EXPLORING BARRIERS, ENABLERS AND STRATEGIES FOR THE ADOPTION AND IMPLEMENTATION OF SUSTAINABLE BUSINESS PRACTICES BY MANUFACTURING SMES IN BLANTYRE CITY

MASTER OF ARTS (DEVELOPMENT STUDIES) THESIS

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UNIVERSITY OF MALAWI

JANUARY 2025

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By

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UNIVERSITY OF MALAWI

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DECLARATION

I, the undersigned, hereby declare that this thesis is my original work and has not been submitted to any other institution for similar purposes. Where other people's work has been used, acknowledgements have been duly made.

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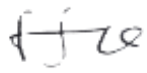
Full legal name



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13 January, 2025

Date

CERTIFICATE OF APPROVAL

The undersigned certify that this thesis represents the student's own work and effort and has been submitted with my approval.

Name: _____ Date: _____

Regson Chaweza, PhD (Senior Lecturer)

Supervisor

DEDICATION

To my parents, Fletcher and Elizabeth Zuze

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ABSTRACT

Despite the growing emphasis on sustainability in SMEs, the majority of manufacturing SMEs in Blantyre City still encounter difficulties when attempting to adopt and implement sustainable business practices. To effectively support them, it is crucial to understand key barriers, enablers, and strategies surrounding the adoption of such practices. Therefore, this study endeavoured to explore these dynamics, for a better growth of the SMEs and contribution to economic growth. The study adopted multiple case study design, and used key informant interviews to generate primary data from thirty purposively selected key informants from SMEs, and government ministries, departments, and agencies. These interviews were triangulated with Systematic Literature Review of fifty peer-reviewed journals. Through Thematic analysis technique, the study revealed that lack of knowledge and awareness, lack of access to finance, markets, and technologies, and weak policy environment, hinder SMEs' sustainability efforts. While increased awareness, improved access to technology, and finance, availability of supportive institutions, and effective policies, facilitate the adoption. The study further identified key strategies including; increasing capacity building programmes, formulating cooperatives, promoting growth accelerators, improving access to finance, improving policy support, and investing in research. By leveraging the enablers and implementing the strategies effectively, manufacturing SMEs in Blantyre City can achieve sustainable growth.

Keywords: Barriers, Enablers, Strategies, Sustainable business practices, Manufacturing SME

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ABBREVIATIONS AND ACRONYMS

ACFTA	Africa Continental Free Trade Area
BCC	Blantyre City Council
CASMEs	Chambers of Associations of SMEs
EAD	Environmental Affairs Department
FINES	Financial Inclusion and Entrepreneurship Scaling
FSP	Financial Service Providers
EIA	Environmental Impact Assessment
KII	Key Informant Interview
MACSERP	Malawi Covid-19 Socio-Economic Recovery Plan
MBS	Malawi Bureau of Standards
MCCCI	Malawi Confederation of Chambers of Commerce and Industry
MDAs	Ministries, Departments and Agencies
MEPA	Malawi Environment Protection Authority
MoTI	Ministry of Trade and Industry
MUBAS	Malawi University of Business and Applied Sciences
NPC	National Planning Commission
NASMEs	National Association of SMEs
SMEDI	Small and Medium Enterprises Development Institute
SMEs	Small and Medium Enterprises
SLR	Systematic Literature Review
TBL	Triple Bottom Line Model
UNIMAREC	University of Malawi Research Ethics Committee

OPERATIONAL DEFINITIONS

The definitions of the following key words provide the basis of discussion in the chapters that follow.

Term	Definition
Barriers	Barriers refers to external or internal factors that prevent manufacturing SMEs from adopting and implementing sustainable business practices (Trianni et al, 2017)
Enablers	Enablers are external or internal factors that facilitate the adoption and implementation of sustainable business practices in manufacturing SMEs (Dou, 2018)
Strategies	A set of actionable steps manufacturing SMEs can employ to adopt, integrate and implement sustainable business practices to improve their economic, social and environmental performance
Business sustainability	It entails management and coordination of environmental, social and financial concerns of a business to ensure its long-term growth and survival (Filho, 2022).

CHAPTER ONE

INTRODUCTION

1.0. Introduction

The chapter provides a rationale for embarking on this research. It initially, introduces the context by offering a discussion on the critical role of small and medium enterprises (SMEs) in driving economic growth and socioeconomic development globally and in developing economies in particular. This is followed by the problem statement and research objectives, study questions, and study justification- providing the need to address the problem, contributing to literature while highlighting the policy and practical implications of the study. Finally, the chapter provides the overall structure or organization of the thesis, laying the foundation of the subsequent chapters.

1.1.Background

The critical role of small and medium enterprises (SMEs) in driving economic growth and socioeconomic development in developing economies has been extensively studied and documented. The Small and medium-sized enterprises play a vital role in job creation, income generation, innovation, and poverty reduction in emerging economies (Gherghina et al, 2020; Hervie, 2019; Fitane, 2018; Manzoor, 2021; Aghelie, 2017). According to SMEDAN (2017), SMEs act as engines for the industrialization of unindustrialized economies. According to Pulka and Guwana

(2022), SMEs contribute to more than 50% of global domestic product (GDP) and employment. In Africa, SMEs account for over 90% of businesses, more than 50% of Gross Domestic Product (GDP), and approximately 60% of employment opportunities (Muriithi, 2017; Lafuente, 2018; Mwatsika, 2021). In Malawi, SMEs make up 89% of the private sector, with only 11% formally registered. The formal SME sector contributes about 40% to GDP, and 24% to employment (FinScope, 2019). These statistics underscore the necessity of formalizing the informal SME sub-sector in Malawi to expand the country's tax base. Based on this empirical evidence, it is apparent that the growing importance of SMEs in driving economic growth and socioeconomic development in developing economies cannot be underestimated.

Despite the growing significance of SMEs in both developed and developing economies, the global failure rate of these enterprises remains high (Fitane, 2018). In Africa, the rate of business failure is particularly concerning; with only a few businesses surviving the initial 1-5 year start-up phase (Fitane, 2018). According to AUDA–NEPAD (2022), 71% of SMEs fail in Africa. In Malawi, past statistics indicate that 60% of SMEs fail within the first few months of operation (Mkandawire, 2020; Ndala, 2019). In 2020 alone, 30% of SMEs permanently closed (Mkandawire, 2020) their operations and the situation was worse among manufacturing SMEs. The impact of Covid-19 further highlighted the unsustainable nature of manufacturing SMEs and their vulnerability to economic shocks.

Research shows that for SMEs to achieve sustainable growth and resilience to shocks, sustainability must be prioritized (Kumar et al., 2022). However, many manufacturing SMEs in Malawi face challenges in adopting and implementing sustainable business

practices that encompass all the three dimensions of the Triple Bottom Line business sustainability model. To understand why most manufacturing SMEs are not sustainable and how to support them to become sustainable, it is essential to explore key barriers, enablers, and strategies for adopting and implementing sustainable business practices in the manufacturing SME sub-sector.

The motivation for conducting this study was driven by the researcher's quest to gain insights into the practical aspects of business sustainability and provide actionable recommendations for manufacturing SMEs to achieve greater sustainability. These efforts will contribute to the industrialization drive, inclusive wealth creation, and the overall realization of Malawi 2063 economic transformation agenda.

1.2. Problem Statement

The potential of manufacturing SMEs to contribute significantly to economic growth and socioeconomic development of Malawi can be enhanced if these enterprises are made more sustainable. However, despite the growing emphasis on sustainable business practices and the available strategies designed for SMEs to achieve sustainable growth; the majority of manufacturing SMEs in Blantyre City still encounter difficulties when attempting to adopt and implement sustainable business practices.

If these enterprises are not supported, the implication is that the failure rate will increase, and their contribution to the economy will dwindle, hindering the industrialization aspirations envisioned in Malawi 2063 economic transformation agenda. Additionally, we may end up creating manufacturing SME sub-sector that focus on profits with negative impacts to the environment and society. To effectively

support these SMEs to achieve sustainable growth, it is necessary to fully understand the barriers, enablers, and strategies surrounding the adoption and implementation of sustainable business practices in the manufacturing SME sub-sector.

However, limited attention has been given in existing Malawian SME literature to what constitutes key barriers, enablers and strategies for the adoption and implementation of sustainable business practices that consider three dimensions of Triple Bottom Line Business sustainability model, and exclusively focusing on manufacturing SME sub-sector. Understandably, there is knowledge gap and this study endeavored to fill this gap, contributing to SME sustainability literature and inform policy and practice, thereby ensuring long-term viability and resilience of the manufacturing SME sub-sector in Blantyre City.

1.3. Objectives of the Study

1.3.1. Main Objective

To explore key barriers, enablers and strategies for the adoption and implementation of sustainable business practices among manufacturing Small and Medium-sized Enterprises (SMEs) in Blantyre City, for a better growth of the SMEs and contribution to the economic growth;

1.3.2. The Specific Objectives of the Study

The specific objectives of this study were as follows:

1. To identify key challenges that hinder the adoption and implementation of sustainable business practices among manufacturing SMEs in Blantyre City;

2. To examine factors that facilitate the adoption and implementation of sustainable business practices among manufacturing SMEs in Blantyre City; and
3. To explore effective strategies that manufacturing SMEs in Blantyre City can employ to overcome barriers and implement sustainable business practices that contribute to their growth and the economy.

1.3.3. Research Questions

The above objectives were achieved through the following questions:

1. What are the major challenges that manufacturing SMEs in Blantyre City encounter when adopting and implementing sustainable business practices?
2. What are the key factors that enable the adoption and implementation of sustainable business practices in manufacturing SMEs in Blantyre City?
3. What key strategies can be employed to effectively adopt and implement sustainable business practices in manufacturing SMEs in Blantyre City?

1.4. Justification of Study

While it is evident that manufacturing SMEs significantly contribute to Malawi's socio-economic development, most of these SMEs are not sustainable. To understand why most manufacturing SMEs are not sustainable and how they can be effectively supported to achieve sustainable growth, it is important to examine key barriers, enablers, and strategies associated with the adoption and implementation of sustainable business practices in the manufacturing SME sub-sector. However, limited attention has been given in existing Malawian SME literature to what

constitutes key barriers, enablers and strategies for the adoption and implementation of sustainable business practices that consider all the three dimensions of Triple Bottom Line business sustainability model, and exclusively focusing on manufacturing SME sub-sector.

The studies that have been conducted on SME sector in Malawi have primarily focused on the Size and Scope of SME sector and its contribution to the economy (Fin Scope, 2019); SMEs' access to finance (Ndala & Moto, 2019), which reported a limited access to finance by SMEs and highlighted the need for financing mechanism for SMEs; SMEs failure in Malawi (Mkandawire, 2020), which revealed the alarming rate of SMEs failure in Malawi, the worst being the manufacturing SME sub-sector; Perceived failure of entrepreneurship to help ignite economic development in Malawi (Mwatsika, 2021), which highlighted the need for entrepreneurs to be profit and growth-oriented. Others focused on effectiveness of entrepreneurship policy implementation in Malawi (Pelser & Ndala, 2019), arguing that SME policy should only target high performing SMEs to avoid rendering policy initiatives ineffective.

Understandably, there is knowledge gap in literature and this study was worth undertaking to address this gap and make significant contributions to SME sustainability literature in Malawi. By understanding key barriers, enablers and strategies for adopting and implementing sustainable manufacturing practices in SMEs in Blantyre City, effective policies can be developed to leverage the sustainability enablers, address the challenges and facilitate the implementation of effective strategies and best practices to ensure long-term viability and resilience of manufacturing SME sub-sector in Malawi.

The study findings will also inform manufacturing SME owners, managers and other stakeholders of the effective strategies that are and can be employed by manufacturing SMEs in ensuring efficiency and sustainability of their enterprises and contribute significantly to the realization of a self-sufficient and a middle class economy as envisioned in Malawi 2063 economic transformation agenda.

1.5. Organization of the study

This thesis is structured into five chapters as follows:

The first chapter is an introduction to the study. Specifically, the chapter introduces the study by providing the background, aim and objectives, and justifying the need to address the gap in literature.

The second chapter presents literature review on the major developments in SMEs in Malawi. The chapter discusses key concepts related to business sustainability, the significance of SMEs to Malawi's economy, the size and scope of the SME sector in Malawi, the institutional landscape of SMEs in Malawi, the SME policy and regulatory environment, and the key policy and regulatory gaps in Malawi. It then provides an overview of the theoretical frameworks used in this study, namely the Triple Bottom Line (TBL) model and the Institutional theory.

The third chapter discusses and justifies the research methods and methodology employed by this study. Specifically, the chapter describes the study area, the study approach, and design, the sampling procedures, the data collection and analysis methods and tools, as well as the research ethics and methodological limitations.

The fourth chapter presents a discussion and interpretation of key results for this study. Here, the key findings of the study are presented and discussed, along with their implications for policy and practice. The findings are organized into themes related to the study objectives and are supported by direct quotes from the interviews.

The final chapter presents the conclusions drawn from the key study findings. It also highlights the contributions of the study to literature and practice and provides recommendations for policymakers, SME owners, and managers on how to improve sustainability of the manufacturing SME sub-sector in Blantyre City. The chapter also suggests future research directions.

1.6. Conclusion

This introductory chapter has provided an overview of the research context, problem statement, study objectives, and justification of the study in terms of the research gap, contribution to existing literature, policy and practical implication; laying foundation for investigating key barriers, enablers, and strategies for adopting sustainable business practices in manufacturing SMEs in Blantyre City. The chapter has further highlighted the critical role of SMEs in Malawi's economy, and the need for sustainable business practices to ensure long term viability of these SMEs. The findings will inform evidence-based strategies to enhance sustainability of manufacturing SMEs in Blantyre City, ultimately contributing to their growth, and economic development of Malawi.

CHAPTER TWO

LITERATURE REVIEW

2.0. Introduction

This chapter presents a comprehensive review of literature that is pertinent to the current study, with a particular focus on theoretical frameworks and key concepts; along with an examination of the significance of SMEs in Malawi and the notable advancements in the SME sector, such as its size and scope, institutional landscape, policy, and regulatory environment. Furthermore, the chapter highlights key policy and regulatory gaps in Malawi that require attention.

2.1. Definitions of Terms and Concepts

2.1.1. Definition of Small and Medium Enterprise (SMEs)

There is no consensus on the definition of small and medium-sized enterprises (SMEs) because countries have developed their definitions based on their local context and economic conditions (Pulka & Guwana, 2022). However, the most common definitions are based on the number of employees, size of the firm, total assets, and annual returns (Gupta & Hoda, 2021). According to Pelser and Ndala, (2019), the definition of SME uses five parameters: labour, capital, loan size, fixed asset and annual sales or turnover. However, the number of employees is the best criterion because it is easy to collect data and it is not directly affected by the effects of currency fluctuation compared with annual returns (Fin Scope, 2019). The Malawi MSMEs Policy (GoM, 2019) defines SMEs as follows.

Table 1: Parameters for defining SMES in Malawi

Enterprise size	Employees	Annual turnover	Maximum assets
Small	5-20	K5,000, 000 – K50, 000, 000	K20,000,000
Medium	21-99	K50,000,00 – K500,000,000	K250,000,000

***Source**: Malawi MSME Policy (GoM, 2019)*

According to the MSMES Policy (GoM, 2019), Malawi's definition of MSMEs uses three variables namely; employment, annual turnover, and assets, as shown in Table 1 above. According to the MSME Policy (GoM, 2019), small enterprises are formalized business activities engaging between 5 to 20 employees with a capital investment of K20 million and turnover of up to K50 million, while medium enterprises employ 21 to 99 people, with a capital investment of K250 million and a turnover of up to K500 million.

