *et al.* 2013; Amurwon 2019).

Many respondents exclaimed it was hard to get loans from people before the Bank Nkhonde because people would prefer to lend to someone who they know will be able to pay back from a regular source of income.

The coming in of the Bank Nkhonde brought about social capital bridging from people who might not have interacted much before resulting in new trust relationships and avenues for support. Now people do their best to ensure participation in village banks to have an opportunity to get support or borrow during the crisis.

Social networks provide an avenue for saving through the Chipereganyu, bulk buying and accessing loans through the Bank Nkhonde. They also provide a social safety net in times of crisis or need in line with literature findings(Dzanja *et al.* 2013; Nagoli & Chiwona-Karltun 2017b). It is a normal expectation for a crisis like sicknesses and funeral to be shared by the community(Nagoli & Chiwona-Karltun 2017a).

Bonding capital is observed when a community actor only has exclusive relationships of close family members and friends within the same community, this accounts for the lack of access to information and the tendency of having similar nature of enterprises. Some individuals with relatives and friends in urban areas can migrate or have access to other information and experiences. In the same vein, Kebede (2018) cautions that excessive group bonding can hinder access to knowledge and information among network members. It is also important that bonding capital here plays a significant role in terms of security of the communities and social protection. When a household is experiencing a crisis is when this capital works best as there is support from kin and neighbours.

The only family relationship where financial assistance was provided for an enterprise launch was the spousal relationship in this study. Several participants acknowledged that they got their financial capital from their husbands in line with findings by Kuada (2009) and Monteith *et al.* (2019). However, this does not disprove literature which attributes a huge proportion of enterprise financial support from relatives since this is a smaller sample. Kinship networks were responsible for providing advantageous networks for the entrepreneur to access information and opportunities for a start-up. An example would be the tendency for the men in this area to emigrate for work in plantations in nearby districts like Mulanje. This might imply that there are people who have contacts with family and friends working in these districts who notify them when there are opportunities.

Consequently, there is a lot of charcoal and firewood business in the area and kinship networks are responsible for providing access in the community forest to use tress. A stranger with no attachment to any family in the community will be denied access and moving to the village does not automatically grant access unless there is intermarriage.

A significant finding is that kinship ties were guilty of the tendencies to negotiating discounts and being bad debtors to enterprises in the area. An interviewee argued however that kinship networks were good promoters of the enterprises by providing counsel and advertising as most businesses depend on word of mouth.

6.3 The importance of social capital in rural entrepreneurial outcomes

For the entrepreneur in the rural area, social capital is key to their success. *“The potential of the social capital theory lies in its recognition of social networks and associational life as resources for fuelling development from the bottom up”* (Dzanja et al. 2013, P.3). Dzanja et al. (2013) explains that rural informal social networks are important to the development of rural economic livelihoods.

In the absence of microfinance institutions supporting rural communities, relationships participants developed with friends, family and efforts to increase their networks through Bank Nkhonde reflected how important these networks are. Social capital is observed by the ability of community members to secure benefits by being a member of social networks and other social structures (Dzanja et al. 2013). Since the informal economy employs a large number of the population in Malawi, utilising the informal social networks for rural development is not something to negotiate (Danish Trade Union Development Agency 2019).

Ellis (2000) states the poorest communities are found in rural areas, for Mpemba communities who have no access to formal credit, developing networks through Bank Nkhonde helps them to bridge their social capital and grow their resources. Without the Bank Nkhondes, the social networks developed were exclusively family and close friends which left many at a disadvantage in accessing information and resources since they had similar access to information (Svendsen et al. 2016). The church was found as a place where social capital is developed because people from different educational backgrounds, villages and tribes meet together.

While many denied personally using the church to market their products, they agreed it allowed them to meet other people they would not normally meet, which enabled people to know about their enterprise. Being involved in church activities helps to raise one's social capital as their reputation improves and become trusted by other community members (Manglos 2011; Kristiansen 2019). Similar to Kuada's (2009) findings, the respondents found the teachings, prayers and emotional support as important to the success of their enterprises. However, many denied belonging to a church group allowed them to have any significant advantage in terms of a customer base as they claimed people will buy where they find satisfied. Kebede (2018) puts a disclaimer by saying it is not just about belonging to a type of church or house of worship but rather how often an individual attends the gatherings. I also believe that participants might have never reflected on how the church benefits them since they find their way of life normal.

