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Book Review

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## Editorial

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#### The Malawi Journal of Social Science

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# Diasporas as Agents of Democratisation: The Malawian Case

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#### Abstract

Over the past couple of decades, the discourse on diaspora has primarily centred on the developmental role of diasporic communities in their homeland through direct remittances and the provision of public goods and services. The impact of diasporas on trade, investment, technology, and other areas has also been significantly rising. The overall effect of diasporas on the economies of their homelands is staggering. However, migrants and diasporas, as agents of development, not only remit money to their countries of origin but also carry ideas for political, social, and cultural change. This paper examines the participation of the diaspora in nascent democracies, such as Malawi, in political reforms and the building of institutional capacity for the consolidation of democracy. The scope of involvement ranges from supporting democratic transitions to participating in electoral politics and lobbying for policy change at home. In other words, this paper examines how the Malawian diasporic community engages with and impacts political processes through various channels. The analysis draws primarily on secondary data from both traditional and digital media, supplemented by twelve purposively selected key informant interviews with members of the Malawian diaspora. Respondents were drawn from diaspora associations, civic activism networks, and political initiatives to capture a diversity of perspectives. The interviews were thematically analysed to identify recurring patterns in diaspora engagement and influence within Malawi's democratic processes. The paper has traced the contribution of the diaspora to Malawi's democratic evolution and how their participation has evolved in response to the technological revolution in information and communication. In general, the paper examines the concept of long-distance nationalism, followed by a discussion on political change and the Malawian diaspora. It then explores the one-party state era (1964–1993), the role of the Church and academia in the political transition, and, before concluding, the dynamics of the multiparty era.

**Keywords:** Diaspora, migrants, political transition, change, social media.

#### Introduction

In 2020, Malawi made headlines across the continent and beyond when the courts nullified the outcome of the 2019 presidential polls due to gross irregularities and called for a fresh election in the presidential race. The demand for electoral justice from local actors received support and involvement from the Malawian diaspora, primarily through digital platforms such as social media. This paper aims to examine

the roles that diasporas of nascent democracies play in political reforms and building institutional capacity for democracy consolidation. These roles range from their involvement in bringing democratic transitions to their participation in electoral politics and lobbying for policy change in their homeland. In other words, the paper examines how diasporas in the given democracies impact political processes through various channels.

As scholars (e.g. Koinova, 2009; Craven, 2018) argue, the discourse on the diaspora in the last couple of decades has primarily focused on the developmental role of the diasporic communities in the homeland through direct remittances and extending public goods and services. The impact of diasporas on trade, investment, technology, etc. has also been rising significantly. The overall effect of diasporas towards the economy of their homelands is staggering. However, migrants and diasporas, as agents of development, not only remit money to their countries of origin but also carry ideas of political, social and cultural change.

Malawi is one of the "third wave democracies" that adopted liberal democracy, along with many Eastern European, African, and Asian countries, in the early 1990s. This paper endeavours to present the role of the Malawian diaspora in the democratic transition from authoritarian rule in the early 1990s to the subsequent processes of democratic consolidation. The transition has been facilitated by various internal and external actors, including development partners, international NGOs focused on democracy and electoral support, and international think tanks, which have collaborated with local institutions and individuals. While there are studies on the role of donor partners and international NGOs, there is a dearth of information on the diaspora's contributions in this process. While Nyangulu and Sharra (2023) offer important insights into the agency and motivations of Malawian diasporic political influencers on Facebook, their focus is largely limited to individual-level dynamics on a single digital platform. This article fills the gap by taking a broader view of diaspora engagement, examining both online and offline political participation, historical trajectories, and the evolving role of diasporic communities—including youth—in Malawi's wider democratic processes.

The paper highlights the critical junctures in tracking the diaspora's role in Malawi's democratic history in the post-transition period. One issue which crept over 30 countries on the African continent, including Malawi, was the attempt to extend the presidential term limit stipulated in the constitution. The article also refers to Malawi's severe governance crisis during the 2010, 2012 and post-2019 general elections marred by frustration over electoral result administration and public demand for electoral justice. Finally, the paper highlights the limitations and challenges that diaspora initiatives face, given the fragility of democratic institutions in their homelands, as well as the personalised power structures of the 'big man syndrome' combined with ethnic, linguistic, and other differences between the elites at home and those in the diaspora.

#### Concept of long-distance nationalism and the political role of diasporas

The emerging global political economy encompasses more actors and processes beyond the nation-state, rendering Eurocentric analyses inadequate for portraying the diaspora in their role as transnational actors and essential contributors to the international political economy. Diasporas have been notably absent from this list of actors (Reis, 2004; Craven, 2018), who argue that despite concerted efforts to move away from the state, governance research remains inherently state-centric.

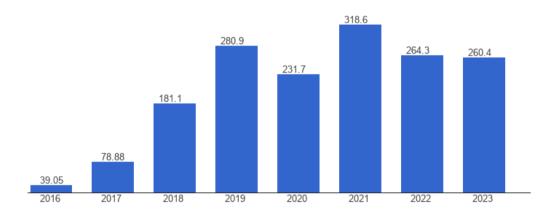
The transnational mobility of people has increasingly resulted in the emergence of diasporic populations that maintain active and often politically significant ties to their countries of origin. Among the most salient forms of diasporic political engagement is long-distance nationalism, a term originally conceptualised by Anderson (1998), describing the phenomenon where migrants continue to participate in, influence, or reshape political and nationalistic discourses in their homelands. This section explores the concept of long-distance nationalism, its drivers, challenges, and implications, particularly in relation to how it intersects with the notion of diasporas as agents of democratisation. Drawing on extensive literature across regions and historical contexts, this paper situates the concept within broader theoretical frameworks of long-distance nationalism and provides examples to illustrate its dynamics.

Long-distance nationalism refers to the political sentiments and activities directed toward a homeland by members of a diaspora community, often motivated by a sense of identity, belonging, or obligation (Skrbiš, 2017). Unlike traditional nationalism rooted in territorial presence, long-distance nationalism thrives on symbolic connections maintained across borders. Anderson (1998, p.2) emphasised that this form of nationalism allows migrants to "intervene in the politics of the homeland without bearing the risks of direct participation," leading to a reconfiguration of political accountability. Long-distance nationalism is a multifaceted phenomenon, encompassing emotional, cultural, and political attachments. Loshkariov, Beliakova, and Saakian (2023) note that these attachments may shift over time from identity-based claims to more pragmatic interests such as economic nationalism. Cheng (2021) highlights that long-distance nationalism can even reshape in-group preferences within the host country, creating hybrid identities among first-generation migrants.

Several factors have driven the proliferation of long-distance nationalism in recent decades: Firstly, the advent of digital technologies and social media platforms has greatly enhanced the ability of diasporas to remain connected to their countries of origin, share information, and mobilise citizens (Omanga, Mare, & Mainye, 2023; Nyangulu & Sharra, 2023). Virtual platforms create imagined communities where national identity and political grievances are continuously reconstructed. Secondly, political repression, civil conflict, or failed democratization processes often force individuals into exile, fostering a form of nationalism rooted in grievance and

nostalgia (Aydın, 2021; Pampuch, 2024). The Crimean Tatar and Libyan diasporas exemplify how displacement catalyses long-distance nationalist ideologies (Alunni, 2019). Thirdly, many sending states have institutionalised relationships with their diasporas through formal policies and diaspora ministries, which paradoxically may both encourage long-distance nationalism and attempt to co-opt it (Gamlen, Cummings, & Vaaler, 2021; Ashutosh, 2021). Finally, experiences of exclusion or cultural marginalisation can heighten diasporic nationalism, as migrants seek meaning and empowerment through affiliation with their homeland (Faria, 2014; Cross, 2022).

Major theoretical works on diaspora have contributed to the economic development of developing countries. Kapur (2010), Brinkerhoff (2008), Oestergaard-Nielsen (2003), and the World Bank (2006, 2007) are notable works in this area. The significance of this trend is evident, as remittances sent by migrant workers to their families abroad have become a critical part of many economies worldwide. There has been considerable focus on economic remittances and brain drain, but relatively less on social and political contributions and economic development. Based on the data below, remittances are expected to continue growing in importance. The value of Malawi's remittances in millions of U.S. dollars in 2023 was \$ 260.40. The table below provides remittances in U.S. dollars from 1994 to 2023.



Source: http://www/ The globaleconomy.com/Malawi/remittances

The World Bank indicates that the minimum value (\$0.52 million) was reached in 1995, while the maximum value (\$318.64 million) was recorded in 2021.

Another research trend focuses on security and the relationship between diasporas and homeland conflicts. Feron and Lefort (2019) discuss the nexus between diaspora and conflict, cautioning against the simplistic generalisation that diasporas from conflict zones tend to import the dispute to the countries of residence, which puts an entire community at risk. Many case studies on conflict and diaspora focus on whether diasporas are constructive or destructive in conflict, as seen in the work of Smith and Stares (eds.), 2007, on *Diasporas in Conflict – Peace Makers or Peace Wreckers*.

Studies have also shown that many diasporas are active participants in peacebuilding and conflict resolution activities in their countries of origin (Smith and Stares 2007; Østergaard-Nielsen 2006).

The role of diasporas in bringing about political reforms and change, as well as enhancing political development, remains a relatively under-researched field. Diasporas extend support to further democratise governance in their homelands by pushing for legal and institutional reforms. Shain (1995) is one of the early scholars who focused on political mobilisation by the diasporas in the U.S., such as the Greeks, Haitians, Cubans, and Mexicans. Shain observes, "The global surge of national independence and the third wave of democratic transitions have awakened older diasporas in the United States and energised the more recently organised ethnic groups. Both these groups now play an increasingly important role in supporting democratisation and self-determination abroad" (1995, p.812).

Political interests and activities focused on homelands within diasporas are certainly nothing new. Historical studies of migrant communities have consistently shown a considerable degree of political engagement for centuries. "At present, we can broadly observe a variety of ways — many similar to these historical forms in which internationally dispersed social groups mobilise and undertake a range of electoral and non-electoral political activities" (Vertovec 2005, p.5).

Examining the role of diasporas in the post-communist Eastern European states of Armenia, Albania, Serbia, and Ukraine, Koinova (2009) contends that diasporas in stable or advanced democracies are better positioned to influence democratisation in their home countries. The impact of international actors on democratic and illiberal societies has yielded valuable insights into the roles of state and non-state actors, as well as the mechanisms of leverage and linkage that facilitate democratisation. However, little has been said about diasporas. This is also contended by Awil (2009), who argues that the role African diasporas play in democracy-building on the continent is an area that has not yet been sufficiently studied despite its critical significance. Consequently, the knowledge necessary for developing informed policy prescriptions on the subject is still minimal.

The African diaspora can also contribute to democracy building in Africa "by making its knowledge, professional experience and expertise available to strengthen the capacity of political institutions in Africa and create effective, responsible, transparent, accountable and democratic systems of governance on the continent" (Awil,2009, p.2). Support for democratic governance is crucial in creating an enabling environment in the homeland and a key area for diaspora engagement to promote sustainable development in Africa.

The African Development Bank noted that the diasporas are also becoming significant players in building democratic institutions in Africa.

The nation-building process is based not only on financial resources but also on social and political dialogue, advocacy and awareness to stability for development. As the Diaspora gains more voice and recognition, they have begun demanding participation in the home country's political processes. An increasing number of Africans abroad seek elected office in their home countries, including as members of national legislatures, and many of the major national political parties rely on Diaspora financial contributions during electioneering campaigns (African Development Bank and African Development Fund, 2011, p. 13).

While long-distance nationalism provides diasporas with a platform for political participation, it is not without complications. It can delocalize conflicts, with diaspora groups promoting radical views disconnected from realities at home, as mentioned above (Demmers, 2002). It may fuel political polarisation, as seen in the Biafran case, where diaspora activism intensified ethno-nationalist divisions (Onyemechalu & Ejiofor, 2024). A lack of accountability is also a concern, as diaspora actors push for change without bearing the consequences of instability (Koser, 2003). Additionally, internal divisions often arise within diasporas due to differing nationalist perspectives (Elone & Chen, 2021).

Despite its challenges, long-distance nationalism holds potential as a democratising force. Diasporas often champion democratic ideals, lobby for human rights, and serve as watchdogs of authoritarian governments (Adeniyi, 2016). For instance, McGregor (2009) demonstrates how Zimbabweans in the UK have utilised long-distance nationalist frameworks to challenge the Mugabe regime and mobilise support for democratic change.

As comprehensively discussed below, in the Malawian context, digital long-distance nationalism is evident in Facebook-based political engagement, where diaspora influencers critique governmental actions, promote alternative political narratives, and contribute to civic education (Nyangulu & Sharra, 2023). These virtual interventions echo what Demmers (2002) describes as the "re-mapping" of political communities beyond territorial confines. Moreover, diasporas may offer material and intellectual support for democratisation, as seen in Sudanese diasporic parenting practices that transmit civic values to children (Faria, 2014) or in the transmission of heritage and political identity within the Malawian diaspora in South Africa (Sibanda, 2023). Such transgenerational engagements sustain political consciousness and collective memory vital for long-term democratisation.

#### Political Change and Diaspora: The Malawi Experience

Malawi, formerly known as Nyasaland, gained independence from British rule in 1964. Malawian diasporas are primarily located in neighbouring Zambia, Zimbabwe, and Mozambique, owing to close ethnic, historical, political, and economic ties. Malawi also has a sizeable migrant population in South Africa. Malawians were a source of labour for Southern African diamond and gold mines, particularly in South

Africa. In the West, Malawians are mainly located in England, Scotland, and the United States, with a few hundred also in Canada. There is also a tiny student community now in India, Japan, China, and other Asian countries. Precise data on the Malawian diaspora population is unavailable, as the government adopted a diaspora policy only in 2017, and the initial mapping and profiling exercises are currently underway.

Diaspora involvement in political change dates back to the struggle for independence from colonial rule. Malawian nationalists with radical ideologies, based in then-Rhodesia, championed nationalist and human rights causes. Some of the noted names were "Clements Kadalie, who pioneered the Labour Movement of Southern Africa, and was associated with the formation of the Communist Party of Nyasaland, formed around 1920, Charles Mzingeli, an influential figure in the labour struggles of Southern Rhodesia in the 1930s, persons like Eliot Kamwana, Thom Nyirenda, Jack Muwamba and Oscar Kambona, all of whom played an influential role in the independence struggle of Rhodesia and Nyasaland (Kapote Mwakasangura & Douglas Miller, 1998).