A closer look at Malawi's SME definition reveals that the definition aligns with international standards, considering factors like employee count, turnover, and asset base. However, the definition may not fully capture the informal sector' significance where documentation is a problem, making difficult to access data pertaining to their performance and contribution to the economy. In addition, the turnover threshold might be too low, potentially excluding growing enterprises. The definition also focuses primary on quantitative criteria, overlooking qualitative aspect such as value addition and level of innovation and technological advancements. This may however pose difficulties to determine as it lacks objectivity. Therefore, there is need to

regularly review and update the definition to reflect changing economic conditions of the enterprises.

2.1.2. The concept of business sustainability

One of the significant discussions about the future of manufacturing firms is adapting sustainability practices (Elkington, 2017). In the context of SMEs, sustainability entails the principles and actions of SMEs conducting their operations in relation to locally and internationally recognized environmental, social, and economic standards (Dey, 2020). According to Fitane (2018), a sustainable firm creates profit for shareholders while protecting the environment and the society. Thus, sustainability emphasizes balancing stakeholders' profits with protecting the environment and people's welfare. According to Filho (2022), sustainability, in the context of manufacturing SMEs, entails managing and coordinating the environmental, social, and financial concerns to ensure the long-term survival of manufacturing SMEs.

Although there have been different interpretations of business sustainability, researchers acknowledged that business sustainability comprises three distinct but inter-related dimensions: economic, social, and environmental dimension (Korsakienė & Raišienė, 2022; Li et al, 2020; Benkert, 2020). However, the main challenge with this concept is that it is difficult to integrate all the three dimensions of sustainability.

2.2. Significance of SMEs in Malawi

Small and medium enterprises (SMEs) play an important role in contributing to economic growth and socio-economic development of Malawi. In Malawi, SMEs contribute to socio-economic development through job creation, economic inclusion,

innovation, poverty reduction, enhancing exports, building an industrial base and widening the tax base for the government (Fin Scope, 2019; Ndala & Pelser, 2019; MSMES Policy, 2019).

According to Fin Scope (2019), MSMEs in Malawi contribute 47% to GDP, and 24% to employment. This indicates a rise in contribution made to Gross Domestic Product (GDP) by about 31.4% and a decline in the overall contribution to employment by about 14% compared to Fin Scope 2012 survey findings in which SMEs contributed 38% to employment opportunities (Fin Scope, 2019; MSMEs Policy, 2019). This decline can be attributed to poor macroeconomic policy performance in Malawi which created unfavorable business environment for SMEs (World Bank, 2023; World Bank, 2022).

With the post-COVID-19 effects, along with the current devaluation of the local currency which saw Malawian kwacha depreciating nearly 50% against the US dollar in the period spanning between 2023 to 2024 (World Bank, 2023), and sporadic availability of forex, the contribution of SMEs to Gross Domestic Product and employment is likely to continue dwindling. However, there is currently no data on SMEs' contribution to GDP and employment for the period 2020 to 2023, making it difficult to establish their growth trend (Nyirenda & Quitieshat, 2023). Despite its relevance, the MSME sector in Malawi faces numerous challenges that hinder its potential growth and sustainability.

2.3. Major Developments in SMEs in Malawi

2.3.1. Size and Scope of MSME sector in Malawi

The Fin Scope 2019 survey remains the most comprehensive study providing insights into the size and scope of the MSME sector in Malawi. According to Fin Scope (2019) report, Malawi has over 1.6 million MSMEs, making up 89% of the private sector. This highlights the potential for a sustainable MSME sector to substantially boost Malawi's economy. However, it is concerning that the majority of these MSMEs are not registered, with only 11% formally registered. This indicates a high level of business informality in Malawi, making it challenging for stakeholders to provide significant support to these businesses (Thompson, 2017). Therefore, there is a need to prioritize the formalization of the informal SME sub-sector, which represents 89% of the total MSME sector in Malawi.

In terms of size, the MSME sector is predominantly comprised of micro-enterprises, which account for 74% of the sector. Small enterprises make up 23%, while medium enterprises constitute 3% (Fin Scope, 2019). The prevalence of micro-enterprises significantly limits their overall income and contribution to the economy. The majority of these enterprises (69%) operate in the wholesale and retail sector, with 17% in agriculture and 6% in manufacturing (Fin Scope, 2019). The manufacturing SME sub-sector is very small and this underscores the need for concerted efforts from stakeholders to attract entrepreneurs to the manufacturing SME sub-sector in Malawi including women and the youths. Currently, there are 42,897 MSMEs in the manufacturing sub-sector, with 44% micro-enterprises, 55% small enterprises, and a mere 1% medium enterprise (Fin Scope, 2019).

The scarcity of medium-sized manufacturing firms is a cause for concern for a country aspiring to become an industrialized self-sufficient and a middle class economy by the year 2063. According to the World Bank (2019), the absence of medium-sized manufacturing enterprises reflects an unfavorable business environment in Malawi, characterized by macroeconomic instability, inconsistent policies, and limited market access. It is therefore imperative to provide support to small manufacturing enterprises, enabling them to transition to the medium-sized category and address the missing middle in Malawi (World Bank, 2019). Although the number of enterprises in the manufacturing SME sub-sector is small, they have a higher average annual turnover compared to the trade or wholesale and agricultural sectors (Fin Scope, 2019).

These MSMEs are concentrated in major cities of Malawi such as Blantyre, Zomba, Lilongwe and Mzuzu, and are primarily in their start-up phase (3–5 years of existence), with only 39% established (Fin Scope, 2019). According to Fin Scope (2019), there was a 34% increase in the proportion of start-ups in 2019 from 2012 Fin scope SME survey findings; though the failure rate of these start-ups is also high (Fin Scope, 2019). Therefore, SMEs should be supported at all stages of development, starting from start-up phase to reduce the failure rate. However, due to a lack of data covering the period between 2020 and 2023, it is difficult to determine their growth pattern during this period

2.3.2. SMEs institutional landscape in Malawi

According to Thamahane (2017), establishing an enabling environment for SME growth and sustainability necessitates an effective institutional support framework.

Providing supportive environment for growth-oriented and innovative SMEs is critical for the attainment of private sector led growth in Malawi (Ndala & Moto, 2019), and the overall attainment of industrialization goals envisioned in Malawi 2063 economic transformation agenda. The following state and non-state agencies provide support services for the development of SME sector in Malawi:

The Ministry of Trade and Industry (MoTI) is responsible for the overall coordination of MSME development in Malawi (Fin Scope, 2019). The Ministry has a department dedicated to MSMEs and Cooperatives, which provides appropriate policy and regulatory oversight. There is also the division of Value Addition, under the department of SMEs and Cooperatives which is mandated to promote value adding technologies to facilitate product quality and promote marketing linkages between SMEs and domestic or international markets (MSMES Policy, 2019).

The Small and Medium Size Enterprise Development Institute (SMEDI), is a parastatal under MoTI. SMEDI was established in 2013 after disbanding Development of Malawian Enterprises Trust (DEMAT), Small Enterprises Development Organisation of Malawi (SEDOM) and Malawi Entrepreneurs Development Institute (MEDI) (MSMES Policy, 2019; Fin Scope, 2019; Ndala & Pelser, 2019). The merger was undertaken to eliminate duplication of efforts in delivery of MSME support services. SMEDI offers business development support services, including capacity-building and establishing linkages to markets and financial institutions (MSME Policy, 2019; Fin Scope, 2019). Unfortunately, SMEDI faces limitations in expanding its support due to inadequate funding.

Other agencies involved in supporting SMEs include the Malawi Investment and Trade Centre (MITC), which supports foreign and local investors, promote and facilitate export products, and advises government on policies with a bearing on business environment (Fin Scope, 2019); the Malawi Bureau of Standards (MBS), which develop and promotes product quality standards for manufacturing firms in Malawi; the National Economic Empowerment Fund (NEEF), which offers financial support, capacity building, and technical support to SMEs.

The Malawi Confederation of Chambers of Commerce and Industry (MCCCI), which organizes trade promotion events, provide business management trainings; represents the business community at national, regional and international fora, offers business premises to small enterprises, and analyzes government policies and regulations with a bearing on business environment to ensure a conducive environment for private sector development, and the Technical Entrepreneurship Vocational Education and Training Authority (TEVETA) which promotes and regulates sustainable provision of quality technical and entrepreneurial education and training to entrepreneurs (MSMES Policy, 2019; Fin Scope, 2019; Ndala & Pelser, 2019; Deleany, 2019).

The government in partnership with the private sector also established the Malawi Agriculture and Industrial Corporation Plc (MAIC), a development finance entity which provides financing and technical advice for start-up or growing businesses in agriculture and manufacturing sectors (Fin Scope, 2019; GoM, 2019). Furthermore, business incubation centers have been established in public institutions of higher learning as hubs for business innovations and technology. These initiatives aim to enhance business management capabilities, and promote innovations in SMEs.

The government has also recently introduced MSMEs laboratory under the Presidential Delivery Unit (PDU) which has facilitated discussions around policy bottlenecks that prevent MSMEs from recovering the impact of COVID-19 (GoM, 2021). Research also shows that Malawi's SME sector benefits from international donor support, such as the USAID's Malawi Economic Development initiative (USAID, 2019).

However, despite the availability of these institutions, most SMEs are unaware of their existence and the services they offer, making it difficult for SMEs to benefit from the available support (Ndala & Pelser, 2019; Fin Scope, 2019). This is largely due to the lack of a centralized information repository for SMEs in Malawi, which makes access to information difficult (Ndala & Pelser, 2019; Fin Scope, 2019). The institutional environment remains challenging for SMEs with bureaucratic hurdles and corruption, hindering business operations (World Bank, 2020). The Malawi's SME institutional landscape is also characterized by fragmentation and duplication of efforts, limited coordination and collaboration, inadequate funding and capacity constraints. It is important to note that the effectiveness of the support provided by these institutions falls outside the scope of this paper. Therefore, there is need to assess on whether the support offered by these institutions to SMEs has been effective.

2.3.3. Policy and regulatory environment in Malawi

According to Muriithi (2017), African governments must support SMEs by creating an environment conducive for business growth. He further argues that the success or failure of SMEs largely depends on the environment created by the government in

terms of taxation, market opportunities, and technological and infrastructural support, among others. To boost the SME sector, the Malawi government has placed significant emphasis on developing policies that support the sector in the country.

In 2019, the government, through the Ministry of Trade and Industry, formulated the MSME policy. This policy aims to provide a regulatory and institutional framework for MSMEs development, facilitate MSMEs' access to finance, develop sustainable markets, develop and strengthen the entrepreneurial culture, bridge the business information and skills gap for MSMEs, provide business infrastructure for MSMEs, and promote innovation to enhance the sector's competitiveness (MSMES Policy, 2019). The policy is being implemented in alignment with Malawi 2063 economic transformation agenda and other economic policy documents as follows:

The Malawi Growth and Development Strategy III (2017-2022), responding to the priority area of achieving sustainable economic growth (Fin Scope, 2019; GoM, 2017); National Industrial Policy (2014), which aims to enhance the country’s productive capacity through industrialization and address the unsustainable trade deficits (National Industrial Policy, 2014; Fin Scope, 2019); the National Trade Policy (2016), which aims at managing integration in regional and global markets as well as value chains to increase exports (GoM, 2016; Fin Scope, 2019); the National Agriculture Policy (2016-2020), which aims at achieving agricultural transformation and commercialization (GoM, 2016; Fin Scope, 2019); the Microfinance Policy (2018-2023), which promotes the development of a sustainable microfinance industry which provides financial services to SMEs (GoM, 2018; Fin Scope, 2019); the National Youth Policy (2013); which empowers the youth and promote

entrepreneurship culture, and the National Employment and Labour Policy (2021), which provides direction on how SMEs can promote the welfare of their employees (MSMES Policy, 2019; Fin Scope, 2019).

The policy is also aligned with sub-sectoral policies and strategies including the National Export Strategy II (2021-2026), which is a road map for developing Malawi's export base with a focus on SMEs (MSMES Policy, 2019; Fin Scope, 2019); the Financial Sector Development Strategy II (2017-2021), which sought to develop a more resilient, competitive and dynamic financial system to increase SMEs' access to financial services (Fin Scope, 2019); the National Strategy for Financial Inclusion (2016-2020), which called for targeted finance for Micro, Small and medium-sized enterprises (Fin Scope, 2019); the Buy Malawian Strategy (2016), which encourages production and consumption of locally produced goods and services thereby stimulating local production (MSME Policy, 2019; Fin Scope, 2019); and SME Order of 2020, which calls for government MDAs to prioritize 30 percent of their procurement contracts to SMEs (MSME Policy, 2019; Fin Scope, 2019).

At the international level, the policy aligns with the United Nations' Sustainable Development Goals (SDGs), particularly Goal 1: Ending poverty; Goal 8: promotion of inclusive and sustainable economic growth, and Goal 12: achieving Sustainable consumption and production patterns (MSME Policy, 2019). At the regional level, the policy aligns with African Union's 2063 agenda for sustainable and inclusive growth; SADC and COMESA industrialization strategy and market integration efforts (MSMES Policy, 2019).

2.3.4. Analysis of SME policy and regulatory environment in Malawi

A thorough analysis of the MSME 2019 policy for Malawi reveals that the policy focuses on enhancing institutional and regulatory frameworks, access to finance, and markets, among other priority areas (Mwatsika, 2021; MSMES Policy, 2019). Concerning SMEs' access to finance, various interventions have been implemented. According to Nyirenda & Quitieshat (2023), there is a positive correlation between capital financing and SME performance. Building on this finding, the Malawi government has restructured the National Economic Empowerment Fund (NEEF), implemented a national strategy for financial inclusion (2016-2020), and formulated a microfinance policy (2018) to ensure improved access to finance for SMEs (MSME Policy, 2019; Fin Scope, 2019).

Furthermore, the government is currently carrying out the Financial Inclusion and Entrepreneurship Scaling (FInES) Project, which aims to enhance SMEs' access to finance and promoting entrepreneurship and capabilities of SMEs in Malawi (World Bank, 2022). The government has also implemented the Malawi Covid-19 Socioeconomic Recovery Plan (MCSERP 2021-2023). Through the MCSERP (GoM, 2021), the government introduced a relief package for MSMEs to assist them in sustaining their businesses. However, the implementation period came to an end but no tangible reforms have been made apart from the allocation of 30% of MDAs' procurement contracts to SMEs through the provisions of the SME Order of 2020 and the Buy Malawian Strategy. It is also yet to be confirmed if MDAs are complying with this order (Nyirenda & Quitieshat, 2023).

The United Nations Development Program (UNDP) has also been implementing a growth accelerator program and providing matching grants to support SMEs. The European Union (EU) and United States Agency for International Development (USAID) have also partnered with commercial banks to offer credit guarantees to SMEs. The expectation was that with these credit guarantees in place, SMEs' access to finance would tremendously improve. However, the experience has been different (Nyirenda & Quitieshat, 2023). The SME sector is still grappling with access to finance. Therefore, there is need for the policy to provide for the development of innovative and sustainable financing mechanisms. Nevertheless, there has been significant progress in addressing issues of access to finance for SMEs, which demonstrates stakeholders' commitment to addressing these issues in Malawi (Fin Scope, 2019).