The Bank Nkhonde groups do not only support members financially but are found to be a means to raise an individual's social capital consistent with Kristiansen (2019) findings stated earlier in the paper. Many Bank Nkhonde groups here buy things in bulk together, the interviews revealed that sleeping on a mattress is a status symbol in the village and most members were proud to explain of this achievement. An interview with a chairman of a Bank Nkhonde confirmed that *"people have now gone from using plastic plates and cups to using metal ones, in fact, now people use blankets in place of using just a cloth (zitenje) and mattresses from mats"* (In-depth interview, Chairman of Bank Nkhonde, Khunju Village, 5/3/2020).

Groups that bought cloths encouraged their members to wear their cloth when coming to the weekly meetings which raised the prestige of their members in the community since everyone easily recognises, they belong to the group. One woman sounded excited when she said:

"our Bank Nkhonde members know how to give wedding presents and money, it is one of the benefits as people get to see the rewards of your being in bank nkhonde". (Interview, 32-year-old female entrepreneur, Jossam, 02/03/2020).

The participation in the Bank Nkhonde activities helped to increase the social capital of members by the assets they acquired and the support they receive in times of crisis or celebration. “*Positive reputation leads to confidence and trust in the individual along with a higher level of social status and power. Such individuals are sought after within society*” (Svendsen & Svendsen 2004, P.43). An example of this is demonstrated in how membership is decided when a person is referred to the group, then their reputation and behaviour is investigated to be allowed in the group. Social standing is considered more when allowing members, people who respect harmony and collaboration are preferred than just having assets. A participant says, “*if after investigation the prospective member is found to be a difficult person to relate with, then we don’t accept them.*” (Group discussion, Kuloya, 6/3/2020). Social capital is developed through frequent interactions between people, which can result in expectations and obligations being developed (Jenssen 2001; Otto 2013). Individuals that are connected to more resourceful and influential networks like the Bank Nkhonde or relations in urban areas have high social capital unlike those with less resourceful networks.

Amurwon (2019) demonstrated social capital by explaining that an individual who receives care during illness as support from a community member can repay his social debt by supporting another community member in need with food different from the one, he received help. In this, a community becomes and there is an expectation that individuals will comply with community expectations to maintain their social standing in the community (Ibid). In Malawi, it is a norm for an individual to look out for his neighbours and relatives and when one is sick there is an expectation for close-by community members to visit and assist with money or food items (Dzanja *et al.* 2013; Nagoli & Chiwona-Karlton 2017a).

There are unwritten norms of living in the society as there is a general trust that the good they show others will be reciprocated to them during their time of need (Dzanja *et al.* 2013). This is why funerals, weddings are one of the most attended gatherings as people get to affirm their belonging to a group, family or tribe.

An interesting point is that social capital can be transferred from parents to children, if parents were active members of a kinship network or community, supporting fellow members. The children inherit this social capital as now these networks can support the children for their parent's sake. More people will attend a wedding to support the bride and groom's parents than for the individuals getting married. Morell (2014) & Schölin *et al.* (2016) explains that indeed there is a transfer of social capital in the form of social networks, skills, values and attitudes from parents to children. This is demonstrated in this study when a few participants claimed to have taught their trade to their children.

The frequency by which someone interacts with their networks determines how much they can benefit at any given time hence the strength of the relationship (Kebede 2018). Neighbours are more likely to assist during some smaller problems than distant relatives with little interaction. More distant relatives might feel obliged to help in more stressful situations like a long illness, funeral or wedding. Relatives will feel obliged to help because of reciprocity found in the culture as they know other family members will do the same in their time of need.

This is consistent with literature "*Paying for the education of family members, hospital bills and initial working capital for small business formation are popular examples of "needy" situations in which family members may demand and expect support from the richer members of the family*" (Kuada 2009, P.90-91). Moreover "*It is thus an accepted norm for households to help one another in times of distress. Whiteside (1999) observes that helping one another in times of economic distress constitutes one of the social safety nets that the rural poor survive on in Malawi. In the rural areas under study, an average household spent MK1,953 (US\$13.95) annually to help others out of their financial problems and also received an average of MK1,398 (US\$10.00) as remittances from friends and relatives*" (Dzanja *et al.* 2013, P.54). It is normal for sicknesses and funerals to be a community burden and not just an individual household (Nagoli & Chiwona-Karltun 2017b).