#### **The one-party state era (1964 – 1993)**

After independence from British colonial rule, Malawi was a one-party authoritarian state under Dr Kamuzu Banda for almost three decades from 1964 to 1993. Banda's regime was one of the most oppressive in Africa, notorious for its censorship laws on information systems with "access to information effectively denied to excluded social groups including members of opposition political movements, speakers of minority languages, Jehovah's Witnesses and Muslims" (Sturges 2013, p. 185).

There was no organised opposition movement within the country, given the widespread environment of fear and suspicion, particularly among the urban elite. The only severe power struggle was in 1964 when six of Banda's cabinet ministers rebelled and fled the country. Even those who attempted to sustain an exiled opposition movement abroad were vulnerable to the long arm of the Banda state. Several such figures were assassinated or kidnapped from neighbouring states (Wiseman, 1999, p.3). One such case was Orton Chirwa. He was abducted from Zambia by the Malawian secret police in 1981 and remained in jail in Malawi until he died in 1992. Attati Mpakati had his hands blown off by a parcel bomb in Mozambique in 1979 and was assassinated on a visit to Zimbabwe in 1983. By the 1980s, Banda's secret police were operating in neighbouring countries, seeking out Banda's enemies.

The Malawian pro-democracy activists found support in the country of their refuge. As observed by Mchombo, "The opposition groups based outside Malawi found more support from the democratic forces there, support that provided new impetus to the challenge to Banda's rule" (1998, p.18). Electronic mail started to play a role in the political arena with the introduction of fax machines. Facsimile, the photocopier, and electronic mail provided an alternative to traditional media and also crossed national

boundaries, carrying information and thereby enhancing democracy. Information from numerous documents from outside the country, collected during the campaign for a multiparty system of government, was transmitted via fax machines. The photocopier was a crucial tool in disseminating campaign materials. Messages were transmitted underground and at night. Documents were also received from human rights activists and exiles, which were photocopied and distributed secretly. The arrival of computers gave new momentum to the dissemination of information.

#### The Church and the academia in political transition

The Church in Malawi played a pivotal role as a torchbearer of democratic change. In Malawi, as in South Africa and other parts of Africa, the Church has been an integral part of the state. The visible impact of the Church was evident in the early 1990s, when the wind of change swept across Eastern Europe, Latin America, and Africa, ushering in liberal democracy to replace dictatorship (Ott, 2020). In Malawi, although many local and international actors played a role in bringing about the much-needed change from Banda's dictatorship, the 'Pastoral Letter' issued by the Catholic bishops on March 8, 1992, is hailed as the document that set the momentum for change. Support for the Malawian Church came from churches in Germany, Italy, the United Kingdom, the United States, Canada, and other countries. The pastoral letter was a very effective tool in social mobilisation. National church leaders, with external support, played a pivotal role. The Church came out as a formidable actor in the arena of good governance. After that initial phase, church organisations received significant support for their development and governance programmes.

The University of Malawi, particularly the Chancellor College campus, was at the epicentre of the protest to end the ruthless one-party state regime and usher in democracy. The Malawian academics like Prof. Pascal Kishindo, Dr Edge Fedelis Kanyongolo, Dr Mathews Chikaonda were ably joined and supported by their colleagues in the diaspora, like Dunduzu Chisiza, Prof. Thandika Mkandawire and others. The academic diaspora from the west managed to smuggle pamphlets to three institutions – the Old Mutual, Elect and National Bank of Malawi- as only these three had fax machines in the early 1990s. Some particular individuals in these organisations duplicated the material that was deemed seditious. The academic diaspora established good links with the International Red Cross, Article 19, Africa Watch, Index on Censorship, and Amnesty International.

Prof. Thandika Mkandawire, a global Pan-African luminary, was a prominent voice on the Nyasa Net forum, the first internet medium in Malawi. It facilitated the dissemination of information on a wide range of topics, including Malawi's history, African politics, and global economics, through an email listserv for Malawians in the diaspora. Prof. Thandika Mkandawire joined the nationalist struggle for independence

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<sup>&</sup>lt;sup>1</sup> Interview with Wiseman Chijere Chirwa, a PhD student in the late 1980s in Canada, a former professor in History at Chancellor College, University of Malawi.

while working as a journalist, but was exiled by Kamuzu Banda in 1965, ultimately becoming a political refugee in Sweden (Mandaza, 2020). Guy Mhone was another well-known economist based in South Africa. His works strongly resisted the colonial Central African Federation's (comprising of Zambia, Zimbabwe and Nyasaland) repression and then the brutality of the Banda era.

The years from 1992 to 1994 marked a transitional period, setting the stage for multiparty elections and the establishment of a democratic order. Prominent political leaders from exile, such as Chakufwa Chihana and Brown Mpinganjira, among others, returned home as political parties emerged as legal entities. These political leaders were at the forefront of the transition. A referendum on reintroducing multiparty democracy was held in June 1993, which succeeded with an overwhelming majority. The referendum set the motion for holding competitive elections, accompanied by legal reforms, within the framework of a liberal constitution. The making of the Constitution of Malawi came into force in 1994 and had the involvement of legal experts from the diaspora, such as Prof. Arthur Peter Mutharika, a U.S.-based Malawian legal academic, who later became the President of the Republic of Malawi from 31st May 2014 to 28th June 2020.

The Malawi Action Committee (MAC) was one of the diaspora forums comprising Malawian exiles in the United States and Canada, dedicated to the struggle to end one-party dictatorship in Malawi. The MAC was formed on 4 April 1992. These forums had been working in small groups to lobby governments and international organisations, raising awareness of human rights abuses in Malawi.

The Committee had a membership of some legal professionals who drafted propaganda memos, which were faxed to Malawian contacts and distributed nationwide in leaflets. More prominent members of the MAC, like Arthur Peter Mutharika, carried out diplomatic lobbying to pressure foreign governments to disassociate themselves from the Kamuzu Banda regime.

#### The multiparty era

After the transition from an authoritarian regime to an electoral democracy in 1994, the subsequent process was the consolidation of democracy. While the transition process is geared towards undermining an authoritarian regime and the emergence of nascent democratic institutions and procedures, the consolidation process entails a much broader and more complex process of institutionalising the new democratic rules and framework.

Democratisation evolves at two levels: procedural and substantive. The procedural aspect engages with elements of democracy, including free and fair elections, turnover of power, and support for various political actors, such as the media, political parties, the election management body, and civil society. The substantive one deals with supporting liberal elements of democracy, such as freedom of speech, free media,

freedom of assembly, and initiatives that transcend regional and ethnic factors. The second aspect of democracy requires a participatory citizenry that is active throughout the time between elections to ensure the promotion of good governance. Until the time the two elements of democracy move in tandem and one acts as a check on the other, the functioning of democracy is in peril.

The democratic constitution of Malawi, like most constitutions drawn after the 1990s transition, sets a limit on the tenure of the Presidency to two terms of five years each. These term-limit laws aimed to promote turnover in the executive office and foster horizontal accountability between government branches in the new democratic regime. At the time of adoption, there was a commitment from all those involved in bringing about the change to end the tradition of "presidents for life," which had long undermined constitutionalism and the rule of law. However, within a decade, the term "extension bid" put democracy's cart in reverse gear, suggesting that a transition does not always lead to consolidation.

African Presidents, such as those of Zambia, Namibia, Uganda, and Malawi, among others, sought to reverse this constitutional provision by extending their term of office. They resorted to various methods, including amending the Constitution and buying votes to defeat motions in parliament. Some succeeded, like Museveni of Uganda and Sam Nujoma of Namibia, and some failed, like Muluzi of Malawi and Chiluba of Zambia. Malawi is one of the cases where the term extension bid failed, and the Constitution was upheld. It was a critical juncture in Malawi's nascent democracy, faced collectively by many players, with the Church playing a leading role, joined by civil society organisations (CSOs) and the media.

#### Governance challenges and the Diaspora response

From 2010 - 2012, Malawi, under the presidency of Bingu Wa Mutharika, faced a 'crisis of governance'. Mutharika first became President in 2004 and retained power in 2009 with his party securing an overwhelming second-term electoral majority. Soon after assuming office for the second term, Mutharika enacted a series of legislations that essentially clamped down on civil liberties and fundamental freedoms. Freedom of speech and expression, association and academic freedom were under serious threat. The economy was grossly mismanaged, resulting in acute fuel shortages and a decline in foreign exchange. A zero-deficit budget approach significantly impacted the lives of most impoverished Malawians. Donor aid, which constituted 40% of the national budget, was suspended due to Mutharika's antagonistic attitude towards Western donors, including Britain, a major donor country. The most vigorous opposition to President Bingu Mutharika was the group of donors under the CABS (Common Approach to Budgetary Support), comprising the European Union, the United Kingdom, Germany, Norway, the African Development Bank, and the World Bank. This group funds more than 40 % of Malawi's national budget.

On 20 July 2011, Malawi was engulfed by protests and riots in the cities of Lilongwe, Blantyre and Mzuzu against President Bingu wa Mutharika's increasingly autocratic regime and the dire state of the economy. On the second day of riots, the army was deployed. The riots left eighteen people dead, many others injured and massive destruction of property across the country's major cities- Blantyre, Lilongwe and Mzuzu. The causes of public frustration were worsening economic mismanagement manifested in shortages of fuel and foreign exchange, power outages, rising unemployment and inflation; the dangerous mobilisation of ethnicity as evident in the redistribution of jobs in the public sector to favour people from the president's ethnic group; and desperate attempts to manipulate the president's succession for his brother Peter Mutharika. The turmoil over academic freedom began in February 2011, when Inspector General of Police Peter Mukhito summoned Chancellor College political science lecturer Prof. Blessings Chinsinga for interrogation over a discussion he led in class where parallels were drawn between Malawi's fuel crisis and popular uprisings in North Africa. Prof. Chinsinga was accused of inciting students to demonstrate against the government. The lecturer proceeded on leave, and his colleagues boycotted classrooms, demanding a guarantee of academic freedom from the government. This was not provided, and what ensued was a string of injunctions filed by the University lecturers, multiple court cases, and the dismissal of Prof. Chinsinga and three leaders of the Academic Staff Union: Dr Garton Kamchedzera, Mr Franz Amin, and Dr Jessie Kabwila. A string of demonstrations by staff and students ensued, with the police intervening with live bullets and tear gas and the closing of university campuses.

Diaspora support or solidarity manifested during this period of governance crisis in Malawi in 2011. An Agenda for Change Summit held in Nottingham, UK, called upon "all Malawians across the UK, particularly in England, to come to this essential conference to put our heads together and advance further a strong 'agenda for change' for Malawi. Malawi is in dire straits, needing urgent change; otherwise, the country will become a totally failed state under Bingu wa Mutharika. We can no longer wait for more bloodshed when we have the power and mandate to change things now" (Nyasa Times, Agenda for Change Summit in UK's Nottingham, August 6, 2011). The Malawian diaspora in Scotland, under the umbrella organisation of the Association of Malawians in Scotland, is formally involved in the Malawi Partnership Programme (MPP) in various aspects of democracy. Association of Malawians in Scotland actively engages the Malawian diaspora in strengthening Malawi-Scotland ties, which emphasises promoting good governance by sharing government and parliamentary experience at both local and central government levels and sharing legal and financial expertise by collaborating with national bodies and civil society. Since its creation, the SMP has been particularly interested in encouraging Malawian residents in Scotland to become active members, join the SMP board, and attend events, with significant time, energy, and resources invested in promoting diaspora engagement. Overall, the Malawi diaspora associations in the UK, Scotland, and the

U.S. were formally established in various cities. They have become visible and vocal. The broad internet access has made the connection with the homeland faster, easier and more effective.

This digital connectivity has enabled diaspora members to follow political developments in real-time, provide commentary, and mobilise international support, aligning with Skrbiš's (2017) observations on diasporic agency in shaping homeland politics.

Several social media platforms have played a pivotal role in this digital activism. For instance, Facebook groups such as "Concerned Malawians Abroad" and Twitter/X hashtags like #MalawiDemocracy and #TonseAlliance have emerged as spaces where diaspora communities debate policy issues, share petitions, and disseminate information about governance failures. WhatsApp groups have also become central to real-time coordination of protests and fundraising for democratic causes. Others include Umodzi Diaspora Network (2017), The UK – Malawi Business Group (2017), The Diaspora Portal (2019), Diaspora Mobilisation after Tropical Cyclone Freddy (2023), and The Malawi Diaspora Investment Survey (2023).

#### Government initiatives towards diaspora engagement

Diasporas have emerged as powerful actors called the 'soft power' with a complex impact on local, national, and global political processes. The recent past has witnessed the government initiating diaspora policies and setting up diaspora institutions to enhance state-diaspora relations, like voting rights, dual citizenship and others. These initiatives are indeed a recognition of the role that diasporas have played in governance for a long time, mainly through remittances and providing public services like building hospitals, schools, etc. It has been observed that 'states' diaspora initiatives are part of wider international efforts to govern global migration. Advised and urged by experts in think tanks and international organisations to seek "migration for development, governments are steered towards an appreciation of how engaging diasporas furthers their interests" (Gamlen, 2014, p. 184).

In 2017 the government of Malawi came out with a diaspora policy. The policy statement notes that over the years,

some have managed to organise themselves for social networking, but the absence of a formal programme of engagement has rendered such initiatives less effective and unsustainable as their activities have mostly been informal. The Diaspora initiatives have not been formally integrated into the country's development strategies. As such, the country has lost the opportunity to develop using this huge resource (National Diaspora Engagement, 2017).