In terms of access to markets, the government has established the SMEs Participation Order within the procurement law, allowing government MDAs to allocate 30% of contracts to SMEs, and this is aligned with the Buy Malawian Strategy (World Bank, 2023). The formulation of the National Export Strategy (2021-2025) also aims to help SMEs become competitive both locally and internationally. The preferential access to markets in the EU, USA, SADC, and COMESA presents another opportunity that SMEs should take advantage of (GoM, 2021).

The policy has also seen the Malawi government soften stringent business registration procedures to facilitate easy entry into the business sector for SMEs, thereby increasing the formal sector and expanding the country's tax base (Fin Scope, 2019). According to Muhanika, (2021), an increase in the level of the formal sector requires

deliberate efforts to encourage the establishment of formal start-ups. To promote innovation among SMEs, the government, through the Malawi Innovation Challenge Fund implemented a ten-year (2014-2023) project that provided grant finance and technical assistance to SMEs in manufacturing and agriculture to support the value chains (Fin Scope, 2019). The main strength of the SME policy is that it provides a clear policy direction, simplified business registration procedures, some tax incentives for SMEs, and investment promotion initiatives. However, there are policy and regulatory gaps that need to be addressed.

2.3.5. Key policy and regulatory gaps in Malawi

Based on the analysis of Malawi's MSME policy and regulatory framework, the following policy and regulatory gaps become apparent: The SME policy approach in Malawi targets general SME sector growth, which is contrary to the SME policy orientation in developed countries that focuses on high-growth SMEs (Mwatsika, 2021). Therefore, the MSME policy for Malawi should deliberately put more attention on high-performing SMEs that could form Special Economic Zones in Malawi. Including every SME in the policy renders policy efforts ineffective.

Although the MSME Policy addresses many issues facing SMEs in Malawi, its implementation requires serious coordination among government agencies and constant monitoring (FMT, 2019). The policy landscape in Malawi has been problematic due in part to poor implementation and implementation gaps (Fin Scope, 2019). This underscores the need to strengthen SME support institutions and other stakeholders to enhance policy implementation and coordination to address this policy implementation gap. There are also regulatory inefficiencies on the part of MBS and

MEPA such as regulatory complexity and bureaucratic processes, which have contributed to high non-compliance levels in manufacturing SMEs. Therefore, there is need for regulatory bodies to streamline regulatory processes

The Malawi Bureau of Standards takes too long to provide approvals (FMT, 2019), does not recognize international certificates, and the certificates issued by the Bureau are not acceptable in international markets (Sommer, 2017). Therefore, this suggests the need for MBS to improve on efficiency and align Malawian standards with international standards. There is also a need for both MBS and MEPA to ensure that the regulations and standards are tailor-made for the economic conditions and context of the manufacturing SMEs.

Finally, the MSME 2019 policy is not protective, as evidenced by the proliferation of informal SMEs owned by asylum seekers, despite calls by stakeholders that small enterprises should be reserved for locals. According to World Bank (2023), in Malawi, there are no restrictions on business ownership, size of investment, or type of the sector and this open trade policy regime does not protect the welfare of SMEs. However, protectionism undermines competition and compromises efficiency in service delivery in a competitive market.

The MSME 2019 policy has however missed several targets (e.g., development of a national web-based SME database, and online market platform, establishment of special economic zones, and industrial sites for SMEs, etc.) that were supposed to be achieved by the year 2023. Nevertheless, the impact of the MSMEs 2019 policy is yet to be known as its implementation period has just come to an end. It is somewhat difficult to conclusively claim that the policy is providing an enabling environment

for SMEs, as major areas of the policy are yet to be fully implemented. Therefore, there is a need for a comprehensive assessment of the policy to establish its efficiency and effectiveness.

2.4. Theoretical Framework

This study was guided by two theoretical frameworks: Triple Bottom Line (TBL) business sustainability model and Institutional theory. The Triple Bottom Line model highlights the importance of environmental, social, and economic sustainability practices for manufacturing SMEs to achieve sustainable growth. Institutional theory explores how institutions can either support or hinder the adoption of sustainable business practices proposed by the Triple-Bottom-Line model.

2.4.1. The Triple Bottom Line (TBL) Model

In the past, firms' sustainability was evaluated solely based on economic factors. However, the current understanding of firms' sustainable performance takes into account economic, social, and environmental aspects - a concept known as the Triple Bottom Line (TBL) business sustainability model. Developed by John Elkington in 1994, the Triple Bottom Line model stipulates that for firms to achieve sustainable growth, owners or managers should adopt and implement economic, social, and environmental sustainability practices (Elkington, 2017). The adoption, integration and implementation of economic, social and environmental sustainable business practices by manufacturing firms is considered an optimal decision; while the adoption, integration and implementation of either economic and environmental sustainable business practices or economic and social sustainable business practices alone can be considered desirable but not optimal. However, adopting and integrating

only social and environmental sustainable business practices is not desirable as it defeats the main objective of a business enterprise, which is profit maximization.

Triple Bottom Line concept has helped the researcher to comprehend the sustainable business practices that are crucial to the sustainable growth of any firm, irrespective of size. This study adopted the Triple Bottom Line model because it provides clear guidelines on how manufacturing SMEs can achieve sustainable growth. However, TBL model does not offer guidance on how to effectively integrate all the three dimensions of business sustainability. Therefore, there is need for improvement to ensure seamless integration (Loviscek, 2021). Figure 2.1 below presents a schematic representation of the model.

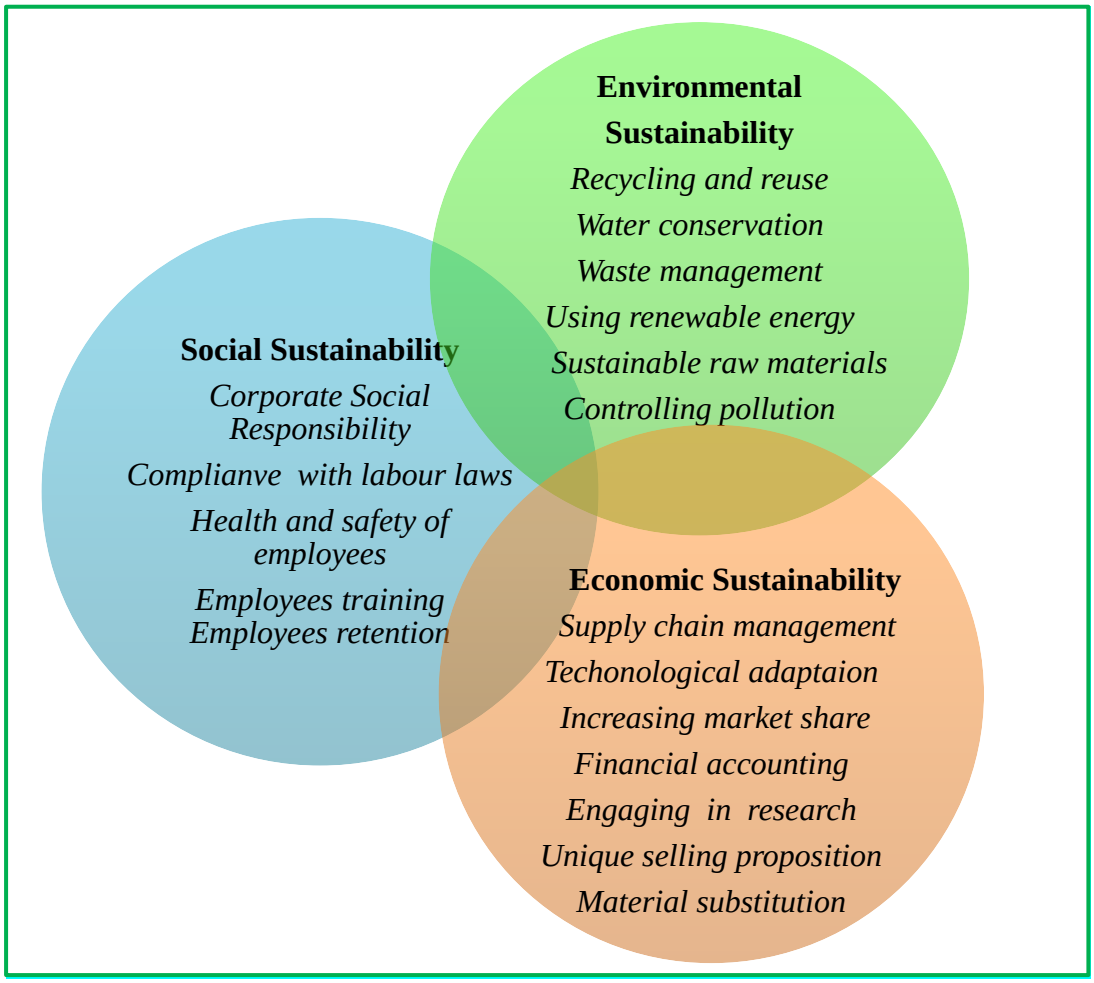

Figure 1: TBL business sustainability model

Source: *Adapted from Manchisi (2018)*

2.4.2. Institutional Theory

According to the Institutional theory, organizations adopt certain practices in response to regulative, normative, and cognitive pressures present in their institutional environment (Caldera, 2019). In the context of business sustainability, institutional theory can be used to explain how regulative, normative, and cognitive institutions

can either hinder or facilitate the adoption and implementation of sustainable business practices. Figure 2 below, is a conceptual framework of the institutional theory:

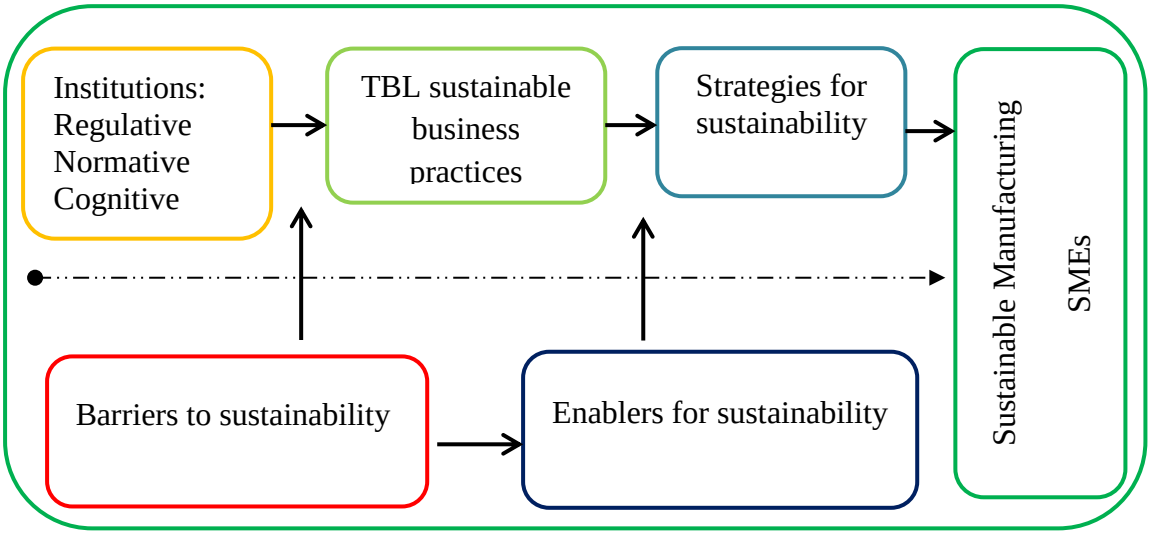

Figure 2: Conceptual framework of Institutional theory

Source: *Adapted from Caldera (2019)*

As indicated by Figure 2 above, institutions can act as barriers or enablers in the adoption and implementation of sustainable business practices in manufacturing SMEs. Regulative barriers and enablers refer to regulations and policies that can impede or support the adoption of sustainable business practices. For example, a lack of government incentives or regulations for sustainable practices can be a barrier, while policies that mandate sustainable practices or offer financial incentives for sustainable investments can be an enabler.

Normative barriers and enablers pertain to social norms and values that influence a firm's behavior in adopting sustainable business practices. For example, firm’s

pressure to prioritize economic growth over environmental concerns can be a barrier to sustainability, while strong internal norms and values that prioritize sustainability can be an enabler.

Cognitive barriers and enablers relate to the way individuals and organizations perceive sustainability. For example, a lack of knowledge or awareness about sustainable practices can be a barrier, while business sustainability education and awareness programmes can be an enabler. Similarly, firm's focus on short-term gains over long-term sustainability can be a barrier, while an emphasis on the long-term benefits of sustainability can be an enabler.

Institutional Theory as 'rules of the game' refers to 'institutions, laws, policies, or norms' that shape organization's decision-making in relation to the adoption of sustainable business' practices (Caldera, 2019; Scott, 2018). These rules of the game can either be formal or informal or both, and come in form of regulatory pressures which promotes compliance with regulations; Normative pressures, such as industry standards, and certifications; and Cognitive pressures such as social norms, and stakeholder expectations (Caldera, 2019; Scott, 2018).

According to Institutional theory as 'rules of the game', institutions use various mechanisms for adopting sustainable business practices such as mimetic isomorphism in which they imitate successful peers; coercive isomorphism, in which they adopt sustainable practices to comply with regulations; and normative isomorphism, in which they adopt sustainable practices through professional associations, and training (Caldera, 2019; Scott, 2018).

The above conceptual framework of institutional theory exhibits potential synergies among barriers, enablers and strategies. For instance, financial barriers to the adoption of sustainable business practices can be overcome through improved access to finance and financial incentives or enablers. Establishing a sustainable financing mechanism could be an effective strategy. Similarly, Knowledge gaps and lack of expertise among SMEs on sustainable business practices can be addressed through awareness and capacity building trainings or enablers. Investing in capacity building programmes and sustainability-related research can be an effective strategy.

The main strength of institutional theory is that it helps to understand why organizations conform to 'rules of the game', thereby providing context for organizational decision making (Scott, 2018). It also incorporates cognitive and normative elements, beyond regulatory forces, thereby emphasizing cognitive and normative aspects in decision-making (Greenwood et al., 2018). However, institutional theory overemphasizes on conformity to institutional pressures, overlooking organizational resistance (Mayer & Hollerer, 2022). It also downplays the role of non-institutional factors, such as technological advancements, and economic incentives in business sustainability (Thornton et al., 2019; Greenwood et al., 2018).

Nevertheless, the theory has been widely used to identify barriers and enablers in the adoption of sustainable business practices and to explore how different institutional strategies influence economic, environmental, and social endeavors within corporations (Caldera, 2019).

2.5. Conclusion

This chapter has provided a comprehensive review of the literature related to this study. The literature has clearly demonstrated that Malawi's SME sector plays a vital role in the country's economic development, contributing significantly to GDP, employment and poverty reduction. Despite facing various challenges, the sector has made notable advancements in recent years. The SME sector has grown in size and scope, and the sector's institutional landscape has also evolved, with various institutions and regulatory bodies supporting SME development. The policy and regulatory environment has also improved, with the implementation of MSME policy of 2019. However, despite these advancements, there are key policy and regulatory gaps. Addressing these gaps is crucial to unlocking the full potential of SME sector in Malawi.

CHAPTER THREE

METHODOLOGY

3.0. Introduction

This chapter provides a detailed description of the research methods and methodology adopted by this study. Specifically, the chapter describes the study area, study approach and design, sampling procedures, data sources, data collection methods and tools, data analysis and interpretation techniques, research ethics and finally, methodological limitations of the study.