6.4 The Role of Informal Social groups in developing social networks

The church and Bank Nkhonde are social places which act as incubators for social capital bridging by increasing people's social networks. Frequent interaction in church activities and Bank Nkhonde allows people to develop trust and form relationships bringing about new information and resources. An interviewee when explaining the benefits of Bank Nkhonde group exclaimed that “ *it acts as a church because people come to your aid in times of crisis like a funeral, sickness and celebrate you during a wedding or when your daughter has gone through Chinamwali (female initiation ceremony)*” (Group discussion, Kuloya, 06/03/2020).

Studies by Meagher (2006), Kuada (2009), and Mwatsika (2017) all highlight church membership as improving beneficial social networks for entrepreneurship. At church, different social classes, tribes, skill level and education levels meet and interact based on shared values, therefore bridging networks between people who would not have easily been connected. Burt, as cited in Manglos (2011), explains that attending schools and churches together forms a basis for relationship ties. Religious meeting attendance is one of the most important activities that bring people from different aspects of society together in Malawi, the relationships formed from it are essential to people's lives and livelihood (Manglos 2011). All the interviewees in this study indicated belonging to a church and that apart from their faith, it is important for improving networks.

Community members developed trust and reciprocity was expected by their frequent interactions with each other. It is more easily developed in informal groupings because members' behaviours are more predictable and there are voluntary binding agreements (Otto 2013). In many cases, family members will offer to train and keep one of the struggling family's children to ease their burden. Some people who were not able to feed their families sometimes end up having decent burials because family relations are expected to contribute by the community and failure to do so might affect their social capital. This reflects by people not helping them during crisis nor attending their celebrations or funerals.

One of the significant contributions of the study done by Kuada (2009), is highlighting the role that church membership builds non-kin ties.

He explains that “*Interview results suggest that church membership is an important avenue for non-kin social interaction with positive economic implications*” (Kuada 2009, P.98). Several interviewees stated friends from church helped them access bank loans; others relied on fellow influential church members for recommendations while others got moral support in the initial stages of their business(ibid). Meagher (2006) reiterates the importance of church membership when she states that entrepreneurs in the informal shoe manufacturing industries join large churches to connect to material producers whilst finding customers from other tribes and networks. A common view among the participants of this study was that the church was not a place of business, but they, however, agreed that they were able to develop networks and increase their client base.

6.5 Upbringing Influences tendency for entrepreneurship

Economic benefit is the main reason all entrepreneurs interviewed stated in explaining their decision in starting up an enterprise in line with findings in other studies (Kuada 2009; De Gobbi 2014; Mwatsika 2017; Kebede 2018). One interviewee argued that:

“Farming right now is unpredictable because of the changes in climate, so for one to survive you need to do something else that brings income.”

(female entrepreneur, Khunju Village, 04/03/2020)

Given that most of the interviewees had no more than 10 years of education, the unemployment created by a mismatch of skills with the formal sector is a pushing factor for the individuals in rural areas to pursue self-employment (Mwatsika 2017; Danish Trade Union Development Agency 2019).

A majority of the participants did not attribute their desire to become an entrepreneur to a role model. However, they made references to fellow community members running enterprises which inspired them even though that alone might not have been the deciding factor.

Schölin *et al.* (2016) indicated that the presence of an entrepreneur parent doubles the probability of a child to venture following the same footsteps.

The direct and indirect socialisation processes of children assisting parents in their enterprise or watching their parents involved in building, welding or carpentry are responsible for influencing children for entrepreneurship (Schölin *et al.* 2016). In all cases, the participants reported that whilst growing up their parents would engage in some temporary enterprise to get by. This is also represented in their decision making when pressed with a need for more income, they have been socialised to start up an enterprise. This explains the puzzle De Gobbi (2014) was trying to solve when he found entrepreneurship was more popular in Sub-Saharan Africa even when education levels are low compared with other parts of the world. The socialisation that young people go through gives them attitudes, skills and a mindset which predisposes them to choose entrepreneurship.