Over the last ten years, the Malawian government has made significant strides in implementing a diaspora engagement framework, opening pathways for targeted contributions and structured interactions with the Malawian diaspora focused on socio-economic development. While institutional efforts also respond to an increased recognition of the diaspora across the migration-development nexus, specific measures such as dual citizenship, the recognition of foreign-acquired higher education diplomas, access to portfolio investments in Malawi, or the provision of consular services abroad act to incentivise a deeper engagement. The Malawian diaspora, particularly in the United States and the United Kingdom, has demonstrated high levels of organisation and networked mobilisation in the wake of natural disasters, but also in support of healthcare needs and/or national development projects. With a diaspora engagement framework in place and diaspora organisations actively contributing to the country's welfare, Malawi is favourably positioned to continue building on this diverse social capital, which could ultimately translate into tangible reforms, more effective development planning, brain gain and return migration.

The Embassy of Malawi in Washington, D.C. convened a Malawi diaspora conference in 2018 with President Arthur Peter Mutharika as the guest of honour. The forum was intended to be the first step in promoting working relationships between the government and its diaspora in the USA, enabling them to be involved in Malawi's development. It was realised that the number of Malawians in the diaspora who have the potential to play strategic roles in Malawi's growth has increased with globalisation and transnationalism in identity and practice over the past few years. The conference endeavoured to create a relationship of trust between the diaspora and the Malawi government. The objective was to enhance a common understanding of the development challenges at home, facilitating diaspora intervention through the transfer of experience, knowledge, and skills after ascertaining the available professional and technical resources within diaspora communities.

Nonetheless, the culture of a one-party state has continued in the conduct of both domestic and foreign affairs. The Heads of foreign missions were political appointees of the President and, therefore, the President's spies abroad. This legacy has continued even after the setting in of democracy. The foreign offices, as extended arms of the government, had confined the relations between them and the diasporic communities. Over the years, democratic reforms in domestic and foreign policies, particularly the recognition of diasporas as instrumental in national development, have begun to alter the relationships between foreign offices and the communities.

This shift reflects the dynamics of long-distance nationalism, where diasporas are no longer passive actors but strategically engage in homeland politics, as Demmers (2002) and Alunni (2019) highlight in their analyses of diaspora-state relations.

#### **Electoral Politics and the Diaspora**

The increased role of social media in the 2010s significantly impacted the political process in Malawi. There is a greater engagement of youth in policy and public affairs. The general dissatisfaction and frustration in the aftermath of the 2019 general

elections in Malawi, owing to flawed electoral results management, drew a strong public outcry. The civil society, headed by the Human Rights Defenders Forum (HRDC) with opposition political parties, mounted a protest movement for electoral justice. The Malawian diaspora played an active role in the process by extending support to the drive for electoral justice. Political parties received support in the form of uniforms, batches and other campaign material. Nyangulu and Sharra (2023) document how diaspora political influencers on Facebook mobilised narratives of justice and accountability, framing the Tonse Alliance as a break from past regimes while demanding real reform.

There appears to be a growing trend towards establishing diaspora wings within political parties in some host countries. In the U.K., Mr. Chalo Mvula, a UK-based Malawian Foreign Direct Investment (FDI) expert and spokesperson for the Malawi Congress Party Diaspora Wing, opined that the government has its work cut out in attracting investors, as it has a large number of active people in the diaspora who will play an instrumental role in the government's endeavours.<sup>2</sup>

The new government formed in 2020, known as the Tonse Alliance Government, began its reign to usher Malawi to new levels of development. The potential influx of foreign direct investment is one area geared to push the fulfilment of the famous manifesto pledge of creating one million jobs. Malawi has struggled to attract investors in the past five years, a situation that has hit the country's economy. The Malawian diaspora, whose role in Malawi's economy has primarily been through remittances, has been identified as a critical group in unlocking trade and investment opportunities for Malawi. However, current sentiments within the diaspora over the Tonse Alliance Government have become increasingly disillusioned. While initially hopeful, many diaspora activists have criticised the government's failure to tackle corruption, uphold transparency, and deliver on key reforms. Platforms such as diaspora-run online media and discussion forums reflect a sense of betrayal, calling for a new citizen-led accountability framework. As Aydın (2021) and Onyemechalu & Ejiofor (2024) argue, diasporas can transform from nationalists to sharp critics when democratic expectations are unmet, indicating a shift from loval support to vocal scrutiny.

#### Conclusion

The Malawian diasporic community is growing in number and is spread across the globe. The traditional practice of sending remittances back to families at home remains and has continued to increase. However, there has also been a rise in support and collaboration with the home country in other fields.

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<sup>&</sup>lt;sup>2</sup> Malawi Diaspora Key for Tonse Govt Unlocking of Foreign Direct Investment https://allafrica.com/stories/202007120041.html 122th July 2020

The paper has traced the involvement of the diaspora in the political evolution process from colonial days to the one-party era and how it expanded after the emergence of the multiparty era. During times of crisis in governance, such as in 2011 and 2012, the diaspora's support was significant. Over the last decade, the social media landscape has offered a broad scope for diaspora engagement. The case of the 2019 post-election conflict and its aftermath demonstrates the involvement of the diaspora in the affairs of their homeland.

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## Unpacking the Determinants of IFMIS Technology Acceptance in Malawi's Public Service: A Technology Acceptance Model 2 Perspective

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#### Abstract

Drawing on the Technology Acceptance Model 2 (TAM2 model), this study sought to explore the determinants of Integrated Financial Management Information System (IFMIS) technology adoption in Malawi's public service. Three factors, namely 1) performance expectancy, 2) effort expectancy, and 3) social influence, were explored to establish their impact on IFMIS technology acceptance. A cross-sectional survey design was adopted, and the quantitative research method was applied. The data used in the study was collected from 217 public service employees who use IFMIS to do their jobs in the district councils, ministerial headquarters, government departments, and government agencies (MDAs) across Malawi using a purposive sampling method. The collected data was analyzed with the aid of the Statistical Package for Social Sciences (SPSS) version 26 using regression. The study argues that TAM2 is partly applicable in the Malawian context when predicting IFMIS technology acceptance. Whereas Performance Expectancy  $(\beta=0.22; p \ value=0.006)$  and Effort Expectancy  $(\beta=0.516; p \ value=0.000)$ were found to have a significant positive effect on IFMIS technology acceptance, Social Influence was found to have an insignificant impact on IFMIS acceptance in the Malawi public service ( $\beta$ =-0.019 and p value=0.872). The study recommends that users of IFMIS technology in Malawi's public service receive clear orientation on how the system can improve institutional performance and efficiency. In addition, targeted and ongoing training should be provided to enhance user confidence and familiarity, thereby increasing ease of use and promoting long-term adoption.

**Keywords:** Malawi, Public service, IFMIS, Acceptance, Performance Expectancy, Effort Expectancy, Social Influence.

#### INTRODUCTION

The New Public Management era has been the basis for countries in Sub-Saharan Africa to undertake reforms in the institutional structuring, operating processes, and positioning of the public service (Chiweza, 2010; OECD, 2005a; Sikwese, 2013). Lawson (2012) posits that the main aim of public service reforms is to improve the way the public service responds to the citizens and also how it carries out its constitutional role of provision of public policy direction, as well as during the provision of public goods and services amidst the increased demand for public services by citizens against the dwindling financial resources availability. As such, countries in Sub-Saharan Africa have been undertaking several reforms in key areas of public service. intending to improve their relevance to their citizens. Some most notable public reforms in public service in Sub-Saharan Africa have been the adoption and investment in Information and Communication Technology (ICT) in governance and public service delivery through E-government platforms, coupled with reforms in the area of Public Finance Management (Hafkin, 2009; Omollo, 2018). Prakash & Cabezon (2008) observed that an effective public finance management system is very critical for implementing public service programs and projects since the public finance management system is essential for the sound allocation and use of public financial resources. This is why governments in Sub-Saharan Africa found it necessary to, among other areas, undertake reforms in Information Systems as well as in Public Finance Management.

The Government of Malawi (GoM), as one of the countries in Sub-Saharan Africa, has not been left behind on public service reforms. GoM has actively been adopting e-government reforms, which have led to, among other things, the procurement and implementation of the Integrated Financial Management Information System (IFMIS), firstly at the central government level and then gradually, at local government levels (World Bank, 2017a). Adoption and implementation of e-government in Malawi have been based on expectations that ICT in public service is associated with improved service delivery, such as reduction in operation cost, enhancement of accountability and transparency, and ease in task performance when ICT technologies are put to their proper use (Nkohkwo & Islam, 2013; World Bank, 2017).

E-government reforms in Malawi have led to the use of modern information and communication technology (ICT) based systems by the public service institutions in the provision of public services, intending to enhance the public service delivery capacity and also enhance the citizens' accessibility to the public services (GoM, 2018b). For example, the Government of Malawi procured and implemented the Integrated Financial Management Information

System (IFMIS) to enable integrated planning and budgeting for public services as a way of Public Finance Management Reforms. It has also eased the procedures and reduced the lead time during procurement processes, payments for goods and services, accounting and reporting the acquisition and utilization of public financial resources, and auditing of activities. Further, IFMIS implementation is a mechanism for improving performance efficiencies in addition to enhancing gains in transparency and accountability of public administrators and managers (World Bank, 2017). Adoption of IFMIS in GoM is based on high expectations of increased performance of the GoM Ministries, Departments, and Agencies (MDAs) and the associated ease of task performance that the technology is known to bring (Lawson, 2012; Nkohkwo & Islam, 2013). Furthermore, PFMRs leading to IFMIS were in response to increased, pervasive, and severity of cases of public financial resources mismanagement and corruption and lapses in public servants' issues to do with accountability and transparency (Mwafulirwa, 2019). The general benefits from investing in IFMIS technology in public service administration and public financial management include improved performance in budgetary planning, execution, reporting, and auditing; timely data and information for decision-making and control of government processes and government programs; increased accountability and transparency in public service administration and management as well as cost and task efforts reduction (Brown, 2008; GIZ PFEM, 2022; Morgner & Chene, 2014; Nkohkwo & Islam, 2013). Thus, if IFMIS is used to its full capacity, the public service stands to experience these benefits. However, the case is different in Malawi, as IFMIS acceptance has been slow, such that IFMIS is not used to its optimum performance capacity.

Several cases point to the slow acceptance of IFMIS use in Malawi. For instance, after IFMIS was comprehensively implemented, the Overseas Development Institute (ODI) assessment found that several features of IFMIS technology were not being used in MDAs (O'Neil et al., 2014). Further, USAID highlighted the fact that IFMIS was underutilized at both the central and local government levels, whereby, despite IFMIS having several modules, only the finance module was functional (USAID, 2017). Furthermore, the World Bank report showed that the interface between the central bank and IFMIS was not functional, nor was the interface between IFMIS and other government systems being fully utilized despite IFMIS having those facilities (World Bank, 2018). Similarly, Mwafulirwa reports that the main problem with IFMIS was that not all modules or packages of IFMIS were being used (Mwafulirwa, 2019). Beside, Machika, (2021) lamented the tendency of users of IFMIS to bypass the helpdesk facility that is embedded in the new IFMIS by opting to report problems they experience while using IFMIS over the

phone calls or physical personal contacts (Machika, 2021). Machika further reports that, as of 2021, only 10 out of the planned 80 votes were being supported by the modules in the new IFMIS.

Slow acceptance of IFMIS in Malawi has facilitated fraud and corruption in public service (Anders et al., 2020), where public resources meant for national development are stolen. Futher, slow acceptance of IFMIS has led to the non-use of necessary controls inherent in IFMIS that are key to ensuring fiscal discipline in the budgetary process in public service. This problem has contributed to cases of budgetary deficits created by over-expenditure in government Ministries, Departments, and Agencies (MDAs), and in turn, there have been reports of a substantial increase in domestic and external debts that are accumulated to facilitate government operations amidst budgetary deficits resulting from failure to link budgets to expenditures coupled with deficiencies in timely reporting of public activities (IMF, 2021). Thus, if IFMIS technology was accepted at a fast rate, these problems would have been non existent.

It is from this backdrop that this study assesses the determinants of IFMIS technology acceptance in the Malawi Public Service by looking at the impact of performance expectancy, effort expectancy, and social influence on technology acceptance based on the Technology Acceptance Model 2 (TAM2), the extended TAM theory. There is no study to the knowledge of the researchers that has examined the determinants of IFMIS technology acceptance in the Malawi Public Service based on TAM2. As such, this study seeks to contribute to bridging the information gap as regards IFMIS acceptance determinants guided by the following hypothesis:

*H*<sub>1</sub>: Performance Expectancy has a positive impact on IFMIS technology acceptance in Malawi's Public Service

**H<sub>2</sub>:** Effort expectancy has a positive impact on IFMIS technology acceptance in Malawi's Public Service.

*H*<sub>3</sub>. Social Influence has a positive impact on IFMIS technology acceptance in Malawi's Public Service.

#### LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

#### The Malawian Public Service

Going by Stiglitz and Rosengard (2015: p815), the public service can be considered to be the sum of benefits and/or restrictions government establishments render to their citizens. However, Spicker (2009) opines that public service goes beyond the public goods, and services that are provided

and considers the public service to be a collection of government entities including a body of personnel of these entities that provide policy direction, public goods, and services to the citizens. The latter definition is the one that is used to imply public service in this study to signify the Malawi Public Service.

## New Public Management (NPM): The Antecedent for Public Service Reforms

New Public Management (NPM) paradigm has influenced public sector reforms across the world and Malawi in particular (Chigudu, 2014). The reforms target improvements in government efficiency, transparency and accountability, a shift from old and tried ineffective approaches to public service administration and management based on Woodrow Wilson's political-administration dichotomy, Henery Favol's and Fredrick W., Taylor's classic and scientific management, and Max Weber's bureaucratic approach (Frederickson et al., 2012; OECD, 2005; Oyedele, 2015; Palidano, 1999). Reforms in Malawi public service have included Structural Adjustment (SAPs). Decentralization. and Packages E-Government and implementation which enables integration of public service processes and information sharing between local governments, central government and stakeholders (GIZ PFEM, 2022; GoM, 2018; Gruening, 2001; Kayuni, 2010; Sikwese, 2013; Tambulasi, 2010). Beyond this, reforms in Malawi targeted the Public Financial Management where focus was on enhancement and strengthening of the Public Financial Management Legal Framework and investment in the Integrated Financial Management Information system (IFMIS) (Brown, 2008; Folscher et al., 2012, 2012; GIZ PFEM, 2022; Public Finance Management Act, 2003; USAID, 2018).