3.1. Description of Study Area

This study targeted manufacturing SMEs in Blantyre City. As an economic hub, Blantyre hosts a significant number of manufacturing SMEs, providing a diverse sample for the study- making it an ideal location for studying their sustainability. Additionally, Blantyre was selected to derive context-specific insights pertaining to sustainability challenges, enablers, and strategies that can and are employed by manufacturing SMEs. Specifically, the study purposively selected manufacturing SMEs from Maone, Chirimba, and Maselema, industrial areas, Ndirande, Nyambadwe, Kameza, and Chichiri Trade Fair grounds. These areas provided diverse industries in the small and medium category unlike at Makata industrial area where manufacturing companies are in the large category. These areas were chosen based on their industry diversity, accessibility and logistical feasibility, and potential for

sustainable business practices. Figure 3 below, is a map of Blantyre City showing the locations of study areas.

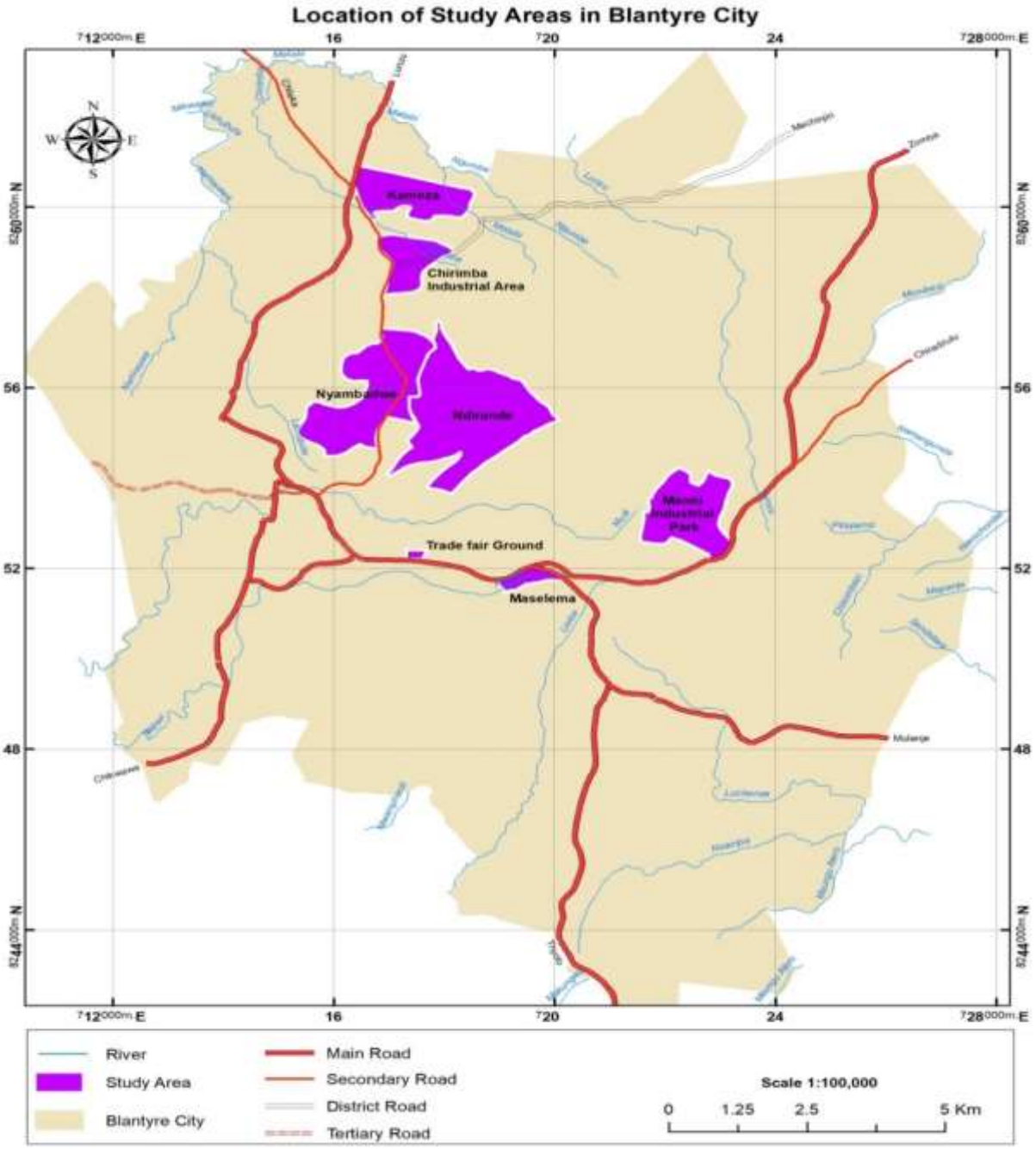

Figure 3: Map of Blantyre City showing Study Areas

***Source**: Author's own*

3.2. Study Approach and Design

3.2.1. Qualitative Approach

This study employed a qualitative study approach. Qualitative methods provided a more in-depth understanding of the bearers, enablers, and strategies for adopting and implementing sustainable business practices among manufacturing SMEs in Blantyre City. Qualitative methods offer explanatory and comprehensive data, although they do not facilitate generalizations. However, this weakness of qualitative approach did not affect the results of this study as the goal was not to draw generalized conclusions but to develop a comprehensive understanding of the topic from a given context.

3.2.2. Study Design

This study employed an exploratory multiple-case study design to generate primary qualitative data on bearers and enablers for adopting and implementing sustainable business practices in manufacturing SMEs. Through this design, the study also gathered rich and detailed qualitative data about specific strategies that can promote sustainability in manufacturing SMEs in Blantyre City. This multiple case study design provided a wide range of perspectives on the study topic from the Key informants.

3.3. Sampling Procedures

3.3.1. Study population and sampling frame

The study targeted owners and managers of registered local SMEs in Blantyre City, while the sampling frame comprised registered local manufacturing SMEs in Blantyre City. The list of these SMEs were obtained from various sources, including Blantyre

City Council (BCC), the Registrar of businesses in Blantyre City, Small and Medium Enterprises Development Institute (SMEDI), and SME trade associations. The study also targeted officials from government Ministries, Departments and Agencies (MDAs), academia, the private sector representatives, and SME trade associations. These officials are experts in enterprise development, manufacturing, industrial policy, industrial research, and environmental protection and management.

3.3.2. Sampling technique for study cases

This study employed Quota sampling technique to select manufacturing SMEs from Maone industrial area, Chirimba industrial area, Maselema industrial area, Ndirande, Nyambadwe, Kameza, and Chichiri Trade Fair grounds. These SMEs were categorized into two groups based on size and perceived "institutional pressures" to adopt sustainable business practices. Even if both small and medium enterprises face institutional pressures, they were not equally distributed as perceived institutional pressures for sustainability are not identical.

Due to their size and stakeholder expectations, medium manufacturing enterprises face more 'pressures' than small enterprises (Muller & Seibenhuner, 2021; Bauman-Pauly & Wickert, 2020; Garside & Mann, 2020). However, this varies across countries and industries. As such, the study engaged a higher proportion of medium enterprises than small enterprises. Specifically, the study engaged two medium enterprises and one small enterprise in each of the selected study areas. In total, the study engaged twenty-one manufacturing SMEs. Considering that environmental context affects performance of SMEs, the sample was equally distributed in terms of geographical location.

The following inclusion and exclusion criteria guided the selection of the targeted SMEs into the sample: Manufacturing firms that are in small and medium categories (size), manufacturing SMEs that are formally registered (registration), manufacturing SMEs with more than five years of operation (age), local manufacturing SMEs (ownership), and those involved in manufacturing of sustainable products (nature of product), were considered for selection. However, large manufacturing firms, start-up SMEs, and informal manufacturing SMEs did not form part of the sample for this study.

3.3.3. Selection of study participants

The study employed purposive sampling to select participants for the key informant interviews, targeting individuals with expertise and experience in enterprise development and sustainability, and related fields. According to Moore (2017), purposive sampling allows for the selection of participants most likely to provide information relevant to the purpose of the study. According to Hennink and Kaiser, (2022), and Hennink (2019), purposive sampling increases chances of reaching data saturation as participants have rich and relevant information to adequately address the study objectives.

The study has generated useful insights from manufacturing SME Owners and Managers in Blantyre City, Directors, Chief Executive Officers, Researchers and other Officials from the Ministry of Trade and Industry (MoTI), Small and Medium Enterprise Development Institute (SMEDI), Malawi Bureau of Standards (MBS), Malawi Confederation of Chambers of Commerce and Industry (MCCCI), Blantyre City Council (BCC), Malawi University of Business and Applied Sciences (MUBAS),

Malawi Environment Regulatory Authority (MEPA), Environmental Affairs Department (EAD), Chambers of Associations of SMEs in Malawi (CASMEs), and National Association of SMEs in Malawi (NASMEs).

The officials from these organizations were considered for the interviews as they have knowledge and experience in enterprise development and sustainability. Conversely, individuals who had no knowledge and experience in enterprise development and sustainability were not considered for selection. Purposive sampling was an appropriate sampling technique for this study as the researcher sought to identify respondents with knowledge and experience in enterprise development and sustainability.

Data collection reached saturation with a sample size of thirty (30) participants. This sample size accounts for twenty purposively selected key informants from manufacturing SMEs, five officials from government MDAs, two officials from the academia, two officials from SME trade associations, and one official from private sector representative organizations. Data saturation refers to a point during data analysis at which incoming data points produce little or no new useful insights relative to the study objectives for a comprehensive analysis (Guest, 2020; Fusch, 2018). Data saturation can be determined once the responses from interviewees become repetitious (Saunders, et al., 2019).

According to (Sebele-Mpofu, 2020), Data saturation is an important indicator that the data collected have captured the diversity, depth, and nuances of the issues studied. According to Hennink and Kaiser (2022), Saunders et al. (2019), Sim (2018), and Hennink, Kaiser, and Marconi (2017), data saturation enhances rigor and validity in

qualitative research and improves quality and credibility of the study findings. To achieve this, the study engaged iterative data analysis early in the data collection process; and this helped in identifying common themes or confirmatory data.

While it is not practical to predetermine the number of interviews for a qualitative study to reach saturation level, Hagaman and Wutich (2017), reported that twenty (20) to thirty (30) interviews provide adequate data for a comprehensive analysis. According to Hennink and Kaiser (2022), data saturation usually occurs between respondent number 9 and 17. According to Creswell (2018), saturation can be reached anywhere between ten (10) to fifty (50) interviews, and the mean being thirty (30) interviews. However, this depends on the nature of the study, its objectives, design, sampling procedures, and data collection methods (Sebele-Mpofu, 2020). Though contentious, data saturation remains the best criterion for determining sample size in qualitative studies.

3.4. Methods, Data Sources and Instruments

The study employed Key informant interviews to generate qualitative primary data from owners or managers of manufacturing SMEs in Blantyre City, and officials from government MDAs, academia, and the private sector. These officials are experts in enterprise development, manufacturing, industrial policy and research, and environmental protection and management. To achieve this, the study used key informant interview protocol that contained semi-structured questions to allow for in-depth exploration of the topic. Semi-structured questions provided a framework for gathering information on key study objectives while allowing respondents the freedom to elaborate on their responses. This allowed for more nuanced responses compared to entirely open-ended questions.

The study also used an audio recorder to record the interview process, and data collection template to record the data in written form to complement the audio-recorded data. The Key informant interview is a commonly used qualitative data collection method that is designed to draw in-depth exploratory insights from individuals holding key positions in an organization. According to Yin (2018), interviews are the most efficient ways to obtain data, record, and retain evidence in a case study.

Employing Focus Group Discussions (FGDs) for this study was not feasible because most small manufacturing enterprises have few individuals making up their management team. As such, the study could not achieve the standard Focus Group Discussion of 6-10 participants. Employing Focus Group Discussions in this case could result in inconsistencies in data collection relative to medium enterprises that constitute a standard FGD.

Similarly, document analysis and observation were not feasible. Most manufacturing SMEs in Blantyre City may not have comprehensive documentation of their business practices, particularly related to sustainability initiatives, making it challenging to conduct a thorough document analysis. A limited access to institutional documents may have restricted the level of detail available for analysis. Regarding observation, some SMEs may be hesitant to allow researchers to observe their production process or access sensitive documents due to concerns about competition, or distrust of outsiders.

The study also triangulated the key informant interviews with systematic literature review (SLR) in which fifty (50) peer-reviewed journals were analyzed to increase

validity and reliability of the study results. Through systematic literature review, the study revealed common themes and insights which contributed to data saturation. According to Fusch (2018), triangulation of data collection methods contributes to data saturation. According to Hennink (2019), Saunders (2018), and Sim (2018), Triangulation of data collection methods is considered an easy method to attain data saturation.

This systematic literature review followed the guidelines suggested by Snyder (2019). The study conducted this literature review in Scopus, Google Scholar, and Web of Science (WOS) databases of peer-reviewed literature. The literature search targeted business management and sustainability journals published between 2018 and 2023, focusing on barriers, enablers, and strategies for adopting and implementing sustainable business practices in manufacturing SMEs.

3.5. Data analysis and interpretation techniques

The qualitative data analysis process started with data transcription- a process of creating a text-based version of an audio for easy data cleaning and coding. The transcribed data were then cleaned and coded using computer software for organizing qualitative data called Nvivo, and analyzed using thematic analysis technique. Thematic analysis is the process of identifying patterns or themes within qualitative data (Maguire, 2017). Through thematic analysis, the researcher systematically identified and organized insights into themes and sub-themes that comprehensively answer the study questions and address the study objectives; while relating them to past studies to establish similarities and differences across contexts.

The study also employed thematic analysis technique to obtain the secondary data from the systematic literature review which complemented the primary data collected through Key informant interviews. From this analysis, the study provided the implications of the findings to policy and practice and made recommendations for policymakers, manufacturing SME owners, and other stakeholders on how to promote sustainability in manufacturing SME sub-sector in Blantyre City. The study further made recommendations for future research directions. .

3.6. Research Ethics

This study sought to generate primary qualitative data to answer the study questions and achieve the study objectives. The implication of research based on primary data is that it directly impinges on individuals' privacy and security and can undermine confidentiality. As such, this study took the following steps to adhere to research ethics: Firstly, before the data collection process, ethical clearance certificate was obtained from the research ethics committee of the University of Malawi (UNIMAREC). Secondly, before the actual interview process, the participants were issued with information sheets and consent forms to inform them about the purpose of the study so that they could participate with informed consent. The researcher assured the respondents of their privacy, anonymity, and confidentiality. Thirdly, during interviews, the interview guide did not contain questions that infringe on the rights of the respondents. During data analysis, the study did not directly refer to the participant’s specific responses instead, it used anonymized quotes.

3.7. Limitations of the study

The study's exploratory nature limits the generalizability of findings beyond Blantyre City. By focusing on Blantyre City, the study results may not necessarily reflect the situation in other Cities in Malawi. This methodological limitation is inherent in case study design. However, the study has generated important insights into understanding sustainability challenges faced by manufacturing SMEs, enablers, and strategies for achieving greater sustainability in the manufacturing SME sub-sector.

The second challenge was difficulty in recruiting Key informants from government MDAs. Owing to their positions, these individuals had busy schedules, making it difficult to set-up an interview session with them. To overcome this challenge, the study provided flexible interview arrangements to ensure that the interview sessions were scheduled at their convenient time. In addition, the study emphasized on the importance of their expertise to the topic and this motivated them to participate.

The other limitation is related to temporal context of the study. The study’s finding might be relevant only to the time period in which the study was conducted, and may not reflect developments or changes in barriers, enablers and strategies for adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City overtime. This methodological limitation is inherent in qualitative methods in which temporal aspect does not necessarily count.