The rise of savings groups has inspired more people to start enterprises so that they join a Bank Nkhonde group and keep up with the weekly contributions. This has led to more resilient businesses as the participation in groups provides mentorship and inspiration. Before these groups, people easily give up on their business without any consequences when faced with problems whilst now, they are more resilient in finding solutions to their problems. The groups are sought after because most share their money in November when people begin farming making it easier for them to buy farm inputs. This has improved the resilience of enterprises in the area. In the past, people had savings groups, but they were usually exclusive to the wealthy in the community. The project by Save the Children helped develop a standard operating system where shares are limited, and one person does not overly benefit over others including allowing those with smaller incomes to participate. While Rashid & Makuwira (2014) warned of the predatory nature of these self-help groups because they overcharge interest, the groups developed through this project have a strict constitution of charging only 20% interest and have an emergency fund where 0% interest is charged. Rather than exclude the poor these networks have included them.

Several studies found that the presence of a role model does not automatically motivate people to engage in business (Ascuitti *et al.* 2016; Mwatsika 2017). As seen in Mpemba, Bank Nkhonde groups help community members to interact with their role models, develop trust relationships which led them to start up their enterprises.

The study agrees with Mwatsika's (2017) findings that the presence of role models in a community is not enough to inspire entrepreneurship but rather interacting with them. Several reasons for pursuing entrepreneurship were found in the participants of the study conducted by Orr & Orr (2002). The participants attributed the following as motivators of their business start-ups; support from family especially husbands, growing up in a family with a business, travel to other areas and natural ability (Ibid).

6.6 Impact of cultural context on entrepreneurship in Mpemba

Meanwhile, Orr and Orr (2002) explained the different ways culture can affect entrepreneurship in Malawi in their study of MSEs in the southern region in the following statement; "*Success is often equated with witchcraft; traditional gender divisions of labour are challenged when women become involved in cash transactions (women who travel are considered to be prostitutes), and funeral practices may require the affected household not to run a business for 40 days*". Besides, some religious organisations forbid the production and sale of beer (a highly profitable but socially damaging micro-enterprise), while others forbid anything to do with pork (Ibid). "*In Lomwe culture, selling maize is frowned upon even where there is a surplus, thus limiting access to cash for diversification into business*" (Orr & Orr 2002, P.9).

Women in this study did not start enterprises that made them travel far from their village due to being primary caregivers in their households.

Making their enterprises based somewhere close enough to the village due to heavier workloads in the households (Chant 2005). I believe this geographical limitation hindered their opportunities to expand their enterprises and develop their networks to access different resources. Many of the group discussions highlighted the mobile nature of men and how it was normal for them to travel on business to town and seeking temporary employment in other districts. However, there was no mention of women who go to town for their business apart from getting supplies. Women were also excluded from learning skills, the interviews explained how they taught their skills like carpentry, building, welding to their male children or relatives only.

The people who have these skills have a chance to make a higher income as such women have limited means of increasing their income because of culture. All women participants did not learn their skills from informal social networks because the culture was not accommodative. Which means the 83% of skills gotten informally in Malawi as reported by IFAD (2019b) may not include women. These findings are consistent with Chant (2005) explanation of reasons why women are at a greater risk of poverty than men.

One of the reasons that men did not belong to Bank Nkhondes but rather their wives is the expectation that women will not move around a lot. This gap in knowledge is what this study had aimed to contribute by explaining how culture and upbringing influence entrepreneurship by capturing the resources, values, beliefs and norms transmitted through social networks. It's a common trend for men to go out of the village to work and find resources to take care of their family. This shows that according to the culture, women are not expected to be responsible for the household finances but rather encourage their husbands to travel to for opportunities than them travelling.

Culture has been vital in ensuring social networks have mutual obligations and reciprocity. An individual will be able to trust his social ties to support him/her when they support others because of the culture enables it. It has played a part in limiting the types of enterprises women can start-up as well as pushing men to venture into entrepreneurship to provide for their families. So, culture is a pull and push factor for entrepreneurship in this study.

7 Conclusion

In this section, I will discuss the major findings and suggest further areas for research. This paper demonstrated various social networks that Micro and Small Entrepreneurs in Malawi use to overcome the challenges they encounter. The study provides a rich context of rural Malawi from which other larger studies can develop from.

Efforts by the GOM to support the rural informal economy are not misplaced because 80% of the population live in rural areas and 89% of the labour force is in the rural informal economy. Policies that do not include social networks are excluding 80% of the population living in rural areas in Malawi. Through supporting the Bank Nkhonde and other social groups, rural communities will have resilient livelihoods which might lead to a reduction in poverty(Wiggings & Hazell 2011). These initiatives will also reduce the quality of life gap between the rural and urban areas. Development initiatives should use social networks as tools for achieving set goals in future(Rankin 2011).