#### **IFMIS Acceptance in the Malawi Public Service**

IFMIS is the computerized financial management package used to enhance the effectiveness and transparency of public resources management by computerizing the budget management and accounting system for a government (Chene 2009). With IFMIS, public financial management tasks such as budgeting, revenue collection, expenditure control, payroll, financial reporting, and audits in central and local government can be effectively and efficiently carried out (USAID, 2018). However, Thompson (2010) maintains that investment in technologies such as IFMIS alone means nothing unless there is wide acceptance and usage of the technology. Technology acceptance is the willingness of an individual or a group of people to utilize technology to perform tasks for which the technology was designed and implemented (Wahdain et al., 2014). Despite a comprehensive implementation of IFMIS in

Malawi reports highlight underutilization, signaling slow acceptance of the technology (Machika, 2021; Mwafulirwa, 2019).

#### **TAM2: Determinants of Technology Acceptance**

Davis (1989) proposed a technology acceptance theory (TAM) that suggests that for technology to be accepted in any organization or society it must be seen to improve the performance of people's tasks, a condition called "Perceived Usefulness". Further, the technology should be easy to use, a condition called "Perceived Ease of Use". In a quest to improve the TAM model, Venkatesh & Davis (2000) added "Social Influence" as a third condition determining technology acceptance. Social Influence is the degree of how important others believe that a person should accept and use technology (Venkatesh et al., 2003) and this takes different forms such as, the need for a person to conform to group pressure, emulating others who use the technology, and being commanded or persuaded directly by others to accept or use a technology. Hence, Perceived Usefulness (Performance Expectancy), Perceived Ease of Use (Effort Expectancy), and Social Influence are the TAM2 model technology acceptance predictor variables. TAM2 model has been validated and tested for its robustness in terms of its universal applicability (Al-Gahtani, 2010; Graf-Vlachy et al., 2018; Jared et al., 2017; McCoy et al., 2007; Napitupulu et al., 2017; Rondan-Cataluna et al., 2015; Sharifzadeh et al., 2017; Venkatesh & Davis, 2000; Venter et al., 2021; Wickramasinghe & Wickramasekara, 2022).

#### **Empirical Studies on Technology Acceptance**

Empirical studies on TAM model have revealed conflicting results regarding Performance Expectancy (Perceived Usefulness-PU) and Effort Expectancy (Perceived Ease of Use-PEOU), and Social Influence. The contradiction is because some studies have dismissed the significance of the variables altogether, while others have confirmed their significance. For instance, Harryanto et al. (2018); Mailizar et al. (2021); Mendez-Rivera et al. (2023); and Sibande (2021) rejected the significance of TAM2 variables in predicting technology acceptance. To the contrary, Billanes & Enevoldsen (2021); Feng et al. (2021); Mokmin & Neoh (2023); Pontoh (2017); Tubaishat (2018) and Ziba & Kang (2020) confirmed their significance in predicting technology acceptance. Furthermore, some studies have found performance expectancy to be the only significant variable (Ejdys & Gulc, 2022; Munabi et al., 2020) and not the other variables while other researchers found only effort expectancy to be significant (Hanadi et al., 2012). Furthermore, some researchers found performance expectancy to be the most critical variable in predicting technology acceptance (Davis, 1989; Feng et al., 2021; Tubaishat, 2018; Venkatesh & Davis, 2000). To the contrary, Mokmin & Neoh (2023) and Wicaksono & Maharani (2020) found effort expectancy to be the most significant predictor of technology acceptance. Lastly, the place of social influence in TAM2 model has also been contentious. Whereas some researchers have confirmed its significance (Malhotra & Galleta, 1999; Venkatesh & Davis, 2000) others have reject its significance in predicting technology acceptance (Sibande, 2021).

Such contradictions in empirical literature highlight the need for further research as regards TAM2 model to examine these variables in other contexts such as the Malawi Public Service. This study is meant to fill this gap by assessing determinants of IFMIS technology acceptance in the Malawi Public Service as a way of contributing to the discourse regarding technological reforms in the public services.

#### **Study Conceptual Framework**

Figure 1 below shows the proposed conceptual framework guiding the assessment of the relationship between the independent variables (i.e. performance expectancy, effort expectancy, and social influence) and the dependent variable (IFMIS technology acceptance) in Malawi's public service.

Performance
Expectancy

H1

Effort Expectancy

H2

IFMIS User Acceptance

H3

Figure 1: Conceptual Framework of the Study

Note: The proposed study conceptual framework indicates that Performance Expectancy, Effort Expectancy, and Social Influence are theorized to be variables that are used to predict technology acceptance in the Malawi Public Service.

# Performance Expectancy and IFMIS Technology Acceptance in Malawi's Public Service

In this study, performance expectancy is considered to be the degree to which an individual (s) believe that a given technology would enhance their work performance when they put it to use (Davis, 1989b; Venkatesh et al., 2003). Earlier studies claim that for users to adopt a particular technology they should believe that such technology will aid in improving their performance (Davis, 1989a; Venter et al., 2021; Wahdain et al., 2014; Yoon, 2016; Zhai & Shi, 2020). Such studies have established a positive relationship between performance expectancy and technology acceptance. The narrative is, that the more useful a technology appears to be, the more likely that it will be put to use by users or prospective users. Based on this, the current study hypothesized that;

*H*<sub>1</sub>: Performance Expectancy has a positive impact on IFMIS technology acceptance in Malawi's Public service

# Effort Expectancy and IFMIS Technology Acceptance in Malawi's Public Service

In the present study, effort expectancy is the degree of effortlessness associated with navigating and using a given technology (Sharifzadeh et al., 2017). Impliedly, technology is easy to use if it does not involve too many procedures to carry out work with it, it is not hard to learn how to work with, and it is very interactive and user-friendly when navigating through it. According to previous studies, it is this envisioned or perceived level of inherent complexity associated with the use of the technology that determines the acceptance of the technology (Ly, 2019; Mokmin & Neoh, 2023; Wicaksono & Maharani, 2020). These and many other studies have shown that there is a positive relationship between effort expectancy and technology acceptance (Feng et al., 2021; Tubaishat, 2018; Venkatesh & Davis, 2000c). The positive relationship between Effort Expectancy and Technology Acceptance implies that the more users believe technology is less demanding effort-wise, the more the technology will be adopted. Therefore, in this study, it was hypothesized that;

**H<sub>2</sub>:** Effort expectancy has a positive impact on IFMIS technology acceptance in Malawi's Public Service.

## Social Influence and IFMIS Technology Acceptance in Malawi's Public Service

In this study, social influence is defined as the degree of responsiveness of an individual to how other people within a particular technology setting believe the individual in question should accept and use the technology (Graf-Vlachy et al., 2018). Based on this conceptualization, Social Influence entails an individual's compliance with the expectation of another person or group of people to secure validation of some form from the latter (Beldad & Hegner, 2018). In this case, Social Influence could manifest in the form of a given person's obligation to conform to group pressure to use the technology, emulating others who are using the technology, or being commanded or persuaded directly by others including peers and supervisors to accept or use a technology.

Venkatesh & Davis (2000) validated Social Influence in relation to technology acceptance where they, just like other earlier researchers, found Social Influence to be a positive factor for technology acceptance (Alraja, 2016; Billanes & Enevoldsen, 2021; Pontoh, 2017). This implies that the more an individual is exposed to Social Influence in relation to a given technology usage, the more likely will the individual use the technology. Hence in this study, it was hypothesized that;

*H*<sub>3</sub>: Social Influence has a positive impact on IFMIS technology acceptance in Malawi's Public Service.

#### **METHODOLOGY**

#### Research Design and Approach

In this study, a cross-sectional survey research design was adopted and the quantitative research method was followed. The quantitative research method uses numerically rated items to measure the variables of interest to the research problem (Ponto, 2015; Queiros et al., 2017). The quantitative research method was used in this research study because of its several advantages including enabling the description and prediction of variables' behavior numerically where investigation of the nature and magnitude of the relationship between/among variables can be made, allowing for generalizability of the research findings from a sample to a wider scope of the population, and enhanced objectivity and replication of the study by way of it being scientific (De Franco et al., 2017; Johnson & Onweugbuzie, 2004; Mohajan, 2020).

#### **Participants and Study Locations**

After ethical approval was granted by the University of Malawi on 13th July 2023 to conduct this study the researchers carried out the survey targeting civil servants who use IFMIS in carrying out their job requirements as accounts and finance personnel, internal and external audit & assurance personnel, administrative personnel, and public procurement personnel in MDAs. The study was conducted in Lilongwe specifically, at the Ministry of Justice, Ministry of Health, Ministry of Agriculture, Ministry of Education, the Accountant General, the Treasury General, the Department of Human Resource Management and Development, Ministry of Trade and Industries, the Office of President and Cabinet, Ministry of Defense, the Department of Parks and Wildlife, the National Assembly (Parliament), Lilongwe City Council and Lilongwe District Council. Additionally, the study was also conducted at the following nine district councils: Neno, Mangochi, Mchinji, Dowa, Nkhotakota, Nkhata-Bay, Mzimba South, Karonga, and Chitipa. All these are Malawi Government Ministries, Departments, and Agencies that use IFMIS (the technology under assessment). Approval to collect data was granted from all these entities and 238 respondents were recruited through a non-probability sampling method, specifically, purposive sampling. Purposive sampling involves the identification and selection of individuals or groups of individuals that meet given criteria under interest such as knowledge and experience of the respondents about the research phenomenon (Etikan et al., 2016). Data cleaning revealed that 21 responses were incomplete and these were dropped leaving 217 responses which were analysed using Statistical Package for Social Science version 26.

#### **Data Collection Procedure**

The primary quantitative data were collected using a structured questionnaire. A structured questionnaire is a document with a collection of standardized questions with a predetermined answer scheme for respondents to choose from, making it easy for researchers to collect necessary data (Cheung, 2021). The questionnaire was administered to respondents in two formats: a printed hard copy for those who preferred this method, and an online version via Google Forms. The online form was accessible through a shared link, provided after respondents had given their consent to participate in the study.

#### **Data Collection Instruments**

The measures utilized in this study were all drawn from previous research. *Performance expectancy* was measured on a 7-point Likert-type scale between an interval of 1 to 7 where 1 stood for strongly disagree and 7 for strongly agree. The five items that were used to measure this variable were adopted

from Venkatesh & Davis, (2000). In principle, when a respondent selected 1 against a questionnaire item they meant they strongly-disagreed, 2 moderately disagreed, 3 somewhat disagreed, 4 were neutral (neither disagree nor agree), 5 somewhat agreed, 6 moderately agree, and if a respondent indicated 7 against a questionnaire item they meant they strongly agreed. Effort expectancy was also measured using five questionnaire items anchored on a seven-point Likert type scale ranging from strongly disagree to strongly agree. The five items used to measure effort expectancy were adopted from studies by Thompson (2010) and Venkatesh and Davis (2000) who also validated the instruments. The Social Influence was also measured on seven-point Likerttype scale on 1 to 7 intervals with 1 implying strongly disagree and 7 indicating strongly agree where the four questionnaire items that were used for this variable were adopted from Vannoy & Palvia, (2010). Lastly, the dependent variable Technology Acceptance was measured using five questionnaire items on a seven-point Likert scale, as was the case with the independent variables, and the questionnaire items were adapted from Davis's (1989).

#### **Data Analysis**

The data drawn from the questionnaire were used to generate the latent variables for both independent and dependent variables which were later analyzed with the aid of the IBM Statistical Package for Social Sciences software (SPSS) version 26. Multiple linear regression was carried out in SPSS to assess the direction and strength of the relationship between dependent and independent variables.

#### RESULTS

The results of this study are presented in two parts. The first part consists of the preliminary tests that were conducted to ascertain that the collected data was of robust quality. The second part consists of the linear regression analysis output that tested the study's three main hypotheses. The results are all based on tests that utilized a data set consisting of 217 respondents as summarized in Table 1.

**Table 1:** Demographic Characteristics of the Participants

	Variables	Frequency	Percentage
Gender	Male	140	65%
	Female	77	35%
Age	18 to 25 years	18	8%
	26 to 33 years	53	24%
	34 to 41 years	59	27%
	42 to 50 years	47	22%
	Above 50 years	40	18%
Tenure	0 to 4 years	72	33%
	5 to 9 years	25	12%
	10 to 14 years	33	15%
	15 to 19 years	23	11%
	20 to 24 years	22	10%
	25 or more years	42	19%
Task Nature	Routine	186	86%
	Non-routine	31	14%
Voluntariness	Mandatory	149	69%
	Partly Mandatory	55	25%
	Completely Optional	13	6%
Total		217	100%

The Demographic data in Table 1 shows that the majority of the participants were male (65%, n=140) against the female statistics at 35%. The respondents were distributed in five age brackets with the 34-41 bracket having the most respondents (275, n=59), the least being the 18-25 bracket (8%, n=18). On the same note, the data indicates that the majority of the public servants is within 34-50 age group (27%+22%, n=59+47=106). In terms of tenure, most of the respondents have been in the public service for at most 4 years (33%, n=72),

suggesting that the majority are fairly new to the public service. Further, the data shows that most of the tasks performed using IFMIS are routine (86%, n=186). Lastly, 69% (n=149) of the respondents indicated that usage of IFMIS is mandatory with 25% (n=55) indicating that usage of IFMIS is partly mandatory, suggesting some degree of freedom of choice to use the technology or not.

#### Preliminary data analysis

In this chapter, the findings of the study are presented and discussed. Several statistical tests were conducted as follows. Firstly, the preliminary statistical tests that included, Kaiser Meyer Olkin (KMO) and Bartlett's test to confirm sampling adequacy, Cronbach alpha test to establish internal consistency in the measurement instruments, Harman's Single Factor test to diagnose common methods variance, Factor Loadings to measure validity, and Variance Inflation Factor and Correlation Matrix test were carried out to diagnose multicollinearity.

#### KMO and Bartlett's Test

KMO and Bartlett's tests were carried out and used to provide statistical evidence regarding the suitability of the data before further analyses could be conducted (Napitupulu et al., 2017). KMO takes values that range from 0 to 1, and values above 0.5 show the suitability of the data for further analyses in cases where the sample size is at least 100 (Shrestha, 2021). While Bartlett's test result needs to be significant at any *p-value* less than 0.05 for the data to be considered to be feasible for further analysis. The KMO and Bartlett's tests were carried out on SPSS for all the variables and the results are shown in Table 3 below.