3.8. Conclusion

This chapter has outlined the methods and methodology adopted by this study to address the study objectives. The study’s design, sampling procedures, data collection methods, data sources and instruments, data analysis and interpretation techniques,

were carefully selected to ensure validity and reliability of the study results. The sample size of 30 purposively selected participants contributed to data saturation. The adoption of systematic literature review provided robust dataset, allowing for triangulation of the results and enhancement of the study's credibility. The application of thematic analysis technique also facilitated the identification of key themes, providing valuable insights into the topic. While this study's methodology was robust, the case study design adopted by this study limits generalization of results. This limitation will be considered when interpreting the findings and drawing conclusions.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.0. Introduction

This chapter presents the study results and a detailed discussion of the key findings to explain their practical implications and how they adequately answer the study questions. The chapter compares these findings with empirical literature to establish contextual similarities and differences. Finally, the chapter ends with a conclusion on the key study findings with reference to the study objectives.

4.1. Interview profile

The study targeted owners and managers of registered local manufacturing SMEs in Blantyre City, officials from government ministries, departments, and agencies (MDAs), officials from the academia, SME trade associations, and private sector representatives (coded A1-A30). However, two withdrew from taking part for no apparent reason, indicating that the study did not coerce participants to take part, and this is a good research ethical practice. The study employed purposive sampling to select the targeted sample to participate in key informant interviews on the basis that they had knowledge and experience in enterprise development and sustainability.

The study used key informant interview protocol that contained semi-structured questions to allow for in-depth exploration of the topic. Semi-structured questions provided a framework for gathering information on key study objectives while allowing respondents the freedom to elaborate on their responses. This allowed the study to capture rich insights and more nuanced responses compared to entirely open-ended questions. The data collection for the key informant interviews reached saturation with a sample size of thirty (30) participants, and each interview session lasted for about an hour. To improve the validity and credibility of the study results, the key informant interviews were triangulated with a systematic literature review of fifty (50) peer-reviewed journals. Both the primary and secondary data were analyzed using thematic analysis technique.

All the participants in this study had knowledge and experience in enterprise development and sustainability, and their educational qualifications ranged from Malawi School Certificate of Education (MSCE) to Doctorate (PhD). Their experiences in enterprise development, manufacturing, environmental protection and management, industrial research, and policy-related work ranged from 5 to 29 years. In terms of gender distribution of the respondents, 83% were males, while 17% were females. The study failed to get insights from the National Economic Empowerment Fund (NEEF) and Non-Governmental Organizations (NGOs) despite making several attempts. This explains how difficult is to access information from state and non-state institutions in Malawi, despite the enactment of the Access to Information (ATI) Act that provides for free and expeditious access to information from public institutions by the citizenry (GoM, 2020). For other pertinent details, refer to Table 2 below.

Table 2: Summary of interviews conducted

Interviewee	Position	Qualification	Expertise	Experience	Gender
A1	Chief Officer	PhD	EIA	29	F
A2	Director	Masters	Industrial policy	27	M
A3	Director	Masters	Policy	24	M
A4	Researcher	Masters	Research	22	M
A5	Academician	Masters	Marketing	22	M
A6	Researcher	Masters	Research	21	M
A7	Director	Masters	EIA	21	M
A8	Director	Masters	Commerce	20	M
A9	Owner	Masters	Manufacturing	19	M
A10	Director	Masters	Food technology	19	F
A11	Owner	Degree	Entrepreneurship	19	M
A12	Director	Degree	Management	18	F
A13	Chairperson	Degree	Business dev.	18	M
A14	Owner	Degree	Engineering	17	M
A15	Economist	Degree	Policy	17	M
A16	Officer	Degree	Business dev.	16	M
A17	Chairperson	Degree	Manufacturing	15	M
A18	Officer	Degree	Marketing	14	M
A19	CEO	Degree	Business dev	14	M
A20	Owner	Degree	Logistics	13	M

A21	Director	Degree	Accounting	12	F
A22	Manager	Diploma	Supply chain	12	M
A23	Owner	Diploma	Management	11	F
A24	Owner	Diploma	Marketing	10	M
A25	Owner	Diploma	Accounting	9	M
A26	Chairperson	MSCE	N/A	9	M
A27	Owner	MSCE	N/A	8	M
A28	Owner	MSCE	N/A	7	M
A29	Chairperson	MSCE	N/A	7	M
A30	Owner	MSCE	N/A	5	M

***Source**: Author's own*

4.2. Emerging themes from key informant interviews

Figure 4 below, presents frequently emerged themes from Key informant interviews as coded during thematic analysis.

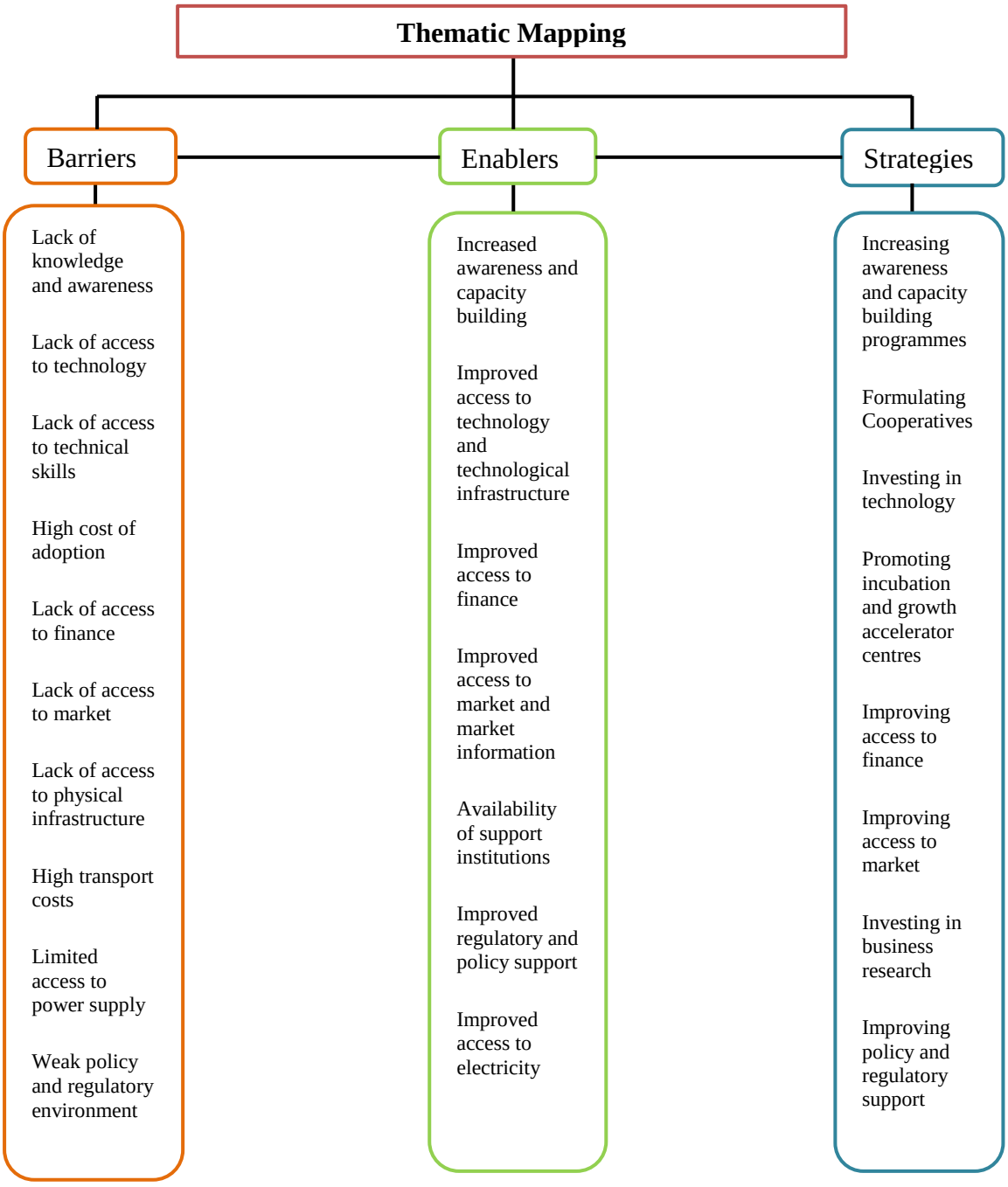

Figure 4: Key themes from key informant interviews

4.3. Emerging themes from systematic literature review

This systematic literature review (SLR) followed the guidelines outlined by (Snyder, 2019). The study conducted the literature search in Scopus, Google Scholar, and Web of Science databases of peer-reviewed literature. The literature search targeted Journals of business management and sustainability published between 2018 and 2023, focusing on barriers, enablers, and strategies for adopting and implementing sustainable business practices in manufacturing SMEs. A total of fifty (50) journals were analyzed using the thematic analysis technique, and the following were frequently emerging themes:

Table 3: Key themes from systematic literature review

Barrier	**Enabler**	**Strategy**	**Sources**
Little knowledge of sustainable practices and their costs and benefits	Establish knowledge networks and set up realistic expectations about costs and benefits	Increasing awareness programmes and set up facilitation centres to promote awareness	(Alayón 2022; Bai, 2020; Leng, 2020; Pham, 2019; Birkel, 2019)
Lack of access to external technical support	Technical support from technology suppliers and stakeholders	Collaborate with industrial partners or local organizations	(Nguyen, 2019; Seidel et al, 2018; Trianni et al, 2017)

Lack of managerial competence	Managerial support and cooperation for sustainability	Collaborate with industrial partners	(Kontturi, 2023; Alayón, 2022; Chauhan & Singh, 2020)
Low skilled labour	Capacity building trainings through external cooperation	Human capital skill development by an external consultant	(Alayón, 2022; Ivascu, 2020; Ahmad, 2020;
Organizational policy not aligned with sustainability values	Organization policy that embraces sustainability	Promote the culture that encourages sustainability	(Alayón, 2022; Leng, 2020; Seidel-Sterzik, et al 2018;
Lack of access to finance	Improved access to finance	Establish sustainable preferential SME financing mechanism	(Alayón, 2022; Costache, 2021; Ahmad, 2020; Caldera, 2019**)**
Lack of access to technology and technological infrastructure	Improved access to technology and technological infrastructure	Invest in technology and technological infrastructure	(Ingaldi, 2020; Pham, Kim, & Luu, 2020; Pham, 2019)
Lack of access to infrastructure e.g. storage facilities	Improved access to sustainability-related infrastructure	Investing in physical infrastructure	(Pham, et al., 2019; Rajput & Singh, 2019)

High cost of adoption, certification and verification	Financial incentives e.g. subsidies, tax waivers	Preferential capital financing	(Alayón, 2022; Ingaldi, 2020; Gu, 2019; Zhu et al., 2019)
Difficulty complying with regulations	Flexible regulations fostering adoption	Regulatory support; and reforms to foster sustainability	(Alayón, 2022; Auer, 2017; Neto, 2017)
Lack of laws and policies regulating sustainability	Developing policy and regulatory framework for sustainability	Developing laws and policy to regulate sustainability in SMEs	(Alayón, 2022; Leng, 2020; Ghadge, 2017; Neto, 2017)
Lack of enforcement of existing laws	Improved regulatory efficiency	Improving enforcement of existing laws	(Alayón, 2022; Ghadge, 2017; Leng, 2020)
Ignorance about regulation	Regulatory education trainings	Providing regulatory awareness trainings	(Auer, 2017; Neto, 2017)
Lack of governmental incentives	Incentives and rewards for sustainability	Institutionalize economic incentives for sustainability	(Pham, et al 2020; Neto, et al 2017)
Lack of government support	Provide government sponsored platforms supporting SMEs	Set up state support institutions	(Pham, et al., 2019; Rajput Singh, 2019; Nguyen, 2019; Gu, 2019)

Lack of access to markets	Improved access to markets	Increasing consumer awareness of sustainable products	(Kontturi, 2023; Alipour, 2020; Ghadge, 2019)
Weak public pressure on SMEs	Pressure from the market and clients	Coordination with industry stakeholders	(Neto, 2017; Auer, 2017)
Inadequate industrial or business research	Improved industrial research	Create well-funded industrial research institutions	(Fresner, Morea, Krenn, Aranda Uson, & Tomasi, 2017)

***Source**: Author's own*

4.4. Key barriers to the adoption of sustainable business practices

According to Trianni (2017), barriers are conditions or factors that pose a potential difficulty for SMEs wishing to adopt and implement sustainable business practices. These conditions can either be internal or external to the firms' environment (Yang, 2019**;** Gong, 2018; Moktadir, 2018**).** Table 4 below, summarizes key barriers to the adoption and implementation of sustainable business practices in manufacturing SMEs in Blantyre City, as reported by the respondents.

Table 4: Key barriers from key informant interviews

Barriers to sustainability	**Code**
Internal barriers	
Lack of knowledge and awareness	A1- A30
Lack of access to technology	A1-A29
Lack of access to technical skills	A1-A28
High cost of adoption	A4-A26
External barriers	
Lack of access to finance	A1-A30
Lack of access to market	A1-A30
Less supportive policy environment	A1-A23
Weak regulatory environment	A5-A23
High logistics and transport costs	A1-A22
Lack of access to physical infrastructure	A1-A21
Limited access to power supply	A1-A19

4.4.1. Internal barriers to the adoption of sustainable business practices

4.4.1.1. Lack of knowledge and awareness

Lack of knowledge and awareness of sustainable business practices and their associated costs and benefits was cited by all the thirty respondents. This challenge is one of the internal barriers and is linked to a lack of access to information. According to the respondents, most manufacturing SMEs in Blantyre City are unaware of the sustainable business practices advocated by the Triple Bottom Line business sustainability Model, and their associated costs and benefits. As such, this makes it difficult for them to adopt and implement the available practices. This could result in missed opportunities for growth and development of manufacturing SME sub-sector, hindering progress towards achieving inclusive wealth creation through industrialization as envisioned by the Malawi 2063 economic transformation agenda.

In light of Institutional theory, lack of knowledge and awareness about sustainable business practices is one of the cognitive barriers to sustainability (Calder, 2019), resulting from organization's inability to constantly search for business sustainability related information. This finding supports Manchisi (2018), who reported that SMEs are not aware of sustainable business practices and the benefits of adopting such practices. According to Mweta and Suwadi (2021), this is so because there is limited research on sustainability-related topics and lack of training on business sustainability issues in institutions of higher learning and SME associations. Therefore, this highlights the need for targeted interventions to enhance manufacturing SME's awareness and knowledge of sustainable practices.

Several authors have also attributed this challenge to limited access to sustainability-related literature or research focused on SMEs including; (Kontturi, 2023; Saqib, 2021; Ivascu, 2020; Bai, 2020; Leong, 2020; Tiwari, 2020; Birkel, 2019; Pham, 2019; Caldera, 2019; Seidel-Sterzik, McLaren, & Garnevska, 2018). Therefore, research and awareness training on business sustainability can increase manufacturing SMEs' awareness of sustainable business practices advocated by the TBL model; thereby facilitating the adoption and implementation of such practices.

4.4.1.2. Lack of access to technology

Lack of access to technology and technological infrastructure that supports the adoption and implementation of sustainable business practices was cited by twenty-nine respondents. According to the respondents, the adoption, integration and implementation of sustainable business practices advocated by the TBL Model requires technological adaptations which most manufacturing SMEs in Blantyre City lack. From an Institutional theory perspective, lack of access to technology is a regulative barrier as it results from a lack of policy that promotes investments in technology and technological-related infrastructure. It is also a cognitive barrier as it emanates from a lack of awareness of the benefits of investing in technology among SMEs.