The contribution of social networks to entrepreneurship outcomes in Malawi cannot be ignored. Due to low education levels and limited access to financial institutions, social networks provide access to skills, social protection, finances, values and informal banking services through Bank Nkhonde groups. This study, while small and only provides a snapshot, has proven that people are socialised to desire entrepreneurship through their upbringing and interaction with role models. This answers the question of why there is a high proportion of entrepreneurship in Sub-Saharan Africa when there are low education levels.

They develop enterprises based on the social networks they are exposed to by their family and friends. This alienates those young people without advantageous networks; however, the presence of informal group gatherings helps to include them by building advantageous networks.

7.1 Summary of key findings

Social networks are key to increasing MSE's in Malawi. Chirwa (2008) explains that MSE's is an instrument for development for addressing problems of poverty in developing nations. This paper found that a large proportion of the entrepreneurs began their enterprises after the Bank Nkhonde groups began which shows that they were mentored by peers which have led to resilient enterprises. This study has shown enough evidence for policymakers to consider social networks when it comes to decision making concerning African countries not ruling out rural communities as being capable of organising themselves in pursuit of a common goal through social groups.

The youth in Mpemba need social capital to access information, knowledge and financial resources. In a sense, rural communities have their informal banking system for instance Bank Nkhonde, the money lenders offering Katapila and a savings system with Chipereganyu. The availability of Microfinance institutions and government initiatives did not automatically mean that they are accessible to MSEs in the rural areas. Micro-finance institutions may not be reaching the poorest of the poor, in this case, young people in rural areas with no collateral.

Kinship ties provide social capital and supporting networks to young people. Spousal relationships were the only kinship relationship where financial capital was provided for enterprise start-up. Young people are more likely to pursue entrepreneurship because many of the people in this area are self-employed due to a mismatch of skills with the formal sector. Many participants revealed having a relative who was an entrepreneur, which doubles the chances for one to start an enterprise. Thus, safely saying exposure to kinship networks plays a major influential role in the tendency of the youth to pursue entrepreneurship.

Cultural context and expectation of care duties limit female entrepreneurship efforts while it also pushes men to venture into entrepreneurship or migrate to provide for their families. Women are excluded from learning skills through social networks due to culture bias to men having those skills. Furthermore, women do not have enterprises that require them to travel far from the village for extended periods even though they might be more profitable. Culture plays a major role in ensuring mutual reciprocity among kinship ties and friendship networks as things are done under the caption that it is our culture. Cultural context provides mutual obligations and expectations among community members to ensure reciprocity. Frequent interactions of social networks create cultural norms which reinforce the values contained in the social networks until people internalize them.

Informal institutions like Bank Nkhonde play a vital role in building social networks and bridging social capital in rural areas. The groups have managed to include the poor in communities and assisted in improving the quality of life of its members. GoM has done well in recognising the potential Bank Nkhonde's have by offering them loans but these groups can be useful in disseminating information and providing practical entrepreneurship training.

Social networks provide a safety net for security and as insurance in case of a crisis. In a country where there is no social welfare, kin raising children of those fellow kinsmen that have died, helping each other during celebrations and crisis. Bank Nkhonde have provided an avenue to get credit, therefore, cutting out the traditional Katapila money lenders who were charging exorbitant interests.

7.2 Recommendation for further studies

This qualitative case study begins to answer why and how young people pursue entrepreneurship in rural Malawi. Development from the grassroots up begins with recognising rural social networks.

A further large scale study including several districts will probe more on how cultural context affects entrepreneurship in Malawi. Perhaps more studies can be done on investigating the effectiveness of entrepreneurship training using social networks since the study confirms informal training through social networks. De Gobbi (2014) explains the need for training rather than providing financial capital and I think training would be more effective if they are done through mentorship in informal groups like Bank Nkhonde. When people interact more closely concerning entrepreneurship, they will be encouraged to continue their businesses, rather than have experts deliver training and leave. This will lead to a rise in MSE growth and help reduce poverty.