**Table 2:** KMO and Bartlett's Test

Variable	KMO Value	Bartlett's Measure of Sphericity	Significance Level
Performance Expectancy	0.826	546.462	0.000
Effort Expectancy	0.852	437.214	0.000
Social Influence	0.786	294.94	0.000
IFMIS Technology User Acceptancy	0.633	109.11	0.000

As can be seen from Table 3 above, the KMO results for each and every variable is acceptable considering that the sample size is at least 200 (Shrestha, 2021). Bartlett's tests of sphericity results for all the variables are equally significant at p-values of below 0.05. This being the case, the data was suitable and justified to be used in factor analyses since the data met the adequacy and significance conditions to allow it to be used for further analysis.

#### Reliability Analysis

Cronbach's Alpha test is used to ascertain the reliability or internal consistency of the questionnaire items. Assessment of the questionnaire items which make up individual constructs is done on a scale of 0 to 1 and only Cronbach's alpha results which are at least 0.7 are considered to be indicative of internal consistency between the questionnaire items that are making up a scale for an individual construct (Taber, 2018). However, Ursachi et al. (2015) suggested that the generally accepted rule is Cronbach's alpha from at least 0.6 and that Cronbach's alpha greater than 0.95 could indicate redundancy in the items. As reported in Table 3, this study Cronbach's alpha ranged from 0.617 to 0.869 and this is a satisfactory measure of reliability Acceptance) were satisfactory indicators of internal consistence (Bland & Altman, 1997; Robertson & Evans, 2020; Ursachi et al., 2015).

 Table 3: Reliability Statistics

Variable	Cronbach Alpha	Number of items
Performance Expectancy	0.869	4
Effort Expectancy	0.854	5
Social Influence	0.817	4
Technology Acceptancy	0.617	4

#### Common Method Bias

This study adopted the cross-sectional research design and cross-sectional studies are known to commonly be subjected to Common Method Variance (CMV) also called Common Method Bias (CMB) (Podsakoff et al., 2012). Richardson et al. (2009) and Tehseen et al. (2017) observed that CMV has a detrimental impact on the correctness of the conclusions made from the research findings in situations where CMV is feared to be present. Harman's Single-Factor analysis value of at least 50% signifies presence of CMV

(Eichhom, 2014; Tehseen et al., 2017). In this study, Harman's single factor test showed that no single factor was attributed to more than 50% of the variance, hence it was concluded that CMV was not present in the data set.

### **Factor Loadings**

Factor loadings analysis is used to explain the extent to which the measurement instrument items correlate with the latent variables they are designed to measure through the extraction of component(s) or factor(s) that are meaningfully associated with the variance in the latent variables (Field, 2018). According to Peterson (2000), the acceptance threshold for factor loadings in empirical studies is the absolute value of 0.32. In this study, the 'within-construct factor analysis' method was adopted whereby factor analyses were conducted for each latent variable independently (Guérin et al., 2003; Segars & Grover, 1993).

**Table 4:** Factor Loadings

Variable	Items	Factor Loadings
Performance Expectancy	PE2	0.898
	PE5	0.881
	PE3	0.841
	PE1	0.778
Effort Expectancy	EE3	0.827
	EE5	0.815
	EE2	0.798
	EE4	0.786
	EE1	0.755
Social Influence	SI3	0.847
	SI1	0.812
	SI4	0.788
	SI2	0.773
Technology Acceptance	TA2	0.78
	TA1	0.753
	TA3	0.731

Note: The correlations generated from factor loadings analysis are all satisfactory indicators of the items contributing to the total explained variances in the corresponding latent variables (Peterson, 2000).

### Multi-collinearity Assessment

Multi-collinearity assessment was conducted in SPSS focusing on correlation coefficients among the three main independent variables (Performance Expectancy, Effort Expectancy, and Social Influence). Multi-collinearity signifies the existence of perfect correlation (±1) between independent variables a thing that casts doubt on the reliability or generalizability of the research findings (Shrestha, 2020). The two aspects of multi-collinearity assessment under consideration in this study were the Tolerance and the Variable Inflation Factors (VIF). Menard (2002) argued that tolerance of less than 0.2 in multi-collinearity assessment is a cause for concern as it is evidence enough to highlight that the independent variables are reporting the same level of variance as the dependent variable. In the case of VIF, measures  $\geq 10$ signal high multi-collinearity and that the most safe zone is within VIF values below 5 (Srivastava et al., 2010). For this study, the results of multicollinearity assessment showed that there was no tolerance measure which was below 0.2 where the minimum tolerance was 0.375 and the maximum tolerance was 0.538. Regarding VIF, all values were within the recommended threshold with minimum VIF being 1.858 while the maximum being 2.663. These results showed that there was no undue multi-collinearity among the independent variables.

#### **Correlation Matrix**

Correlation Matrix displays the correlations between one or more variables (Friendly, 2002). It mainly shows the strength and direction of the relationship between independent variables as well as the relationship the dependent variable has with each independent variable as it responds to the variation in the independent variable(s). The correlation matrix also helps in laying bare issues regarding independent variables reporting the same magnitude of variability in the dependent variable (Warner, 2013). Correlations between the main independent variables and the dependent variable are within range with none being above 0.8 to fear the presence of multi-collinearity and inconsistencies in the (Menard, 2002; Srivastava et al., 2010).

**Table 6: Correlation Matrix** 

Variables	Tenure	Voluntary	Task Nature	Performance Expectance	Effort Expectancy	Social Influence	Technology Acceptancy
4. Tenure	1						
6. Voluntariness	.158*	1					
7. Task nature	0.05	.209**	1				
8. Performance Expectancy	0.05	-0.12	0.01	1			
9. Effort Expectancy	0.01	-0.06	0.05	.729**	1		
10. Social Influence	0.02	143*	0.1	.668**	.572**	1	
11. IFMIS Technology Acceptance	0.05	178**	0.01	.605**	.677**	.447**	1

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

### **Findings and Discussion**

Investment in technologies in the public service has been widely recommended because of numerous benefits associated with it, as argued in earlier sections (Nkohkwo & Islam, 2013b; World Bank, 2017b). In Malawi, public service has failed to fully leverage investment in IFMIS technology due to slow adoption of the technology (IMF, 2021; Machika, 2021; Mwafulirwa, 2019b; O'Neil et al., 2014b). Hence, this study examined the determinants of IFMIS technology acceptance in the Malawi public service based on TAM Technology acceptance model 2 (TAM2) variables, performance expectancy, efforts expectancy, and social influence, significantly impact technology adoption (Jared et al., 2017; Venkatesh & Davis, 2000a). Multiple linear regression analysis was carried out to examine determinants of IFMIS technology acceptance in the Malawian context based on TAM2. Findings reveal that Performance Expectancy (PE) and Effort Expectancy (EE) have a significant positive impact on technology acceptance in the Malawi public service. However, Social Influence (SI) emerged as a non-significant predictor of technology adoption and this is contrary to TAM2-based empirical studies in which SI proved to be a significant determinant of technology acceptance. Further analysis reveals that voluntariness significantly influence IFMIS acceptance in a negative manner.

Hypothesis 1 predicted that performance expectancy has a positive significant impact on IFMIS technology acceptance. The study confirms this with regression coefficients ( $\beta = 0.222$ ; p value = 0.006) on IFMIS technology acceptance, and this aligns with TAM2 theoretical framework (Al-Gahtani, 2010; McCoy et al., 2007; Venkatesh et al., 2003) to explain technology acceptance in the Malawi public service context. The positive  $\beta$  score at 0.222 entails that a unit increase in public servants' perception of IFMIS technology performance instrumentality results to a corresponding 0.22 units in increase in IFMIS technology acceptance. This suggests that the more users of IFMIS perceived it to enhance their productivity and effectiveness at work, the more they will adopt its usage. This underscores the importance of the increased performance expectancy among public servants in Malawi in relation to IFMIS technology acceptance.

Hypothesis 2 predicted that effort expectancy has a positive significant impact on IFMIS technology acceptance. This was supported by the results ( $\beta$  = .516; p value = .000). This suggests that a unit increase in users' perception of the level of effort expectancy of IFMIS technology leads to a 0.516 corresponding increase in IFMIS technology acceptance. This implies that the more users of IFMIS see it to be easy to use the more they will accept to use it. This again, reinforces the TAM2 theory as regards the explanation of technology acceptance (Mokmin & Neoh, 2023; Pontoh, 2017; Venkatesh & Davis, 2000a).

Comparatively, this study finds effort expectancy to be the most critical predictor of IFMIS technology acceptance if compared with performance expectancy. This is

consistent with previous TAM model based studies that reported effort expectancy to be the most significant determinant of technology (Mokmin & Neoh, 2023; Wicaksono & Maharani, 2020).

Hypothesis 3 predicted that social influence has a positive impact on IFMIS technology acceptance. The results from this study did not support the hypothesis with a negative non-significant standard beta ( $\beta = -.019$ ; p – value = 0.782). This challenges the theoretical framework and literature at large (Venkatesh & Davis, 2000a; Ziba & Kang, 2020b) that empirically claimed that social influence positively and significantly explains technology acceptance. The findings reinforce Yang & Choi (2001) claim that social influence impact on technology acceptance is dependent on whether the technology in question is social or not in nature. By design, IFMIS is a non-social-based technology (Graf-Vlachy et al., 2018), such that its usage does not involve social interface and interaction among users, consequently affecting social influence impact on IFMIS technology acceptance.

Further analysis involved examination of control variables (Tenure, Voluntariness, and Task Nature) on IFMIS acceptance. Only voluntariness out of the three control variables was significant in predicting IFMIS technology acceptance in the Malawian context ((=-0.135 and p - value = 0.009)). The implication of the negative beta value is that there is a negative relationship between voluntariness and IFMIS technology acceptance. Thus, as usage of IFMIS technology becomes voluntary, acceptance of the technology declines. This, therefore, suggests that IFMIS usage in the Malawi public service has to be mandatory and enforced to enhance its acceptance. By this, this study extends the TAM2 model to suggest the usefulness of voluntariness in determining technology acceptance in public services.

This study has contextualized TAM2 in the public sector with IFMIS under consideration where it has reinforced the robustness of effort expectancy and performance expectancy in predicting technology acceptance. It has, however, challenged the assumption that social influence is always a significant determinant of technology acceptance but that relevance of social influence is subject to the nature of the technology in use (social vs non-social technologies). Finally, the study has revealed the negative significant interaction between voluntariness and IFMIS technology acceptance in the public service. Findings of the study have reinforced TAM2 validity.

### CONCLUSION AND RECOMMENDATIONS

Usage of technology in public service in key areas such as public finance management is associated with several benefits to the public service that come in form of reduction in public service delivery costs, enhancement in transparency and accountability, and speed and ease in task performance (Nkohkwo & Islam, 2013; World Bank, 2017). Malawi Public Service procured and implemented IFMIS to enhance efficiencies in the public finance management system from around the year 2005, but acceptance of

the technology has been slow. To that effect, this study assessed the determinants of technology acceptance in the Malawi Public Service by applying TAM2 model on IFMIS acceptance to generate information about issues surrounding technology acceptance in the Malawi Public Service.

The findings from this study reinforce the validity of TAM2 model in the Malawian context, where it has shown that effort expectancy and performance expectancy significantly predict IFMIS technology acceptance in the Malawi public service. However, the findings challenge the position of social influence in TAM2 as applied to IFMIS technology based on the study findings, which have shown that social influence is an insignificant predictor of IFMIS technology acceptance. Finally, the study extends TAM2 model by showing the efficacy voluntariness as another variable that demonstrates influence in IFMIS technology acceptancy in the Malawi public service.

#### Recommendations

Firstly, the study has shown that effort expectancy has the strongest impact on IFMI's technology acceptance in the Malawi public service. Managers in the Malawi public service can promote technology acceptance by ensuring that technologies are easy to use. They can achieve this by focusing on training users or would be users of technologies. Secondly, the study has shown that performance expectancy impacts on IFMIS technology in the Malawi public service. Consequently, managers in Malawi public service may benefit from promoting perception of instrumentality of IFMIS technology among users. Finally, with significancy of voluntariness as shown in the study, management in Malawi public service should work on strategies to enforce mandatory usage of IFMIS technology to enhance its acceptance and usage among public servants.

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# Examining the Influence of Social Capital on the Business Performance of Women Entrepreneurs: Evidence from Malawi

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### Abstract

The study examines the influence of social capital on business performance in businesses run by women entrepreneurs. The study focuses on social capital-related factors, namely: (1) heterogeneity (diversity), (2) multiplexity, (3) communication frequency, and (4) emotional closeness. In this regard, a cross-sectional study design was adopted. A survey was conducted with 384 businesswomen to test the impact of social capital on female-run businesses. Data was analyzed using regression analysis. The results show that social capital has a significant positive impact on the business performance of women. The study findings indicate that heterogeneity (B=0.137, p<0.05), multiplexity (B=0.185, p<0.05), communication frequency (B=0.188, p<0.05), and emotional closeness (B=0.2, p<0.05) all have a significant positive impact. The study results offer a new, refined theoretical perspective on how social capital significantly impacts the business performance of women entrepreneurs.

**Keywords:** Heterogeneity, Multiplexity, Communication Frequency, Emotional Closeness, Business Performance, Women Entrepreneurs.

### INTRODUCTION

Malawi has a longstanding history of implementing policy programs aimed at empowering its economy, dating back to the early 1960s. Initially, the ministry responsible for Gender, Youth, Community Services, and Social Welfare (now renamed the Ministry of Gender, Community Development, and Social Welfare) operated a Home Economics Program. This program provided training for women in various skills such as needlecraft, childcare, and nutrition. However, during that period, the prevailing belief was that Malawi's economic progress relied primarily on fostering large-scale entrepreneurship (Malawi National Economic Empowerment Policy and Action Program, 2004).