The inability to access modern technologies for sustainable manufacturing processes can lead to inefficiencies, higher production costs, and increased environmental impact. This challenge can also impede competitiveness of manufacturing SMEs, hampering the economic growth and development prospects outlined in Malawi Vision 2063. This finding confirms World Bank (2019) report, that there is a lack of

access to technology and low readiness by businesses to embrace technology and innovations in all functional areas of a business in Malawi (Agarwal, 2022). This also supports Mwatsika (2021), who reported a lack of investments in innovations and technology in SMEs in Malawi. These studies highlight the need for targeted interventions to address the technology access gap and support the sustainable growth of manufacturing SMEs in Malawi.

According to Zhu et al (2019), technologies such as Industry 4.0 can help improve the environmental performance of manufacturing SMEs. According to Cao (2017), Damuri (2017) and Draper et al (2017), technology facilitates the adoption of sustainable business practices, improves access to global markets (OECD, 2017), and improves operational efficiency (Muhanika, 2021; Pulk, 2022). Therefore, the government should seriously invest in technological infrastructures to increase SMEs' access to modern business sustainability-related technologies to easily adopt, integrate, and implement sustainable business practices. Lack of access to sustainability-related technologies and technological infrastructures has also been echoed in literature by (Ingaldi, 2020; Prasanna, 2019; Pham, 2019; Nguyen, 2019; Kirchher et al. , 2018; Sadeghi, 2018; Neto, Leite, Shibao, & Lucato, 2017; Cagno, Trianni, Spallina, & Marchesani, 2017; Pham, Kim, & Luu, 2020).

4.4.1.3. Lack of technical skills and expertise

This barrier was cited by twenty-eight respondents, and is related to a lack of access to technology and skilled human capital. According to the respondents, the absence of technical skills necessary to adopt, integrate and implement sustainable business practices advocated by the TBL Model limits the ability of manufacturing SMEs in

Blantyre City to innovate and adapt to changing market demands. This may result in a decline in productivity, hindering the overall growth and competitiveness of manufacturing SME sub-sector in alignment with Malawi Vision 2063. This finding confirms Bagla (2022), and Ogiemwonyi (2020), who reported that the absence of skills and expertise prevents SMEs from adopting and implementing sustainable business practices.

From an Institutional theory perspective, lack of technical skills and expertise is a cognitive barrier resulting from knowledge gap due to limited awareness of sustainability-related technologies; in addition to technical skills development information asymmetry. It also emanates from a weak institutional linkages i.e. industry, and educational institutions; in addition to limited funding for technical skills development.

The lack of technical skills and expertise is twofold: SMEs lack adequate capital for a higher-skilled workforce, and they lack training opportunities for their employees. According to Mweta and Suwadi (2021), most manufacturing SMEs in Blantyre City do not offer training to their employees, citing high training costs. This negatively affects their capacity to adopt and implement sustainable business practices. The lack of skilled labour is also linked to a lack of collaboration between manufacturing SMEs and training institutions, where they can get tailor-made skill development training (Mweta & Suwadi, 2021). However, the government intends to align training institutions with the industrial sector to produce relevant skills to meet the industrial demands (NPC, 2020); and encourage technology transfer and knowledge sharing.

Lack of technical skills and expertise has also been effectively reported in literature by (Ahmad, 2020; Ingaldi, 2020; Ivascu, 2020; Tiwari, 2020; Munsamy, 2019; Birkel, 2019; Neto, Leite, Shibao, & Lucato, 2017; Cagno, Trianni, Spallina, & Marchesani, 2017; Fresner, Morea, Krenn, Aranda Uson, & Tomasi, 2017; Seidel-Sterzik, McLaren, & Garnevska, 2018; Malá, 2017). Therefore, this calls for capacity-building training programmes to equip manufacturing SMEs with the technical skills necessary for adopting and implementing sustainable business practices. Manufacturing SME owners should also invest in employ training and education.

4.4.1.4. High cost of adoption

The high cost of adoption and implementation of sustainable business practices was cited by twenty-six respondents. This challenge can be linked to a lack of access to finance and financial incentives to meet the increasing costs of adoption and implementation. According to the respondents, adopting sustainable business practices such as corporate social responsibility and environmental protection initiatives requires significant investment that may not be feasible for SMEs. Manufacturing SMEs have to meet the increasing costs of adoption, implementation, certification, and verification of sustainable business products and tools; this poses a significant financial burden. This may consequently deter investment in sustainability initiatives, preventing SMEs from realizing the long-term benefits and inhibiting progress towards achieving sustainable development goals outlined in Malawi Vision 2063.

According to OECD (2017), high compliance costs exacerbate non-compliance in manufacturing SMEs. In the lens of Institutional theory, high cost of adoption can be

a regulative barrier in compliance with sustainability standards such as ISO 14001 which can be costly; requiring government's incentives in form of tax waivers. Institution's limited access to finance also exacerbates the challenge. It is also a cognitive barrier as it emanates from a lack of collaborations between sustainable technology providers and manufacturing SMEs.

High cost of adoption has also been effectively reported in literature by (Chien, 2022; Agarwal, 2021; Ahmad, 2020; Ghobakhloo & Fathi, 2020; Ingaldi, 2020; Ivascu, 2020; Rajput & Singh, 2019; Gu, 2019; Alayón, 2022; Ghadge 2017; Neto, Leite, Shibao, & Lucato, 2017; Malá, 2017; Fresner, Morea, Krenn, Aranda Uson, & Tomasi, 2017; Auer, 2017). Therefore, this underscores the need for a supportive policy environment in form of incentives such as tax holidays, subsidies, and reduced certification fees; to significantly ease the burden.

4.4.2. External barriers to the adoption of sustainable business practices

4.4.2.1. Lack of access to finance

Lack of access to finance to meet the increasing costs of adopting and implementing sustainable business practices was cited by all the thirty respondents. This barrier is linked to a lack of sustainable financing mechanisms for SMEs. According to the respondents, lack of access to finance for sustainability initiatives can constrain SMEs' ability to invest in technologies and processes that promote environmental and social responsibility. This may result in missed opportunities for growth and innovation, hindering the realization of inclusive wealth creation and sustainable

development goals stipulated in Malawi Vision 2063. Commenting on the lack of access to finance, one of the respondents made the following observation:

> *"Access to finance is chief among the sustainability bottlenecks facing manufacturing SMEs. The lending rate is not conducive at all, not to mention the stringent and inflexible loan requirements……..." (A12)*

In the lens of institutional theory, this is a regulative barrier as it emanates from restrictive lending policies and high interest rates which limit SME access to affordable loans. It is also a cognitive barrier in that there is limited understanding of sustainable finance instruments among SMEs, and high perceived risks associated with SME lending by financial service providers. According to World Bank (2019), and OECD (2017), lack of access to finance in SMEs is due to demand - and supply-side difficulties such as high interest by supply side and a lack of collateral by the demand side. Therefore, SMEs need alternative sources of finance to better the current SME financing gap. Lack of access to financial resources has also been echoed in literature by (Korsakienė & Reisene, 2022; Kumar, et al., 2022; Alayón, 2022; Manzoor, 2021; Ivascu, 2020; Fetter, 2019; Choudhary, 2019; Birkel, 2019; Caldera, 2019)

4.4.2.2. Lack of access to market and market information

This challenge was cited by all the thirty respondents. According to these respondents, lack of access to markets and market information prevents manufacturing SMEs in Blantyre City from increasing their market share, thereby frustrating their efforts to improve economic sustainability performance of their businesses. This may prevent

these SMEs from realizing full potential of their products, impeding progress towards economic diversification and industrialization goals outlined in Malawi Vision 2063.

From an Institutional theory perspective, lack of access to market and market information is a regulative barrier as there are restrictive trade policies, limiting SMEs' access to international markets. It can also be considered a normative barrier in that there is lack of expertise among SMEs in market research and analysis; in addition to market information asymmetry, and high perceived risks associated with market entry among SMEs.

Though Malawi has preferential access to markets in the EU, USA, COMESA, and SADC regions such as the Africa Continental Free Trade Area (ACFTA), manufacturing SMEs in Blantyre City are still grappling with access to markets. This finding confirms African Union (2017) SME survey report, that despite adopting regional and continental trade and industrial policy frameworks, underdeveloped countries have not been fully benefited. Commenting on how the Buy Malawian Strategy and MSME order of 2020 has improved SMEs' access to domestic market, an official from MoTI argued that:

> *"Being issued with an order certificate does not entail winning a contract. Manufacturing SMEs must improve their production capacity to meet the quantity and quality demanded by MDAs. ……....." (A8)*

Therefore, there is need for concerted efforts to help manufacturing SMEs in Blantyre City improve production capacity and develop sustainable value chain linkages. According to Blake (2018), a lack of access to markets could be due to manufacturing

SMEs' inability to meet export quality standards, lack of information and experience in international markets, increased market competition, and high transportation costs. Authors such as (Alipour, 2020; Malá, 2017; Ghadge, 2017) also reported a lack of well-developed markets for sustainable products as a disincentive for investing in sustainable products in manufacturing SMEs. Therefore, increasing consumer awareness of eco-friendly products, and improving access markets and market information, could offset the sustainability challenges related to access to markets.

4.4.2.3. Less supportive policy environment

The policy environment was mentioned as providing a less supportive environment for the sustainability of manufacturing SMEs in Blantyre City by twenty-three respondents. This finding confirms Sadeghi (2018), Gu (2019), Ingaldi (2020), Pham (2019), Chofreh (2020), Kumar (2020) and Nguyen (2019), who reported that insufficient policy support and lack of effective implementation of policies hinder the adoption of sustainable business practices in SMEs in developing countries. A survey conducted by Thompson (2017) in Uganda, Tanzania, Zambia, and Nigeria, also showed that government policies are a problem for business growth and sustainability in African countries.

According to World Bank (2022), the cost of doing business in Malawi remains high due to policy-related challenges. Weak policies related to sustainability of manufacturing SMEs can hinder progress towards sustainable economic growth envisioned in the Malawi Vision 2063. From an institutional theory perspective, less supportive policy environment is a regulative barrier in that there are weak policies and regulations supporting SME sustainability; in addition to complex bureaucratic

regulatory processes. It can also be considered a normative barrier as there is limited involvement of SMEs in policy making processes. It is also a cognitive barrier in that policy makers have limited understanding of SME sustainability needs, owing to limited consultations during policy formulation processes.

The lack of access to financial capital by manufacturing SMEs in Blantyre City is due to a lack of enabling policy, as the monetary policy and taxation policy seem not to better the situation. The 30% corporate tax rate is high considering the prevailing economic conditions and the overall unconducive business environment in Malawi (Ndala & Moto, 2019). One of the respondents observed that:

> *"The taxation policy in Malawi is not conducive for SME growth. Authorities must consider conducting an overhaul of the taxation act and its by-laws ……." (A5)*

Therefore, policy reforms aimed at improving the corporate taxation regime and access to finance can improve the business environment in Malawi. The lack of effective policies that can foster the adoption of sustainable business practices has also been reported by (Kumar, 2020; Pham, et al, 2019; Rajput & Singh, 2019; Nguyen, 2019).

4.4.2.4. Weak regulatory environment

This barrier was cited by twenty-three respondents. According to these respondents, the regulatory environment in Malawi is inefficient due to inflexible regulations coupled with weak enforcement and low awareness. These inefficiencies have contributed to increasing levels of non-compliance. According to Sommer (2017)

weak regulatory enforcement makes manufacturing SMEs feel no pressure to adopt and implement environmental and social sustainability practices**.** However, non-compliance to standards has moved a lot of firms out of business (Brandi, 2017). Therefore, increased regulatory efficiency and awareness could break resistance and reduce non-compliance.

In the lens of institutional theory, weak regulatory environment is a regulative barrier as it emanates from inadequate enforcement of existing regulations; and a cognitive barrier as most SMEs have little information on sustainability regulations and laws. Therefore, regulatory bodies such as MBS, MEPA and EAD should consistently engage with SMEs and industry associations on the available sustainability regulations, and provide capacity building training for SMEs to curb non-compliance.

Inadequate enforcement of regulations about environmental protection and labour standards can undermine efforts to promote sustainable business practices among manufacturing SMEs. This may result in negative social and environmental impacts, hindering the realization of sustainable development goals outlined in Malawi Vision 2063. According to Sommer (2017)**,** the Malawi Bureau of Standards does not recognize international certificates, and certificates issued by the Bureau are not acceptable by the global market. This underscores the need for MBS to align Malawian standards with international standards.

The respondents also lamented delays by the Bureau in certifying a product. This finding confirms Fin Scope (2019) report, that MBS takes too long to provide approvals. To understand whether national standards and regulations are tailor-made for manufacturing SMEs, an industrial research officer for the Bureau had this to say:

"The MBS facilitates development of National Standards. These Standards apply to all companies regardless of size. The expectation from every player is to meet minimum requirements of the standards..." (A9)

The situation at MBS mirrors the situation at MEPA. Literature also identifies ignorance about regulations, less flexible laws, complex sustainability standards, ineffective regulations, weak enforcement of existing laws, and lack of support and guidance from regulatory authorities as key regulatory barriers to sustainability of manufacturing SMEs in developing countries (Kumar, et al., 2022; Alayón, 2022; Phan, 2022; Rajput & Singh, 2019; Chofreh et al., 2020; Nguyen & Pham, 2020; Pham, 2019). Therefore, increasing regulatory efficiency, awareness, conformity assessments, and inspections could break resistance and reduce non-compliance.

4.4.2.5. High transport and logistics costs

This challenge was mentioned by twenty-two respondents. According to these respondents, the increasing transport and logistics costs in Malawi increase business operational costs. As such, manufacturing SME owners hardly realize savings to fund sustainable business initiatives. High logistics and transport costs erode competitiveness of manufacturing SMEs in Blantyre City, limiting their ability to access inputs, reach markets, and compete effectively on international markets; impeding progress towards achieving economic transformation goals of Malawi Vision 2063.

In the lens of Institutional theory, high transport and logistics costs is a regulative barrier as it emanates from insufficient public spending on modes of transport other than road. It is also a normative barrier as SMEs lack knowledge on efficient logistics management. It is a cognitive barrier as SMEs have limited access to information on logistics options and costs. Therefore, addressing high transport and logistics costs requires a comprehensive approach that considers regulative, normative, and cognitive aspects of institution's environment.

According to National Export Strategy II (2021-2026), high transport costs impede Malawi's export competitiveness. To offset this challenge, the Malawi government intends to invest in an efficient and reliable multi-modal transport system to reduce overreliance on road transport. According to NPC (2020), an efficient transport system supports domestic economic activity and builds global linkages for the economy. This finding confirms World Bank (2019) report, that in Malawi, the cost of transport is high compared with other countries in Sub-Saharan region, and this is due to overreliance on undeveloped road transport, which is affected by delays coupled with sporadic availability of fuel.

This finding is also echoed by Alayón (2022) and African Union (2017), who reported that underdeveloped road infrastructure increases transport costs in developing countries. Literature also reports low quality of transport and logistics infrastructure as contributing to high costs of transportation in developing countries (Alipour, 2020; Pham, 2019; Rajput & Singh, 2019). Therefore, this underscores the need for improved road infrastructure and investments in alternative less costly modes of transport such as water and railways.