References

- Amurwon, J. (2019). *Responding to chronic illness; A case study from rural Uganda*. Swedish University of Agricultural Sciences.
- Ascuitti, E., Pont, A. & Sumberg, J. (2016). Young People and Agriculture in Africa : A Review of Research Evidence and EU Documentation. *Institute of development studies*, vol. 2016 (82)
- Baulch, B., Benson, T., Washington, I., Erman, A. & Bank, W. (2019). Malawi's Challenging Employment Landscape. *IFPRI Malawi; strategy support program*, (January)
- Berrou, J.P. & Combarous, F. (2011). Testing Lin's Social Capital Theory in an Informal African Urban Economy. *Journal of Development Studies*, vol. 47 (8), pp. 1216–1240
- Blantyre District Council (2019). *Blantyre Social Economic Profile* Available at: <https://localgovt.gov.mw/publications/social-economic-profiles-seps/blantyre-1>
- Bryman, A. (2012). *Social Research Methods*. 4th Edition. Oxford University Press.
- Chant, S. (2005). *Gender, generation and poverty*. Exploring the 'Feminisation of Poverty' in Africa, Asia and Latin America'. Cheltenham: Edward Elgar Publishing
- Chinsinga, B. & Chasukwa, M. (2012). Youth, Agriculture and Land Grabs in Malawi. vol. 43 (6)
- Chirwa, E.W. (2008). Effects of gender on the performance of micro and small enterprises in Malawi. *Development Southern Africa*, vol. 25 (3), pp. 347–362
- Creswell, John, W. & Creswell, John, D. (2018). *Research Design*. Fifth Edition. Los Angeles: SAGE Publications.
- Danish Trade Union Development Agency (2019). Labour market profile 2019. *Malawi Labour Market Profile*,
- Dzanja, J., Christie, M., Fazey, I. & Graham, A. (2013). The role of social capital on rural food security : the case study of Dowa and Lilongwe Districts in Central Malawi. *Access Journal of Agricultural Sciences*,
- Ellis, F. (2000). *Rural Livelihoods and Diversity in Developing Countries*. Oxford: Oxford University Press.
- Flyvbjerg, B. (2006). Five Misunderstandings About Case-Study Research. pp. 219–245
- De Gobbi, M.S. (2014). Making Youth Entrepreneurship Work in Sub-Saharan Africa: Some Factors of Success. *Open Journal of Business and*

- Management*, vol. 02 (04), pp. 305–313
- Holden, S., Kaarhus, R. & Lunduka, R. (2006). Land policy reform: the role of land markets and women's land rights in Malawi. *Noragric Report no. 36*, October 2006. (36)
- IFAD (2019a). Creating opportunities for rural youth. *Rural Development Report*, IFAD (2019b). Malawi Transforming Agriculture through Diversification and Entrepreneurship Project Design Report Main report and annexes. *IFAD-East and Southern African Division*, (23)
- ISN Special Issue (2006). Social network analysis and social capital. *International Relations and Security Network newsletter*, pp. 1–5
- Jarden, F. & Rahamatali, A. (2018). State of Practice : Savings Groups and the Role of Government in Sub-Saharan Africa. *The SEEP Network*,
- Jenssen, J.I. (2001). Social networks, resources and entrepreneurship. (June), pp. 103–109
- Kebede, G.F. (2018). Social Capital and Entrepreneurial Outcomes: Evidence from Informal Sector Entrepreneurs in Ethiopia. *Journal of Entrepreneurship*, vol. 27 (2), pp. 209–242
- Kew, J., Herrington, M. & Kew, P. (2017). Tracking Entrepreneurship in South Africa: A GEM Perspective. (June)
- Kristiansen, S. (2019). Social Networks and Business Success : The Role of Subcultures in an African Context. *The American Journal of Economics and Sociology*, vol. 63 (5), pp. 1149–1171
- Kuada, J. (2009). Gender, Social Networks, and Entrepreneurship in Ghana Gender, Social Networks, and. *Journal of African Business*, vol. 8916, pp. 85–103. DOI: <https://doi.org/10.1080/15228910802701445>
- Malawi National Youth Policy (2013). *National Youth Policy*. Lilongwe.
- Manglos, N. (2011). Brokerage in the sacred sphere: Religious Leaders as Community Problem Solvers in Rural Malawi. *Sociological Forum*, vol. 26 (2), pp. 334–355. DOI: <https://doi.org/10.1111/j.1>
- Martin, R. & Osberg, S. (2007). Social Entrepreneurship : The Case for Definition. *Stanford Social Innovation Review*, pp. 1–17
- Meagher, K. (2006). Social Capital, Social Liabilities, and Political Capital: Social Networks and Informal Manufacturing in Nigeria. *African Affairs*, vol. 105 (421), pp. 553–582
- Monteith, W., Monteith, W. & Cam, L. (2019). Business as family, family as a business : Female entrepreneurship in Kampala, Geoforum Business as family, family as a business : Female entrepreneurship in Kampala, Uganda. (March)
- Morell, I.A. (2014). Development Studies Research : An Open Access “ I do not understand how I became a farmer ”: The small-peasant path to family farm enterprise in post-socialist rural Hungary. (November), pp. 37–41. DOI: <https://doi.org/10.1080/21665095.2014.916188>
- Mutharika, P (2020). Nyasatimes, " Mutharika launches K13bn loans for youth, women: says leaving nobody behind in Malawi's economic progress" Accessed May 12, 2020. <https://www.nyasatimes.com/mutharika-launches-k13bn-loans-for-youth-women-says-leaving-nobody-behind-in-malawis-economic-progress/>