Women are commonly regarded as one of the most vulnerable groups in society, a reality that is particularly evident in least-developed, low-income countries such as Malawi. In light of this perspective, the Ministry of Gender, Community Development, and Social Welfare, guided by the Malawi National Gender Policy framework, has been actively implementing government intervention strategies. These strategies aim to safeguard the well-being of vulnerable groups, including

women, children, and the elderly, by emphasizing the "promotion of capacity building in entrepreneurship" (Malawi National Gender Policy, 2015). These policies are designed to encourage women's participation in entrepreneurship to bridge the gender and economic gaps between male and female entrepreneurs. For instance, the inception of Malawi's National Planning Commission, conceived under the patronage of Malawi 2063 (MW2063), is dedicated to fostering inclusive wealth creation and achieving national self-reliance by the year 2063. One of its enabling pillars involves fostering investments and nurturing entrepreneurship, with a focus on advancing investment and entrepreneurial actions to realize inclusive prosperity and self-reliance as envisioned in MW2063.

Several studies have demonstrated the importance of social capital embedded in an entrepreneur's network for optimizing business performance (Agyapong et al., 2017). However, this concept has not been fully developed or conceptualized (Stam et al., 2014). Limited research has explored the relationship between social capital and the performance of businesses owned by women entrepreneurs, highlighting a research gap in this area. Therefore, this study aims to address this gap by investigating the connection between social capital and the performance of businesses owned by women entrepreneurs.

Despite the significant global growth of women entrepreneurs, which has garnered considerable research attention in recent decades, the performance of women entrepreneurs in business has remained largely unsatisfactory and continues to deteriorate compared to their male counterparts (Henry et al., 2016). The underperformance or decline of women entrepreneurs in business is attributed to various factors, including insufficient networking, which hinders business awareness, as well as limited access to market information and business opportunities (Manalova et al., 2007, 2008; Hossain et al., 2009).

Researchers have argued that the poor performance of businesses operated by women entrepreneurs can also be attributed to their lack of expertise in sound financial management (Moore & Buttner, 1997; Fielden et al., 2003; Carter, 2002). Additionally, Hisrich and Brush (1984) highlighted that a scarcity of capital and its unavailability result in challenges such as the inability to remunerate staff, poor credit histories, and delayed product deliveries. These issues ultimately lead to substandard business performance among female entrepreneurs (Moore & Buttner, 1997; Fielden et al., 2003; Carter, 2002).

Many researchers have made significant contributions to understanding the performance of women entrepreneurs in business. However, it appears that there is a gap, as business owners in the informal sector fail to fully utilize the wealth of social capital available to them for enhancing business performance and growth (Agyapong et al., 2017). Despite research demonstrating the crucial role of social capital

embedded in an entrepreneur's network for effective business performance (Stam et al., 2014), this potential remains largely untapped.

Casson (1982, 2003) defines an entrepreneur as a person who identifies a business opportunity, takes the initiative to organize and manage resources, and assumes the risks involved in starting and running a business or enterprise in order to make a profit or achieve a goal. In recent decades, the rise of women entrepreneurship has attracted significant research interest (Henry et al., 2016). Entrepreneurship serves as a key driver of women's economic empowerment, independence, and self-reliance. It not only promotes gender equality but also creates positive ripple effects on family welfare, poverty alleviation, job creation, and sustainable economic development—particularly through engagement in social capital activities and commerce.

Women entrepreneurs actively participate in various trade and networking platforms at global, regional, national, district, and community levels. These platforms provide them with valuable knowledge, expertise, and networking opportunities, including access to social capital, coaching, and mentorship programs. Such engagements help women entrepreneurs secure financial resources such as grants, seed capital, group savings, and bank loans, ultimately enhancing their business performance.

Social capital, in particular, plays a crucial role in entrepreneurial success. It encompasses the social networks through which entrepreneurs acquire both tangible and intangible resources essential for business growth (Dai et al., 2015). Both male and female entrepreneurs leverage their personal networks and social connections to access key resources, identify business opportunities (Bhagavatula et al., 2010), and mobilize human and financial capital (Batjargal, 2003).

In this regard, this research explores the impact of social capital on the business performance of women entrepreneurs, providing insights from the low-income country of Malawi. The primary research question guiding this study is: "Does social capital impact the business performance of women entrepreneurs?" To address this question, four specific sub-questions are explored: (1) Does the diversity of women entrepreneurs' networks impact business performance? (2) Does the multiplexity of women entrepreneurs' networks impact business performance? (3) Does communication frequency in women entrepreneurs' networks impact business performance? (4) Does emotional closeness in women entrepreneurs' networks impact business performance?

The structure of this study organised as follows: Section 2 presents a literature review and hypothesis development, discussing global issues in women's entrepreneurship in low-income countries, the business performance among women in these economies, entrepreneurial activities in Malawi, the conceptual framework, and the application of social capital theory. Section 3 outlines the methodology, explaining the study design, target population, sampling technique, and data analysis methods. Finally, section 4 presents the findings of the study, followed by a discussion of their practical implications.

#### LITERATURE REVIEW AND RESEARCH HYPOTHESIS

### **Women's Entrepreneurship in Low-Income Countries**

The engagement of women in entrepreneurial endeavors has witnessed a significant rise in low-income countries (UN, 2007). Despite this global trend, women entrepreneurs typically manage fewer businesses compared to men, often choosing sectors with slower growth rates and lower profitability, increasing the likelihood of closure (Loscocco and Bird, 2012). Statistics from the General Entrepreneurship Monitor (GEM, 2014) reveal that only two countries, Ghana and Thailand, have more women than men actively involved in entrepreneurship. In many developing and least developed countries like Malawi, women often engage in business out of necessity, seeking to generate income for their families due to limited job opportunities compared to men (GEM, 2011). The growth in female entrepreneurship has garnered significant attention from the academic community, evolving into a recognized research field since the 1980s (Tulus, 2009). Economic and social implications have spurred academic interest, recognizing entrepreneurship as a crucial source of employment, income generation, poverty alleviation, regional development, and innovation. Women represent a vital and untapped resource for countries striving for economic advancement (UNDP, 2011). Traditionally, many Asian societies have been patriarchal, relegating women to secondary roles. Achieving gender equality is seen as essential for both economic and human development, offering societies better prospects for progress (Shaw, 2006). Encouraging more women to participate in entrepreneurial activities holds the potential for economic prosperity and improved living standards (Ranasingha, 2009).

Chirwa (2008) outlines two primary approaches for enhancing women's productive roles in the economy: The Women in Development (WID) and Gender in Development (GAD) approaches. The WID approach acknowledges women as active contributors to development, emphasizing their access to credit, employment, and integration into entrepreneurship activities. In contrast, the GAD approach contextualizes women's roles within broader gender relations, aiming to address systemic gender inequalities by focusing on measures that facilitate women's access to productive resources and business opportunities (Moser, 1993). The prevailing argument in literature suggests that women have historically faced marginalization in society, with motherhood often defining their primary role (Moser, 1989). This marginalization manifests in unequal opportunities in economic activities and limited access to productive resources. Despite women's significant contributions to household food security and survival, patriarchal structures hinder their access to property and decision-making power (Jiggins, 1989; Joekes, 1999). In various African societies, including Malawi, women contribute significantly to family labour, particularly in agricultural activities, albeit with variations across countries (Boserup,

1986). In countries like India, women play substantial roles in food production, processing, and preservation, although their participation in non-farm activities historically remained limited but is gradually changing due to shifts in cultural and economic dynamics (Chen, 1989). In West Africa, women were active in trading cash and food crops, crafts, and commerce, as noted by Gaidzanwa (1993). Conversely, in East and Southern Africa, women were predominantly restricted to the peasant agriculture sector.

### **Women Business Performance in Low-Income Countries**

The potential for substantial enhancement in the business performance of women entrepreneurs lies within their social capital networks, particularly through active engagement in business associations, forums, and trade activities. Business associations serve as intermediaries between business sectors and governmental systems, providing services such as representation, rulemaking, and information sharing to their members (Costa et al., 2017). Participation in these networks offers tangible and intangible benefits, including access to goods, shared assets, and indications of trustworthiness and creditworthiness (Chirwa, 2008). These associations offer various services such as government lobbying, information dissemination, technical support, event organization, training, legal aid, and business certification (Bennett and Ramsden, 2007; Plaza et al., 2014). Networking within these platforms fosters collaboration among members, facilitating collective action to advance their interests and expand their networks within both public and private sectors (Bennett and Ramsden, 2007). For start-up entrepreneurs, joining business associations or trade forums provides a valuable social network that enhances smallscale business performance by granting access to knowledge and resources crucial for financial success (Watson, 2012). Given that access to finance, information, and connections is often limited for women entrepreneurs due to gender norms and institutional barriers, these networking opportunities become especially critical for them (Bennett and Ramsden, 2007). However, despite the benefits, women face challenges in accessing leadership positions within these networks, as men typically dominate such groups and may intentionally exclude women, perpetuating gendered hierarchies within organizations (Plaza et al., 2014). These gendered barriers are deeply ingrained in societal and organizational cultures and structures, shaping expectations and behaviors of both men and women (Bastian and Zali, 2016). Despite the significance of social capital networks, there has been limited research on their impact on business performance for women entrepreneurs and their gendered effects (Plaza et al., 2014).

### Women's Entrepreneurship Activities in Malawi

Micro, small, and medium enterprises (MSMEs) play a crucial role in developing countries like Malawi by creating employment opportunities and improving the livelihoods of women. Recognizing this, governments have prioritized the stimulation of entrepreneurship on their policy agendas (Ndala, 2019). A fundamental question

that dominates entrepreneurship research and policy discussions is: Why do only some individuals recognize new business opportunities, and why do only a few take action to exploit these opportunities by engaging in entrepreneurship? (Thu & Hieu, 2017). Malawi is not a developed country, and a significant portion of its population survives on less than a dollar a day. Mkandawire and Duan (2016) observe that Malawi is a poverty-stricken nation, where many households struggle to meet their basic daily needs. Poverty is closely linked to a lack of adequate income, employment opportunities, an entrepreneurial mindset, and access to credit. According to the Food and Agriculture Organization of the United Nations (2015), sub-Saharan Africa—including Malawi—continues to have the highest proportion of people living on less than \$1.25 per day.

In response, the Malawian government has made efforts to foster an entrepreneurial mindset among its citizens by restructuring and revitalizing public organizations dedicated to entrepreneurship development. Institutions such as the Technical Education, Vocational and Entrepreneurial Training Authority (TEVETA), the Small and Medium Enterprise Development Institute (SMEDI), and the Malawi Rural Development and Enterprise Fund (MARDEF) have been instrumental in supporting entrepreneurship. These initiatives have led to an increase in women-led businesses participating in vocational training and business support programs, equipping them with valuable skills and improving their access to credit lines to expand their enterprises.

# **Theoretical Basis: Social Capital Theory**

Adler et al. (2002) define social capital as the goodwill available to individuals or groups, originating from the structure and content of their social relationships. Its effects stem from the information, influence, and solidarity it provides to individuals. Various scholars, including Buy and Bow (2002), Newton (1997), and Slangen, Van Kooten, and Suchanek (2003), acknowledge that social capital theory comprises both individual and aggregate components. This is because individuals have varying degrees of influence over different aspects of social capital (Claridge, 2018). While an individual can actively invest in personal relationships to enhance their social capital by attending networking events, joining community or interest groups, or volunteering in their community, other aspects are beyond their control. These activities enable individuals to meet new people, form connections, offer assistance, and foster trust and reciprocity, ultimately contributing to the development of goodwill and positive relationships. Spending time with network connections and sharing experiences and perspectives further enhances aspects of social capital such as networks, trust, reciprocity, and shared understanding across all dimensions of social capital—structural, relational, and cognitive (Claridge, 2018).

Several studies have highlighted the noticeable disparity between male and female participation in entrepreneurial activities (Kelly et al., 2011; Gupta et al., 2014;

Saridakis et al., 2014; Justo et al., 2015; Mayer and Landsberg, 2015; Kot et al., 2016; Mokefe et al., 2018). Despite this gap, an increasing number of women are turning to entrepreneurship for employment, economic independence, and self-reliance. In the context of this study, the theoretical framework adopted is the social capital theory, initially defined and developed by Bourdieu (1985). This theory posits that social capital enables groups of people to effectively collaborate within society, organizations, or communities to achieve common goals. For instance, following Cyclone Freddy's devastation in Malawi in February 2023, various stakeholders, including government agencies, international and local humanitarian organizations, businesses, entrepreneurs, development partners, NGOs, and other stakeholders, collaborated to restore normalcy to affected communities. The social capital theory emphasizes that social relationships serve as resources for developing and accumulating human capital (Claridge, 2018). Savage and Kanazawa (2002, 2004) define social capital as preferences for companionship in general, along with specific preferences for cues indicating higher levels of social capital. Humans are inherently social beings, evolving to thrive in social environments. Many of our desires and necessities cannot be fulfilled through solitary actions; rather, they require collaboration and teamwork. Social capital encompasses the benefits derived from sociability, stemming from the innate human inclination to consider others and engage in generous and cooperative behavior (Claridge, 2018). Putnam (1993) defines social capital as the features of social organizations, such as networks, norms, and trust that facilitate action and cooperation for mutual benefit. Putnam suggests that social capital serves as a quality that enables interpersonal or individual coordination, and its presence can be compared across different cities, regions, and even countries (Tzakis, 2013).

In our context, the impact of social capital on business performance through participation in social grouping forums or associations represents an investment in social capital that allows women entrepreneurs to establish networks within their respective business sectors, acquire valuable skills, and feel a sense of belonging to a business community, which offers numerous benefits to its members. These benefits include training, access to coaching, mentorship, financial grants, and seed capital for start-up entrepreneurs, and assistance with registration processes. The participation of women entrepreneurs in these social capital groupings yields both positive and negative effects. Positive effects manifest as business growth, increased sales volumes, improved access to financing, job creation, and high sales turnovers, while negative effects may include inequalities in obtaining higher leadership positions and accessing market information. The social capital theory encompasses three main dimensions, which will be critically analyzed in the paper. Janine Nahapiet and Sumantra Ghoshal delineate the distinction between structural, cognitive, and relational social capital, which is widely recognized and accepted as the framework for understanding social capital theory. While these dimensions serve as conceptual tools for analytical purposes, in practice, social capital involves complex interactions among them. Structural social capital pertains to access to people and resources within a network, while cognitive and relational social capital involve the exchange of resources based on shared understandings and feelings of trust among actors within a social context, such as a group, organization, or community (Claridge, 2018). Building on Granovetter's (1992) discussions of structural and relational embeddedness, social capital conforms to the widely accepted notion that it encompasses aspects of social structures and the nature of social relationships, particularly norms. Therefore, it encompasses both structural and relational dimensions of social capital (Claridge, 2018).