4.4.2.6. Lack of access to physical infrastructure

Lack of access to physical infrastructures (buildings) was mentioned by twenty respondents. According to these respondents, manufacturing SMEs in Blantyre City lack purposefully built manufacturing infrastructures that support sustainable business practices. For instance, stocking raw materials in bulk to offset unsustainable supply chain of raw materials is almost impossible due to lack of storage space. Inadequate infrastructure, such as storage facilities, manufacturing halls, and utilities, constrain the growth and productivity of manufacturing SMEs in Blantyre City. This may hinder efforts to promote industrialization, job creation, and economic diversification to achieve objectives of Malawi Vision 2063. To offset this challenge, the government intends to establish industrial zones for manufacturing SMEs with a provision of manufacturing halls, storage facilities, and modern dump sites to support recycling (NPC, 2020).

This finding confirms Manchisi (2018), who reported that access to infrastructure is a problem for SMEs in developing countries. The finding also supports Madola (2019), who reported that most manufacturing SMEs in Malawi do not have manufacturing facilities for such purposes. Instead, they operate in dilapidated buildings designed for trading. According to Madola, (2019), this is so because manufacturing SMEs do not have financial capacity to lease good quality buildings coupled with inflexible lease terms, as leases have to be paid 6 to 12 months in advance. Operating in a leased building also prevents manufacturing SMEs from installing business sustainability-related technologies that require infrastructural modifications (Alipour, 2020). Therefore, this underscores the need for stakeholders to invest in physical

infrastructure to provide manufacturing SMEs with access to affordable quality manufacturing facilities.

In the lens of Institutional theory, this is a regulative barrier as it emanates from complex and restrictive laws governing land acquisition, ownership, and usage. It is also a normative barrier as there is a lack of partnership between SMEs and the private sector stakeholders. It is a cognitive barrier in that it emanates from high perceived risks associated with infrastructure investment among manufacturing SMEs. The lack of access to infrastructure has also been echoed in literature by (Alayón, 2022; Pham, 2019; Rajput & Singh, 2019; Seidel-Sterzik et al., 2018).

4.4.2.7. Limited access to power supply

Limited access to power supply was cited by nineteen respondents. According to these respondents, access to reliable power supply is a challenge in Malawi, such that most of the time, the Electricity Supply Commission of Malawi (ESCOM) resorts to power rationing. This situation puts manufacturing SMEs in Blantyre City at a competitive disadvantage as they can hardly afford to operate on fuel powered generators during prolonged period of power outage. The respondents further argued that erratic power supply increases operational costs and lowers manufacturing SMEs' productivity and competitiveness. Consequently, this can hinder progress towards achieving sustainable industrialization and economic growth envisioned in Malawi Vision 2063. Currently, only 12 percent of the population in Malawi has access to electricity (Raga, 2023; Agarwal, 2022).

Commenting on the impact of low and unsustainable access to power supply in manufacturing SMs in Blantyre City, one of the respondents observed that:

> *"Erratic power supply reduces productivity as production cannot take place during prolonged periods of power outage. Operating on fuel-powered generators is expensive for us SME……." (B2)*

From an Institutional theory perspective, limited access to power supply is a regulative barrier in that there is a limited investment on power generation, transmission and distribution, and insufficient tax incentives for renewable energy investment. It is a normative barrier as there is limited emphasis on renewable energy among SMEs. It is also a cognitive barrier due to information asymmetry on energy options and costs, and available energy-efficient technologies among SMEs.

This finding confirms Raga (2023), who reported that unreliable power supply has a high cost for firms. This finding also supports Thompson (2017) cited in Agarwal (2022), and African Union (2017), that inadequate power supply poses significant constraints to manufacturing SMEs' growth and sustainability in most African countries. According to World Bank (2019), inadequate power supply is due to overwhelming demand and inadequate generation capacity by EGENCO. Therefore, there is need for the government to seriously invest in electricity generation and supply to meet the growing demand. In addition, the private sector should invest in renewable energy, thereby developing off-grid solutions. Lack of access to power as a barrier is less pronounced in literature, and this is due to contextual differences, where some barriers are significant in one context and not in the other.

4.5. Key enablers for the adoption of sustainable business practices

Enablers for adopting and implementing sustainable business practices can be seen as forces that facilitate organizational conformity to institutional norms and expectations related to sustainability (Dou, 2018). Enablers for business sustainability can either be internal or external. This section presents and discusses key enablers for adopting and implementing sustainable business practices as reported by respondents and identified through a comprehensive literature review.

Table 5: Key enablers from key informant interviews

Enablers for sustainability	**Code**
Internal enablers	
Increased awareness and education	A1-A30
Improved access to technology	A1-A30
External enablers	
Improved access to finance	A1-A30
Improved access to market and market information	A1-A30
Improved policy and regulatory support	A1-A30
Availability of support institutions	A8-A30
Improved access to electricity	A5-A25

***Source**: Author's own*

4.5.1. Internal enablers for the adoption of sustainable business practices

4.5.1.1. Increased awareness and education

Increased awareness and education on sustainable business practices and their associated expenses and benefits were mentioned by all the thirty respondents. According to the respondents, raising awareness of sustainable business practices and the benefits of adopting such practices can motivate manufacturing SMEs in Blantyre City to adopt and implement sustainable business practices. Increased awareness can also stimulate innovation in sustainable manufacturing, driving sustainable economic growth in line with industrialization goals outlined in Malawi Vision 2063.

In the lens of institutional theory, this is a regulative enabler in that it requires policy and regulatory frameworks that can promote sustainability education and awareness in SMEs. It is also a normative enabler owing to a growing emphasis on sustainability and environmental responsibility in manufacturing SMEs. It is a cognitive enabler in that it can raise awareness on sustainability practices among the targeted SMEs.

Studying the sustainability of supply chain management practices in least-developed countries Manchisi (2018), also reported that increased awareness and training on sustainability can improve SMEs' uptake of sustainable business practices. According to Alayón (2022), a massive sensitization campaign on sustainable manufacturing practices could facilitate adoption of such practices. Increased awareness through education, training, and knowledge networks has also been effectively reported in literature as key enabler for business sustainability in SMEs by (Cagno et al., 2017; Fresner, et al., 2017; Aghelie, 2017). Therefore, stakeholder networking in raising

awareness of sustainable manufacturing practices is critical for the sustainable growth of manufacturing SME- sub-sector in Blantyre City.

4.5.1.2. Improved access to technology

Improved access to technology was mentioned by all the thirty respondents. According to the respondents, most sustainable business practices require sophisticated technologies such as Industry 4.0, which most manufacturing SMEs in Blantyre City lack.

This finding underscores the need for improved access to such technologies. Enhanced access to modern technologies for sustainable manufacturing can empower SMEs in Blantyre City to optimize their production processes, reduce waste, and minimize environmental impact; contributing to the overall competitiveness and resilience of manufacturing SME sub-sector. Additionally, access to technology can facilitate innovation and development of new sustainable products, aligning with objectives of Malawi Vision 2063. According to NPC (2021), the government intends to seriously invest in technological infrastructure and remove tariffs for business sustainability-related technologies and innovations by 2030.

In light of institutional theory, this is a regulative enabler in that reduced taxes for sustainability technology-related investments, and government policies and regulatory frameworks which promote innovation and technology adoption, can facilitate the adoption and implementation of sustainable business practices. It is also a normative enabler owing to the growing emphasis on the adoption of technology and innovation, and increased expectation for SMEs to leverage technology. It is a cognitive enabler

in that improved access to information on sustainable technologies, capacity building training on tech adoption, and awareness campaign on the benefits of technology can facilitate the adoption of sustainable business practices in the targeted SMEs.

According to Bai (2020), manufacturing firms could achieve greater sustainability if sustainability-related technologies are adopted and implemented. This finding also confirms Blake (2018), who argued that sustainable performance of manufacturing SMEs depends on their ability to adopt and implement sustainability-related technologies and innovations. Therefore, policy initiatives and stakeholder deliberate efforts in increasing SMEs' access to technology could result in improved technological assimilation rates in SMEs, which could facilitate the adoption and implementation of sustainable business practices. Literature further reported that access to technology must be accompanied by technical incentives from government and technical support from technology suppliers (Alayón, 2022; Cagno, Trianni, Spallina, & Marchesani, 2017).

4.5.2. External enablers for the adoption of sustainable business practices

4.5.2.1. Improved access to finance

This enabler was mentioned by all the thirty respondents, an indication that the role of capital financing in business growth and sustainability cannot go unnoticed. According to the respondents, improved access to finance can help manufacturing SMEs in Blantyre City overcome financial barriers to adoption and implementation of sustainable business practices, leading to enhanced competitiveness. Additionally, increased access to finance can stimulate entrepreneurship and innovation in

sustainable manufacturing, driving economic diversification and inclusive growth envisioned in Malawi Vision 2063. According to NPC (2020), the government intends to provide affordable capital to productive manufacturing SMEs through development finance institutions and capital market. The government also seeks to implement fiscal and monetary policies that support industrialization. If well implemented, this could be a great enabler for the sustainable growth of manufacturing SME sub-sector.

With funding from World Bank, the government is implementing a financial inclusion and entrepreneurship scaling (FINES) project to increase SMEs' access to finance. The project has an Environmental Social Safeguards (ESS) component that demands participating financial service providers (FSP) to only finance projects that will not degrade the environment. The Malawi government environmental and social protection legal framework also provides for this (GoM, 2017). If well implemented, this could facilitate environmental sustainability in manufacturing SMEs in Blantyre City. Therefore, manufacturing SMEs in Blantyre City should capitalize on this and other available financing windows to offset sustainability challenges related to finance.

In light of institutional theory, improved access to finance is a regulative enabler in that policy reforms aimed at promoting financial inclusion and SME access to affordable loans and financial incentives can facilitate the adoption and implementation of sustainable business practices. It is also a normative enabler as there is a growing emphasis on entrepreneurship financing and increased stakeholder’s expectation for financial institutions to support SMEs. Finally, it is a cognitive enabler as improved SMEs’ understanding of financial options and

management can facilitate the implementation of sustainable business practices.

The provision of improved access to finance and financial incentives to foster sustainable manufacturing has also been echoed in literature by (Alayón, 2022; Alipour, 2020; Seidel-Sterzik et al., 2018; Sommer, 2017). Therefore, government credit guarantee scheme remains the most effective tool for reducing the current supply–demand gap in SME financing.

4.5.2.2. Improved access to market and market information

This enabler was cited by all the thirty respondents. According to these respondents, improved access to markets can increase SME's market share, thereby boosting manufacturing SMEs' economic sustainability performance. Improved access to market and market information can enable manufacturing SMEs in Blantyre City to identify opportunities for sustainable products and tailor their products to market demand. This can improve returns and brand reputation, enhancing their competitiveness and contributing to the sustainable economic development goals envisioned in Malawi Vision 2063.

According to NPC (2020), the government intends to establish a national single window for trade and one-stop business information and services provision centers in district councils across the country to cater for SMEs and Cooperatives. If well implemented, this could facilitate manufacturing SMEs' access to markets and market information, contributing to the overall sustainable growth of the manufacturing SME sub-sector.

The presence of national export strategy II (2021 -2026), the buy Malawian strategy (2016), and MSME order of 2020 which aim at improving SMEs access to market, can offset the sustainability challenges related to lack of access to market faced by manufacturing SMEs in Blantyre City. Additionally, Malawi's duty free and quota free preferential access to markets in EU, USA, COMESA and SADC region (Agarwal, 2022) can also improve manufacturing SMES' access to markets. Therefore, manufacturing SMEs in Blantyre City must capitalize on these trade opportunities by ensuring that conformity to international market standards is seriously taken into consideration.

In light of Institutional theory, this is a regulative enabler in that trade policies that promote SME access markets; in addition to regulatory frameworks with simplified procedures for market entry, can facilitate sustainability in SME. It can also be a normative enabler in that there is a growing emphasis among stakeholders on entrepreneurship and market-oriented mindset. It is a cognitive enabler in that SMEs' understanding of market trends and access to market information; and their ability to conduct market research can facilitate their sustainability. This enabler is also echoed in literature by (Alipour, 2020; Malá, 2017; Ghadge, 2017). Therefore, this underscores the need for concerted efforts to ensure improved access to both domestic and international markets by manufacturing SMEs in Blantyre City.

4.5.2.3. Improved policy and regulatory support

This enabler was cited by twenty-five respondents. According to these respondents, the availability of effective policies and laws that regulate sustainability can facilitate the adoption and implementation of sustainable business practices in manufacturing

SMEs in Blantyre City. This finding underscores the need for MBS, and MEPA to seriously address regulatory inefficiencies and intensify regulatory awareness training, inspections, and conformity assessments to reduce non-compliance in SMEs. Clear and consistent regulations can provide guidance on environmental standards, labour rights, and corporate governance, helping manufacturing SMEs navigate compliance requirements and mitigate risks.

Furthermore, supportive policies and incentives can stimulate investments in sustainability in manufacturing SME sector, aligning with objectives of Malawi Vision 2063. According to NPC (2021), the government intends to review relevant legislative and policy frameworks for industrialization and develop National Economic Empowerment Strategy for SMEs. The government has also enacted Special Economic Zones' legislation and regulations covering all strategic sectors including manufacturing. If well implemented, this can provide an enabling environment for sustainability of manufacturing SME sub-sector.

In the lens of institutional theory, this is a regulative enabler in that business laws and regulations which encourage sustainability in SMEs can facilitate the adoption of sustainable business practices. It can also be considered a cognitive enabler in that improved knowledge of sustainability policies and regulations can promote compliance in SMEs. Literature also underscores the need for regulatory bodies to intensify enforcement of existing laws (Neto, et al., 2017), formulate policies and regulations that can foster sustainability adoption, and ensure that these legislations are tailor-made for SMEs (Cagno et al., 2017), provide regulatory incentives (Ghadge, 2017) and regulatory support and guidance (Alayón, 2022; Aghelie, 2017; Auer, 2017).

Therefore, policy and regulatory reforms on the part of MoTI, MBS, MEPA, and EAD could significantly improve the policy and regulatory environment for the sustainable growth of manufacturing SMEs in Blantyre City.

4.5.2.4. Availability of support institutions

This enabler was mentioned by twenty-three respondents. According to these respondents, support institutions can promote sustainable growth of manufacturing SMEs in Blantyre City. Support institutions, such as business development institutions, technical assistance providers, and industry associations, can provide manufacturing SMEs in Blantyre City with resources and expertise needed to implement sustainable business practices. By leveraging resources and networks of these institutions, SMEs can enhance their competitiveness, resilience, and long-term viability, contributing to the realization of the aspirations for inclusive wealth creation through industrialization envisioned in Malawi Vision 2063. According to NPC (2021), the government intends to establish industrial supportive institutions and strategic facilities for industrial zones, and develop financing instruments for anchor firms (NPC, 2021).

In light of institutional theory, this can be considered as a regulative enabler in that supportive institutions such as business registration agencies (Registrar general), tax authorities (MRA), and regulatory bodies (MBS, MEPA and EAD) can facilitate the adoption of sustainable business practices in SMEs. It can also be considered as a normative enabler as the availability of industry associations such as NASMEs and CASMES, and private sector representatives such as MCCCI can facilitate the adoption of sustainable business practices in SMEs. It is also a cognitive enabler in

that business incubators and accelerators, and research institutions can facilitate SMEs' access to sustainability related information and capacity building, that can enable SMEs to adopt and implement sustainable business practices.