- Mwatsika, C. (2017). Entrepreneurship development and entrepreneurial orientation in rural areas in Malawi. (May 2015)
- Nagoli, J. & Chiwona-Karlun, L. (2017a). Uncovering human social networks in coping with Lake Chilwa recessions in Malawi. *Journal of Environmental Management*, vol. 192, pp. 134–141 Elsevier Ltd. DOI: <https://doi.org/10.1016/j.jenvman.2016.12.049>
- Nagoli, J. & Chiwona-Karlun, L. (2017b). Uncovering human social networks in coping with Lake Chilwa recessions in Malawi. *Journal of Environmental Management*, vol. 192, pp. 134–141 Elsevier Ltd.
- Nagoli, J., Green, E., Mulwafu, W. & Chiwona-Karlun, L. (2017). Coping with the Double Crisis: Lake Chilwa Recession and the Great Depression on Chisi Island in Colonial Malawi, 1930–1935. *Human Ecology*, vol. 45 (1), pp. 111–117 Human Ecology. DOI: <https://doi.org/10.1007/s10745-016-9882-1>
- Navicha, M. (2020). Nyasatimes, "K4bn set aside for women in Bank Nkhonde, Zokonda Amai Groups-Minister". Accessed February 24, 2020. <https://www.nyasatimes.com/k4bn-set-aside-for-women-in-bank-nkhonde-zokonda-amai-groups-minister/>
- NSO (2018). 2018 Malawi Population & Housing Census. *National statistics office of Malawi*, (December). Available at: www.nsomalawi.mw
- Otto, O. (2013). *Trust, Identity and Beer*. The Swedish University of Agriculture.
- Rankin, K.N. (2011). Social Capital, Microfinance, and the Politics of Development. vol. 5701
- Rashid, T. & Makuwira, J. (2014). Development in Practice Global financial crisis and women ' s micro-lending innovations in Pakistan and Malawi. *Development in Practice*, vol. 24 (1), pp. 39–50 Taylor & Francis. DOI: <https://doi.org/10.1080/09614524.2014.867927>
- Schölin, T., Högskola, M. & Ohlsson, H. (2016). Self-employment intentions and choice of company type. vol. 22 (3), pp. 329–345
- SEEP Network (2020). *A DECADE LATER : The Long-Term Outcomes of Savings Groups*
- Silverman, D. (2014). *Interpreting Qualitative Data*. Fifth Edition. SAGE Publications.
- Svendsen, G. L. H., and G. T. Svendsen. 2004. The Creation and Destruction of Social Capital, Entrepreneurship, Cooperative Movements and Institutions. Cheltenham: Edwards Elgar
- Svendsen, G., Svendsen, H., Durkheim, L. & Weber, M. (2016). On the Wealth of Nations : Bourdieconomics and Social Capital Authors (s): Gunnar Lind Haase Svendsen and Gert Tinggaard Svendsen Source : Theory and Society, Vol. 32, No . 5 / 6, Special Issue on The Sociology of Symbolic Power : A Special Issue i. vol. 32 (5), pp. 607–631
- Tilly, C. (2005). *Trust and Rule* (Cambridge Studies in Comparative Politics). Cambridge: Cambridge University Press. doi:10.1017/CBO9780511618185.
- Wiggings, S. & Hazell, P. (2011). Access to rural non-farm employment and enterprise development. *Background Paper for the IFAD Rural Poverty Report*, pp. 1–53