### Network Heterogeneity and the Business Performance of Women Entrepreneurs

The study revolves around the limited number of studies that have explored the relationship between Heterogeneity and business performance in various organizations, both regionally and globally. Lu, Chen, Huang, and Chien (2015) conducted a study on the impact of workforce Heterogeneity (Diversity) on organizational performance. This study involved 93 German companies and surveyed 14,260 employees. The findings revealed that Heterogeneity enhances the effectiveness of human resource systems, leading to the acquisition and development of resources that promote desirable behaviours, ultimately positively impacting organizational performance. Similarly, Backes-Gellner and Veen (2009) conducted a study involving 18,000 firms and two million employees globally. Their research concluded that Heterogeneity does not lead to a decrease in firm productivity; instead, it positively influences company performance in terms of creativity and innovation, contributing to overall organizational success. Another study by Karen Jehn and Katerina Bazrukova from the Wharton School at the University of Pennsylvania focused on the effects of Heterogeneity on business performance. They analyzed data from a large Fortune 500 information processing company with over 26,000 employees, where Heterogeneity had been a central driver of both social and business agendas for over half a century. The results indicated that Heterogeneity had a significantly positive impact on group processes, with the nature of this impact depending on whether Heterogeneity pertained to gender or constructive group processes. However, overall, Heterogeneity had a positive significant effect on the company's business processes. Erhardt et al. (2003) discovered that gender Heterogeneity within management teams is linked to improved financial performance for companies, as evidenced by higher return on investment and return on assets. Given the aforementioned arguments, the following hypothesis is proposed:

H1: The greater the heterogeneity of women entrepreneurs' networks, the higher their business performance

# Network Multiplexity and Business Performance

Claro and Gonzalez (2012) conducted a study examining network centrality and multiplexity in relation to sales performance. They analysed 3,680 connections within a firm's network and 866 connections in the ego-network. The study concluded that

network activity significantly influences organizational performance, supporting hypothesis one, which suggested that sales managers with high centrality in the social network achieve higher performance in terms of annual sales. Additionally, the study found that multiplexity positively impacts organizational performance in terms of sales volumes. Their findings yielded significant results, indicating a positive impact of various types of connections on annual sales. Therefore, multiplexity was found to positively affect organizational performance based on the study findings. A similar study by Weber (2021) focused on media multiplexity in entrepreneur-mentor relationships. Hypothesis one posited that the more communication channels entrepreneurs utilized to engage with mentors, the greater variety of resources they would gain from the mentorship. The findings confirmed a positive significant relationship between media multiplexity and relational multiplexity, suggesting that the more media channels entrepreneurs utilized to communicate with mentors, the broader the range of resources they acquired from the relationship. In light of the aforementioned arguments, the following hypothesis is proposed:

H2: The greater the multiplexity of women entrepreneurs' networks, the higher their business performance.

### Intra-network Communication Frequency and Business Performance

Shazia (2010) conducted a study in Tanzania to investigate the impact of communication on employee performance. The findings revealed a positive and significant relationship between communication frequency and performance in various organizational settings. Similarly, Brandy and Veronica (2012) conducted a study affirming that effective communication frequency positively impacts home, work, and social situations, strengthening connections with others and enhancing teamwork, decision-making, and problem-solving abilities. Effective communication facilitates the conveyance of negative or challenging messages without causing conflicts or damaging trust among peers. Furthermore, Otoo (2015) conducted a study in Ghana's Kumasi region to examine the effect of communication on employee performance. The findings indicated that the concreteness, completeness, and consistency of communication frequency among employees have a positive and significant impact on workers' performance. This suggests that when the effectiveness of communication processes and mechanisms improves, there is a corresponding enhancement in workers' performance within the organizational setup. Based on the above arguments, the following hypothesis is proposed:

H3: The greater the frequency of intra-network communication in women entrepreneurs' networks, the higher their business performance

# Intra-network Emotional Closeness and Business Performance

A study, aligned with the findings of Carli et al. (1991) and Devendorf and Highhouse (2008), revealed that establishing a common disclosure closeness with an individual

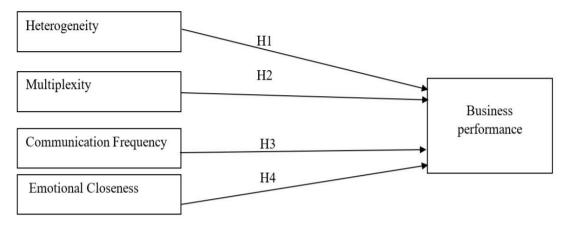
significantly enhances emotional closeness, warmth, competence, and leadership ability. This, in turn, contributes to the improvement of individual productivity performance as well as overall organizational or business performance. Another study, focusing on emotional closeness and customer loyalty in Bumn banks in Medan City, concluded that emotional closeness positively influences customer loyalty, which is crucial for maintaining business continuity. Essentially, emotional closeness directly impacts customer loyalty and retention. Emotional closeness is viewed as a form of social regulation of emotion, serving as a mechanism for protecting against the social aspects of depression or worries that women entrepreneurs may encounter while conducting business. Physical touch, as a form of emotional closeness among women entrepreneurs, has been found to help regulate negative emotions, as indicated by a study conducted by Coan et al. (2006). Furthermore, emotional closeness has a positive impact on regulating depression, worries, and other negative emotions. Moreover, Flores and Howard (2014) conducted a study on the desired emotional closeness moderating the prospective relations between perceived emotional closeness levels and psychological distress. The findings revealed a positive impact of emotional closeness (B=0.94, p-value of 0.001), indicating that emotional closeness aids in mitigating the negative effects of depression, anxieties, and worries experienced by women entrepreneurs while managing their businesses. XXX

H4: The greater the emotional closeness in women entrepreneurs' networks, the higher their business performance.

# The Conceptual Framework

The study's conceptual framework centers on the relationship between four independent variables (heterogeneity, multiplexity, communication frequency, and emotional closeness) and one dependent variable (business performance). Taken together, these four independent variables are hypothesized to collectively and individually influence the dependent variable, business performance, which is operationalized in terms of growth, profitability, and sustainability of entrepreneurial ventures. The framework therefore positions social network attributes as vital determinants of entrepreneurial success, offering a lens through which the dynamics of interpersonal relationships can be linked to tangible business outcomes.

**Figure 1**: The conceptual framework.



### **METHODOLOGY**

# Research Design

This study adopted a quantitative cross-sectional survey design. A cross-sectional study quantifies the outcomes of interest and/or examines the relationship between two or more variables within a study using data collected at one single point in time. According to Babbie (2012), quantitative studies are described as "If" or "Did" research. The researchers wanted to determine if something happened and to what degree something happened by collecting numerical data. The study adopts a quantitative approach since it aims to determine the impact of social capital on the business performance of women entrepreneurs.

# **Study Population and Sample**

These individuals were selected randomly based on their various businesses. These individuals were selected randomly based on their various businesses and industry settings, such as clothing and cosmetics, food and beverage, farming, retail and trading, services and others. This research used and adopted random sampling techniques in drawing its sample size. Random sampling is a selection procedure that gives each element of the population a non-zero, known positive probability of being included in the sample size (Campbell et al., 2020). When the sampling frame is known, that's when random sampling can be done. The study randomly sampled a total of 384 women entrepreneurs who participated in this research.

### **Measures**

A structured questionnaire was used in the study to measure the five variables that the researchers intended to explore. A structured questionnaire is a group of predetermined quizzes which are intended to extract specific data and information from the research respondents (Roopa and Rani, 2012). These questions were pre-

written and responders were given a list of predetermined answer possibilities. Table 1 below summarizes the study measurement tool.

**Table 1:** Construct Measures

Measure	<b>Survey Questions</b>	Source
Heterogeneity	Heterogeneity was computed using the Hirschman's Herfindahl Index (HHI) formula, which captures Heterogeneity (Baum et al, (2000). The formula is calculated as follows:	Baum et al., 2000.
	Heterogeneity = $[1 - \sum_{ij} (PA_{ij})]^2$	
	where $PA_{ij}$ is the proportion of all female entrepreneur $i$ 's connections with cooperators' industry $j$ , and $NAi$ is a female entrepreneur $i$ 's total number of cooperators. For example, if a respondent has a total of 10 connections spanning five industries (i.e., A, B, C, D, and E), with the distribution as follows: 2 members from industry A, 1 from industry B, 3 from industry C, 2 from industry D, and 2 from industry E. The HHI index is computed as follows:	
	HHI= $[1 - \sum_{ij} (PA_{ij})^2]/NA_i$	
	HHI= $\{1 - [(2/10)^2 + (1/10)^2 + (3/10)^2 + (2/10)^2 + (2/10)^2]\}/10$	
	HHI= {1- [(0.04+0.01+ 0.09) +(0.04+0.04)]}/10	
	HHI = 0.078	
Multiplexity	Multiplexity was computed as the sum of the uniplex links plus twice the multiplex links, then dividing the result by the number of potential multiplex links. For example, if a respondent had 5 uniplex links, 3 multiplex links, and an overall network of 8, multiplexity would be computed as follows:	Kramer, 1999.

	Multiplexity = [5 + (2X3)] / (8X2) = 0.69	
Communication frequency	The scales assess the dimension of communication. Five-point Likert scale was used by the participants to specify their level of agreement as follows: (1) Strongly disagree, (2) Disagree; (3) neither agree nor disagree; (4) Agree; (5) Strongly agree. where the following two questions were asked:  (1) I frequently communicate with business co-operators about business-related topics.  (2) I have regular communication with business co-operators regarding industry trends and market information.	Somers and Canives, 2003.
Emotional closeness	The Perceived Interpersonal Closeness Scale (PICS) was used to measure emotional closeness. A psychometric properties scale was used whereby the research participants had to specify their level of agreement on a five-point scale (1-5) as follows: (1) Strongly disagree; (2) Disagree; (3) Neither agree nor disagree; (4) Agree; (5) Strongly agree. Where the following five questions were asked:  (1) How emotionally close do you feel with your business co-operators in your business relationships?  (2) How comfortable are you sharing personal experiences or challenges related to your business with your co-operators?  (3) How much trust do you have in your co-operators' intentions and actions in supporting your business?	Popovi, Milne and Barret, 2003.

	<ul><li>(4) To what extent do you feel a sense of belonging and mutual support with your co-operators?</li><li>(5) How confident are you in relying on your business co-operators for advice or assistance in your business operations?</li></ul>	
	operations:	
Business Performance	The researchers used three indicators to capture business performance: sales growth rate, profitability and cash flow performance. A 5-point Likert- scale was developed (ranging from 1 "extremely bad performance "to 5 "excellent performance") to rate the business's financial performance on gross margin and cash flow and profitability of the business, where the following three questions were asked:	Wiklund, 1999. Wiklund and Sherpherd, 2005
	(1) Over the past 1 year, has your financial performance been outstanding?	
	(2) Over the past 1 year, has your sales growth been outstanding?	
	(3) Over the past 1 year, have you been more profitable than your competitors?	

# **Data Analysis**

The data collected was analyzed using regression analysis with a software package of the social sciences (SPSS). The questionnaire results were used and factored in to generate data that contains many observations (responses) for each dependent and independent variable. The regression analysis was then used to evaluate the strength and direction of the relationship between the independent and the dependent variables.

### **RESULTS**

# Sample characteristics of the study

The study examined a diverse group of women entrepreneurs in Malawi, considering several key demographic and professional variables. The sample consisted of 100%

female participants. The age distribution revealed the following significant statistics: the largest group was in the 25-34 age range, accounting for 40%, followed by the 35-44 age range at 30.1%, the 45-54 age group at 16.5%, and the remaining groups as follows: 18-24 years at 9.4% and 55 and above at 4%. Educational background varied significantly, with the majority of participants holding a Malawi School Certificate of Education (MSCE) at 50.4%. This was followed by those with no formal education (37%), and the remaining participants were distributed as follows: professional certificate (5.4%), diploma (4%), degree (2.3%), master's degree (0.3%), and Doctor of Philosophy (PhD) (0.6%). In terms of years in business, the distribution was as follows: the majority (48%) had been operating businesses for 1-5 years, followed by 6-10 years (21.3%), 11-15 years (15%), 16-20 years (7.1%), businesses operating for less than a year (3.4%), and those with 20 or more years of experience (5.2%). Regarding the types of businesses (industries), the distribution was as follows: the majority (48%) were involved in other industries, followed by clothing and cosmetics (28%), farming (16.6%), retail and trading (3.7%), food and beverage (2.3%), and services (1.4%).

# **Preliminary Tests**

Three preliminary tests were conducted to ensure the validity and reliability of the data. The purpose of running these tests was to assess the quality and robustness of the data collected. These tests were (1) Harman's Single-Factor Test, (2) Cronbach Alpha test, and (3) Multicollinearity assessment. After the data had passed all preliminary tests, a regression analysis was carried out in SPSS.

#### Common Method Bias

Harman's Single-Factor Test is used to assess the presence of common method bias in a dataset. Harman's Single-Factor Test is a statistical method which is frequently used to detect the availability of common method bias in a dataset. Harman's Single-Factor Test requires loading all the measures in a study into an exploratory factor analysis with the assumption that the presence of common method variance indicates the emergence of either a single factor that accounts for the majority of covariance among the measures (Podsakoff *et al.* 2003). If a single factor accounts for a large portion of the variance of more than 50%, this suggests the presence of common method bias is likely to be present (Kock, 2016). Conversely, if the single factor accounts for a relatively small portion of less than 50% variance, it indicates that common method bias is unlikely to be a major issue in the dataset.

The Harman's Single-Factor Test was employed for all twelve questions of the study to assess the potential presence of a common method bias in the dataset. Table 2, below, depicts the total variance explained by each component under the principal component analysis, both in terms of initial eigenvalues and extraction sums of squared loadings. Across twelve components analyzed, the first component shows an initial eigenvalue of 3.865, which represents 32.212% of the total variance. As the initial eigenvalue of the first component substantially surpasses the others, this

suggests that a single dominant factor might be influencing the data. This is consistent with Harman's Single-Factor Test, where a common method bias could lead to one component explaining a substantial portion of variance across various variables (Podsakoff *et al.* 2003). The subsequent components contribute progressively less to the cumulative variance explained, as shown in Table 4 below. This means that no common method bias was detected in the dataset. **Table 2** below represents Harman's Single Factor Test.

Table 2: Harman's Single Factor Test Results

Item	Total	% of Variance	<b>Cumulative %</b>	Total	<b>Cumulative %</b>
1	3.865	32.212	32.212	3.865	32.212
2	2.219	18.495	50.707	2.219	50.707
3	1.116	9.302	60.009	1.116	60.009
4	.973	8.112	68.121		
5	.911	7.591	75.713		
6	.746	6.217	81.930		
7	.533	4.438	86.367		
8	.479	3.988	90.355		
9	.366	3.052	93.407		
10	.357	2.978	96.385		
11	.274	2.282	98.666		
12	.160	1.334	100.000		

### Construct Reliability

Cronbach's alpha is a commonly used measure of internal consistency or reliability for items and scales, particularly in the social and organizational sciences (Douglas & Thomas, 2015). It estimates the reliability of responses to a questionnaire or rating scale, reflecting the stability of the measurement tools (Bujang et al., 2018). This measure indicates how closely related the items on a scale are and whether they measure the same underlying construct.

A high Cronbach's alpha value suggests strong internal consistency, meaning the items within the scale are highly correlated and reliably measure the intended construct. Conversely, a low Cronbach's alpha value indicates poor internal

consistency, suggesting that the items may not consistently or reliably measure the construct. Cronbach's alpha values range from 0 to 1, with values of 0.70 or higher typically accepted for most research purposes, indicating satisfactory internal consistency (Taber, 2018). Therefore, a high value indicates strong consistency, while a low value signals poor internal consistency. Table 3 presents the reliability statistics for the five study variables.

**Table 3:** Reliability Statistics for the Study Variables

Variable	Number of Items	Cronbach Alpha
Heterogeneity	1	1
Multiplexity	1	1
Communication Frequency	2	.765
<b>Emotional Closeness</b>	5	.812
Business Performance	3	.906

Since heterogeneity and multiplexity are indices, their Cronbach's alpha is 1. The reliability of the communication frequency measurement was assessed using Cronbach's alpha, yielding a coefficient value of 0.765. This indicates an acceptable level of internal consistency or reliability among the two items, suggesting that the items in the communication frequency tool are closely related and collectively measure the intended construct with a satisfactory level of reliability. The Cronbach's alpha coefficient for the emotional closeness scale was calculated at 0.812, indicating a high degree of internal consistency among the five items. This suggests that the items in the emotional closeness tool are closely related and reliably measure the intended construct with strong consistency. The Cronbach's alpha for business performance was calculated at 0.906, reflecting a high degree of internal consistency among the three items. This suggests that the items in the business performance tool are closely related and reliably measure the intended construct with a strong level of consistency.

# Multicollinearity Assessment

Multicollinearity assessment is used to determine the presence and severity of multicollinearity among the predictor variables in a regression or multivariate analysis. Multicollinearity occurs when two or more independent variables in a regression model are correlated. This correlation poses a problem because independent variables should not be predicted from one another (Hayes and Scott, 2023). A high degree of correlation between variables can distort the model fitting process and make the results difficult to interpret.

The multicollinearity between independent variables is evaluated using collinearity statistics, such as tolerance and the variance inflation factor (VIF). A VIF above 10 suggests the presence of multicollinearity, as it inflates the variance of regression parameters, leading to incorrect identification of important predictors in a statistical model. Generally, VIF values below 10 are considered acceptable or moderate, with values below 5 preferred to minimize concerns about multicollinearity (Hayes and Scott, 2023).

For each predictor variable, tolerance is also accounted for. Tolerance is the reciprocal of VIF and quantifies the proportion of variance in a predictor variable that is not explained by the other predictor variables. Tolerance values close to 1 indicate low multicollinearity. If VIF values are below 10, it suggests that multicollinearity is not a significant concern within the dataset. However, VIF values above 10 indicate serious multicollinearity that requires correction. In the current study, all VIF values were below 10, hence the problem of multicollinearity.

### Regression Analysis

Regression analysis was conducted to assess the impact of four social capital-related independent variables—heterogeneity, multiplexity, communication frequency, and emotional closeness—on one dependent variable, business performance. This results in four hypothesis tests. The impact of heterogeneity on business performance was addressed by Hypothesis 1, multiplexity by Hypothesis 2, communication frequency by Hypothesis 3, and emotional closeness by Hypothesis 4. All four hypotheses explore how social capital affects the business performance of women entrepreneurs.

Hypothesis 1 predicted a positive relationship between heterogeneity in women entrepreneurs' networks and business performance. The regression analysis results showed that heterogeneity ( $B=0.137,\,p<0.05$ ) has a significant positive impact on business performance. This confirms a significant positive relationship between heterogeneity and business performance, thus supporting Hypothesis 1. This means that, as heterogeneity increases, business performance is expected to grow by 0.137 units for every unit increase in heterogeneity.

Hypothesis 2 predicted a positive relationship between multiplexity in women entrepreneurs' networks and business performance. The regression analysis found that multiplexity (B = 0.185, p < 0.05) significantly positively impacts business performance. This confirms a significant positive relationship between business performance and multiplexity, supporting Hypothesis 2. The interpretation is that business performance is anticipated to increase by 0.185 units for every unit increase in multiplexity.

Hypothesis 3 predicted a positive relationship between communication frequency in women entrepreneurs' networks and business performance. The regression analysis revealed that communication frequency (B = 0.188, p < 0.05) has a significant positive

impact on business performance. This confirms a significant relationship between business performance and communication frequency, thereby supporting Hypothesis 3. This means business performance is expected to grow by 0.188 units for every unit increase in communication frequency.

Hypothesis 4 predicted a positive relationship between emotional closeness in women entrepreneurs' networks and business performance. The regression analysis confirmed that emotional closeness ( $B=0.2,\ p<0.001$ ) has a significant positive impact on business performance. This confirms a significant relationship between emotional closeness and business performance, supporting Hypothesis 4. Business performance is predicted to increase by 0.2 units for every unit increase in emotional closeness.

### **DISCUSSION**

The primary objective of this study was to investigate the relationship between social capital and business performance in female-run businesses. Social capital, in this context, includes factors such as heterogeneity, multiplexity, communication frequency, and emotional closeness, which influence the business performance of women entrepreneurs. The study found a positive relationship between social capital and business performance among women entrepreneurs in Malawi, a low-income country. This finding is consistent with other studies, such as Buy & Bow (2002).

The study first explored the impact of network heterogeneity on business performance. The regression analysis showed that heterogeneity has a significant positive effect on the business performance of women entrepreneurs. In other words, the more heterogeneous a woman entrepreneur's network, the better her business performance. This outcome aligns with the findings of scholars such as Lu, Chen, Huang, and Chien (2015), as well as Erhardt et al. (2003). Next, the study examined the impact of multiplexity on business performance. The regression analysis revealed that multiplexity also has a significant positive impact on women entrepreneurs' business performance. This indicates that a higher level of multiplexity within women's networks is associated with improved business performance. This finding is supported by studies like those of Claro and Gonzalez (2012) and Weber (2012).

The study then looked at the role of communication frequency in business performance. Again, the regression analysis confirmed that communication frequency has a significant positive impact. The higher the frequency of communication in women entrepreneurs' networks, the better their business performance. This relationship is supported by previous research, including studies by Brandy and Veronica (2012) and Otoo (2015). Finally, the study investigated emotional closeness and its effect on business performance. The results indicated that emotional closeness significantly and positively influences business performance. This means that greater emotional closeness within women entrepreneurs' networks leads to better business performance. Supporting studies include those by Coan et al. (2006) and Flores and Howard (2014).

### **CONCLUSION**

In light of these findings, the current study has important theoretical and practical implications. From a theoretical standpoint, it contributes to the literature on social capital theory by demonstrating how variables such as heterogeneity, multiplexity, communication frequency, and emotional closeness positively influence business performance in women-owned businesses. These findings reinforce the idea that the adoption of social capital has beneficial effects on business growth and organizational performance.

Practically, the significant impact of social capital exchanges is evident in improved business performance when the knowledge gained from these exchanges is applied. Regular interactions and networking allow entrepreneurs to continuously acquire knowledge, strengthening relationships and fostering mutual growth. In this context, women entrepreneurs who share information and exchange knowledge through their networks experience notable benefits. When these shared skills, knowledge, and experiences are applied to their ventures, they lead to a marked improvement in business performance (Stallings, 2013).

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# **Book Review**

Chavula Hopestone Kayiska, Thomas Chataghalala Munthali, Harold P. E. Ngalawa, and Boniface Dulani, eds. The Oxford Handbook of the Malawi Economy\*

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The main purpose of *The Oxford Handbook of the Malawi Economy*, as Chavula (eds.) et al. present, is to trace Malawi's development trajectory from independence to the present, while underscoring the importance of data-driven analysis in shaping the country's future aspirations. The volume brings together insights from leading Malawian and international researchers, making it a timely resource for addressing the country's persistent development challenges. At a moment when Malawi's development outcomes continue to decline, despite extensive internal and external interventions, the editors stress the need to understand the economy holistically by recognising the interplay of domestic and external factors that contribute to its vulnerability. Particularly, emphasis is placed on implementation dynamics within political and economic drivers, the macroeconomic environment, and the role of development initiatives. The book also highlights the impact of adverse external factors and the importance of fostering sustainable and resilient responses.

Critically, the editors succeed in framing the "economy" in terms of development trajectory. The book offers a detailed chronicle of Malawi's post-independence development, showing the links between governance, institutional quality, and economic structure. It argues that political stability, governance reform, and macroeconomic stability are essential foundations for growth, while acknowledging entrenched weaknesses manifested through corruption, weak institutions, and policy inconsistency that have undermined sustained progress. It stresses that structural transformation, especially industrialization and agricultural modernization, is crucial to Malawi's future, aligning with global best practices while also being cognizant of local constraints.

Chapters on macroeconomic policy examine the mixed legacy of stabilization reforms and the role of international institutions such as the International Monetary Fund (IMF) and World Bank. While such reforms delivered periods of stability, persistent fiscal deficits, inflation, and external vulnerabilities remain obstacles to long-term growth. The book also highlights Malawi's overreliance on agriculture, especially tobacco, which leaves the economy exposed to external shocks and commodity price volatility, thus reinforcing the urgency of diversification. Accordingly, the book treats economic diversification as central to productivity growth and sustainable

development. Using growth accounting, the book shows that past growth was driven largely by capital accumulation, but returns have diminished. Factor accumulation alone is insufficient for sustained progress; productivity gains, innovation, and technological adoption, particularly in agriculture and manufacturing, are essential. The need for structural transformation manifests as Chavula (ed.) et al. advocate for shifting labour from low-productivity subsistence activities into higher-value sectors.

The book also identifies human capital as a critical bottleneck. Skills gaps, poorquality education, and weak vocational training limit Malawi's capacity for industrialisation. Chavula (ed.) et al. argue that investment in human capital, both technical and soft skills, is vital for productivity and for ensuring inclusive growth across rural and urban divides. Health deficits, including malnutrition and weak healthcare systems, are also recorded to undermine labour productivity. The editors thus call for comprehensive reforms in health, education, and vocational training, complemented by digital investments to accelerate innovation, service delivery, and financial inclusion. Finally, the book situates Malawi's economy within recent global shocks, most notably COVID-19. The pandemic exposed structural vulnerabilities in health systems, social safety nets, and economic diversification. Macroeconomic modelling shows how the crisis stalled growth and deepened poverty. The book, therefore, argues for resilience-building through stronger macroeconomic buffers, effective social protection programmes, and economic diversification as essential safeguards against future shocks.

Against this background, the book is essential to scholars, researchers, policymakers, and development practitioners as it provides a nuanced understanding of Malawi's historical policies, institutional capacities, and strategic priorities in industrialisation, agriculture, and digital transformation. This makes it a useful reference for designing evidence-based policies, drawing lessons from past successes and failures, identifying growth sectors, and emphasising governance and regional integration. The analytical frameworks and empirical data presented offer essential tools for developing targeted interventions, fostering inclusive growth, and addressing institutional weaknesses. The book also equips stakeholders with a holistic perspective for creating development strategies tailored to Malawi's context. It stresses the need for pragmatic reforms to strengthen institutions, enforce policy coherence, foster climate resilience, and expand investment in infrastructure, education, health, and digital innovation. Such strategies, the editors argue, are necessary to build productivity, inclusivity, and resilience. More broadly, the book provides a comprehensive lens for engaging with Malawi's complex political, social, economic, and infrastructural challenges, while situating them within global development trends.

Nonetheless, the book could benefit from deeper engagement with the political economy of reform. While governance weaknesses are acknowledged, more analysis of elite capture, patronage, and political incentives would clarify why reforms often stall. Similarly, greater attention to emerging geopolitical dynamics would enhance

understanding of how international politics shape Malawi's development prospects and how to navigate through such forces. Finally, while the book's focus on structural and macroeconomic factors is important, it underplays the role of social movements, civil society, and grassroots actors in driving policy change. Incorporating more qualitative insights or case studies of such actors could enrich the analysis and provide a clear picture of how development outcomes are shaped.

In conclusion, *The Oxford Handbook of the Malawi Economy* is, in its own right form, a seminal interdisciplinary resource that captures Malawi's development complexities while charting plausible pathways forward. Its integrated analysis emphasises that sustainable growth depends on strengthening institutions, investing in human capital, fostering technological innovation, and deepening regional integration. Despite persistent challenges of governance, infrastructure, and external shocks, the book provides a compelling blueprint for policymakers and stakeholders, combining rigorous evidence with practical insights. It is both a chronicle of Malawi's economic journey and a guide for navigating its future, a vital addition to African development literature and a call to action for inclusive progress.

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