These institutions provide capacity-building training and facilitate SME access to markets and finance. Therefore, the government should strengthen support institution, and SMEs should seriously utilize the support offered by these institutions. Literature also underscores the need for support by both state and non-state institutions for SMEs to successfully adopt and implement sustainable business practices (Gu, 2019; Ingaldi, 2020; Pham, 2019; Leng, 2020; Rajput & Singh, 2019; Nguyen, 2019; Ndala & Moto, 2019; MSME Policy, GoM, 2019; FinScope, 2019; Ndala, 2019; Deleany, 2019; Madola, 2019).

4.5.2.5. Improved access to electricity

This enabler was cited by twenty-one respondents. According to these respondents, improved access to electricity fosters industrialization by enhancing productivity and efficiency, and facilitates adoption of cutting-edge sustainability-related technologies. This finding supports Muhanika (2021), who reported that improved power supply reduces operational costs, increases productivity, and encourages growth prospects in manufacturing SMEs. This underscores the fact that access to improved power supply significantly improves the economic sustainability performance of manufacturing SMEs. Improved access to power supply also promotes inclusivity by enabling manufacturing SMEs to participate in value chains, advancing inclusive wealth creation and sustainable development goals outlined in Malawi Vision 2063.

According to NPC (2021), the government intends to increase access to electricity by 50 percent by 2030. According to NPC (2020), the government will achieve this by diversifying power generation, focusing on renewable and sustainable energy to reduce over-dependence on hydro-generated power. The government will also provide incentives for renewable energy equipment to promote investments in renewable energy; invest in new high-capacity power plants, and fast-track implementation of the interconnection of Malawi's power system with that of Mozambique and Zambia (NPC, 2021; NPC, 2020).

In the lens of institutional theory, this is a regulative enabler as energy policies and regulations aimed at promoting access to electricity in SMEs can facilitate adoption of sustainable business practices. It can also be considered a normative enabler as there is a growing emphasis on energy efficiency and sustainable energy use. It is also a cognitive enabler as awareness campaigns on energy-efficient practices, and access to information on renewable energy options can facilitate sustainability in the targeted SMEs.

Literature also indicates that increased access to affordable and reliable power supply could facilitate the adoption and implementation of sustainable business practices, as hit-tech manufacturing plants require adequate and uninterrupted power supply system (Alayón, 2022; Cagno et al., 2017). Therefore, policy initiatives that can provide for heavy investments in power generation and distribution capacity could significantly increase productivity and improve the overall sustainability performance of manufacturing SMEs in Blantyre City. Additionally, the private sector in partnership with NGOs, should invest in renewable energy.

4.6. Key strategies for the adoption of sustainable business practices

Strategies for adopting and implementing sustainable business practices can be looked at as a set of actionable steps manufacturing SMEs can implement to improve its economic, social and environmental performance. This section presents, and discusses the key strategies for adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City. These strategies have been categorized into internal and external to the firm's environment and ranked according to the level of importance, as reported by the respondents. The strategies are also linked to key stakeholders to aid implementation. See Table 6 below.

Table 6: Key Strategies from key informant interviews

Strategies for business sustainability	**Actors**	**Code**
Internal strategies		
Increasing awareness and capacity	SMEDI, SMEs	A1-A30
Formulating Cooperatives	SMEs, SMEDI	A1-A30
Investing in technology	SMEs, MoTI	A1-A30
External strategies		
Promoting growth accelerator centres	MoTI, SMEDI	A1-A30
Improving access to finance	Gov., FSP	A1-A30
Improving access to market	SMEDI, MoTI MCCCI	A3-A30
Conducting business research	Academia, NGOs, MoTI	A4-A30
Improving policy and regulatory support	MoTI, MBS MEPA	A1-A27

Source: *Author's own*

4.6.1. Internal strategies for the adoption of sustainable business practices

4.6.1.1. Increasing awareness and capacity building training

Increasing awareness and capacity-building training programmes were cited by all the thirty respondents. According to these respondents, raising awareness of sustainable manufacturing practices and enhancing capacity-building training is critical for developing sustainability-conscious and growth-oriented manufacturing SMEs in Blantyre City. By increasing awareness and capacity-building training, manufacturing SMEs in Blantyre City can successfully adopt and implement sustainable business practices, and significantly contribute to the development of a skilled and knowledgeable workforce capable of driving sustainable development goals outlined in Malawi Vision 2063. According to NPC (2020), the government intends to promote capacity-building programmes for MSMEs for the sustainable growth of manufacturing SME sub-sector.

In the lens of institutional theory, this can be a regulative strategy in that it requires policies that promote business sustainability education, and regulations requiring SMEs adopt sustainable business practices. It can also be a normative strategy in that social norms are now emphasizing importance of sustainability training. It is a cognitive strategy as it promotes SMEs' awareness on the benefits of sustainability. This strategy has also been echoed in literature by many scholars including; (Gonçalves et al., 2024; Martínez-Peláez, et al., 2023; Wojtaszek, et al., 2023; Sumon, 2020; Blake, 2018). Therefore, stakeholders must put a concerted effort in providing awareness and capacity-building training to manufacturing SME in Blantyre City; and

that SME should take these awareness and capacity-building trainings seriously if they are to remain competitive and achieve greater sustainability.

4.6.1.2. Formulating cooperatives and business networks

This strategy was mentioned by all the thirty respondents. According to these respondents, cooperatives and business networks with other SMEs, industry associations, and government agencies can provide manufacturing SMEs in Blantyre City with an opportunity for knowledge-sharing and collective efforts in dealing with sustainability challenges. Cooperatives can pool resources and expertise, enabling SMEs to jointly invest in sustainable technologies and share best practices, thereby fostering inclusive economic development and shared prosperity envisioned in Malawi Vision 2063. According to NPC (2021), the government intends to establish industry directorate at all local councils to undertake industrial functions, including promoting SMEs and Cooperatives. Commenting on the viability of cooperatives in manufacturing SMEs sub-sector in Malawi, one of the respondents observed that:

> *"In Malawi, cooperatives are usually associated with farm clubs. However, cooperatives can be of any business venture provided they operate under the guidance of a policy direction……..."(A5)*

The Malawi government has just approved Cooperative Development Policy for Malawi that will guide on how cooperatives should be formulated and operate. This finding supports Trianni (2017), who reported that through cooperatives and business networks, SMEs garner information that helps them to become sustainable. In the lens of institutional theory, this is a regulative strategy as it requires cooperative laws and

regulations, and simplified registration procedures. It is also a normative strategy in that it requires a cultural shift towards collaboration and mutual support, emphasizing collective benefits, and professional standards for cooperative management. It is also a cognitive strategy as it requires awareness campaigns on cooperative benefits, training programmes on cooperative management; and SMEs' access to information on successful cooperative models.

Several authors have also reported external cooperation, collaboration and business networking as a key strategy for adopting and implementing sustainable business practices in manufacturing SMEs including; (Gonçalves, et al., 2024; Arnold, Pfaff, & Pfaff, 2023; Xin, et al., 2023; Ziegler, et al., 2023; Holubˇcík, Soviar, & Lendel, 2023; Sumon, 2020; Seidel-Sterzik, et al., 2018). Therefore, the government should expedite the implementation of Cooperative Policy to give direction on how to leverage cooperatives for the sustainable growth of manufacturing SMEs in Blantyre City. Additionally, NGOs should offer capacity building trainings for cooperatives, and SMEs should join cooperatives and participate in business networks.

4.6.1.3 Investing in technology and technological infrastructure

This strategy was mentioned by all the thirty respondents. According to these respondents, adopting sustainable business practices requires technological adaptation, highlighting the importance of technology in business sustainability. According to NPC (2020), technology improves efficiency in production, reduces waste, and minimizes environmental impact. Investing in sustainable technologies, such as renewable energy systems or eco-friendly manufacturing processes, can

enhance competitiveness of manufacturing SMEs in Blantyre City while reducing their ecological footprint.

Consequently, this can foster a technologically advanced and innovation-driven economy as envisioned in Malawi 2063 agenda. According to NPC (2021), Malawi Vision 2063 also advocates for innovation hubs and centers of excellence to promote entrepreneurship and innovation. As such, the government seeks to invest in technological infrastructure, set up sector-specific design and innovation centers, and expand business, innovations, and technological incubation centres in higher education institutions.

In the lens of institutional theory, this is a regulative strategy in that it requires policies that promote technological adoption and innovation; regulations that encourage investments in technological infrastructure, and tax incentives for technology investment. It is also a normative strategy as it requires a cultural shift towards innovation and technology adoption. It is a cognitive strategy in that it requires awareness campaigns on the benefits of technology, and access to information on emerging technologies. The consensus among scholars is that technology contributes significantly to the sustainable growth of manufacturing SMEs (Gonçalves, et al., 2024; Lopes, et al., 2022; Jones, 2021; Blake, 2018).

Therefore, the Malawi government should put deliberate policy initiatives to increase the low technology uptake in manufacturing firms, which is currently at 0.1 against the probability of adoption of 0.5 (Unido, 2019; World Bank, 2021). The provision of incentives in the form of tax waivers, and tax-cuts, for manufacturing SMEs wishing to invest in sustainability technologies could also significantly improve sustainability

performance of manufacturing SMEs in Blantyre City. Additionally, NGOs in partnership with private sector should offer capacity building training for technology adoption in manufacturing SMEs.

4.6.2. External strategies for adoption of sustainable business practices

4.6.2.1. Promoting incubation and growth accelerator centres

Developing and promoting business incubation and growth accelerator centres that promote growth-oriented entrepreneurship were mentioned by all the thirty respondents. This highlights the potential role of business incubators and growth accelerator service centres in promoting business growth and sustainability. According to the respondents, promoting incubation and growth accelerator centres can provide manufacturing SMEs in Blantyre City with tailored support to help them innovate, adopt and integrate, sustainable business practices into their business models; thereby contributing to the objective of Malawi Vision 2063, of promoting innovative and sustainable entrepreneurship for economic growth. According to NPC (2020), the government intends to formulate a business incubation strategy to guide those offering business incubation services in Malawi.

In light of institutional theory, this is a regulative strategy as it requires policies that support business incubation and acceleration services. It is also a cognitive strategy in that it requires awareness campaigns on benefits of incubation and acceleration services, in addition to access to information on successful incubation and acceleration models.

According to Madola (2019), promoting business incubation and growth accelerators can facilitate adoption of sustainable business practices as they offer tailor-made support services in all functional areas of a business. This also supports Baporikar (2021), who recommended that stakeholders must set-up facilitation centres to promote business sustainability goals in manufacturing SMEs. Therefore, MoTI should expedite the formulation of an incubation strategy to guide institutions offering business incubation services in Malawi. According to literature, creating government-sponsored platforms that could support SMEs through training, consultation, awareness programs, and business-related incentives could be the most effective strategy (Trianni, 2017; Seidel-Sterzik et al., 2018).

4.6.2.2. Improving access to finance

This strategy was cited by all the thirty respondents. According to these respondents, improving access to finance for manufacturing SMEs in Blantyre City can enable them to invest in sustainable technologies and practices, thereby supporting the goal of Malawi Vision 2063 of fostering inclusive economic growth and reducing poverty through enhanced access to financial services (NPC, 2020). According to NPC (2021), the government intends to develop community banks, diversify financing sources for MSMEs, and provide tax incentives to manufacturing SMEs. This finding supports Trianni (2017), who reported that access to finance plays a significant role in the sustainability performance of manufacturing SMEs. According to Blake (2018), the ability of SMEs to adopt sustainable business practices depends on their ability to access funding to meet the increasing cost of adoption and implementation.

In the lens of institutional theory, this is a regulative strategy in that it requires financial sector polices and regulations which promote access to credit, loan guarantees, and tax incentives for financial institutions serving SMEs. It is also a normative strategy in that it requires a cultural shift towards entrepreneurship financing, and an emphasis on financial inclusion. It is a cognitive strategy as it requires financial literacy and management programmes for SMEs, and access to information on financial options.

Literature also underscores the need for preferential financing of sustainable business practices in SMEs (Baporikar, 2021), development of sustainable finance mechanisms for manufacturing SMEs (Jones, 2021; Sumon, 2020; Stovall, 2018), formulation of policies that provide for financial incentives (Gonçalves, et al., 2024; Kumar, et al.,2023; Jones, 2021), institutionalizing rewards recognizing adoption of sustainable manufacturing in SMEs (Alayón, 2022), and proper financial resource management (Blake, 2018) to offset sustainability bottlenecks related to access to finance. Therefore, the government should provide concessional loans and credit guarantee schemes to facilitate SMEs' access to finance

4.6.2.3. Improving SME access to market

Improving SMEs' access to markets and market information was mentioned by twenty-eight respondents. According to these respondents, improved access to market can increase manufacturing SMEs' market share and returns that can fund sustainable manufacturing practices. This can enhance manufacturing SMEs' competitiveness, thereby contributing to the goals of Malawi Vision 2063, of enhancing market integration and promoting export-led growth (NPC, 2021). Additionally, access to

markets that value sustainability motivates SMEs to adopt and implement sustainable business practices. According to NPC (2021), the government seeks to increase access to international markets for manufacturing firms by enhancing international cooperation on investment and trade.

This finding supports Blake (2018), who argued that SMEs should be given an opportunity and capability to exploit emerging market opportunities to achieve greater economic sustainability. Taking advantage of preferential access to markets in the USA, UK, SADC, and COMESA regions, the government should work towards promoting value chains in SMEs to ensure manufacturing SME product quality and quantity are well linked with the international market standards. Additionally, the Ministry of Trade and Industry should expedite the formulation of Market Policy to guide issues of access to domestic and cross-border markets. The Ministry of Trade and Industry should also hasten the implementation of SME online market platform, as digital marketing has the potential to increase customer base of the targeted SMEs (Blake, 2018).

In the lens of institutional theory, this is a regulative strategy in that it requires trade policies, regulations, and market access agreements that promote access to markets for SMEs. It is a normative strategy in that it requires a cultural shift towards market-oriented mindset, and an emphasis on competition. It is also a cognitive strategy as it requires market research and analysis training, in addition to access to market information by SMEs.

Literature also underscores the need for well-developed markets for sustainable products to offset sustainability challenges related to market access (Wojtaszek, et al.,

2023; Sumon, 2020). Therefore, increased customer awareness of eco-friendly products could significantly increase market demand, thereby increasing manufacturing SME's customer base. Additionally, NGOs should offer market research and analysis training to SMEs to improve SMEs' access to markets.

4.6.2.4. Investing in business research

Investing in business research was mentioned by twenty-seven respondents. According to these respondents, business research can help researchers identify best practices that manufacturing SMEs in Blantyre City can adopt and implement to achieve greater sustainability. Conducting business research and analysis can also provide manufacturing SMEs in Blantyre City with valuable insights and evidence to inform their strategic planning and decision-making processes, thereby aligning with Malawi Vision 2063's emphasis on knowledge-driven economic growth and development. Research on sustainable business practices can provide SMEs with evidence-based insights and innovative solutions to sustainability challenges. It can also inform policy decisions and industry standards, creating an enabling environment for sustainability adoption.

According to NPC (2021), the Malawi government intends to strengthen industrial research, and technology centres to provide innovative solutions for industrialization priorities. Furthermore, the research institutions will work jointly with higher education and industry players, and the national research fund (NRF) will be re-established to promote knowledge-based growth. According to Mweta and Suwadi (2019), collaboration with government, academia, and research and development institutions is essential for addressing unmet sustainability research needs of

manufacturing SMEs. Universities and research and development institutions (RDIs) are knowledge hubs; when transferred appropriately can help manufacturing SMEs identify, adopt, integrate, and implement sustainable business practices (Mweta & Suwadi, 2021).

However, Mweta and Suwadi (2019) found a weak relationship between SMEs and research institutions in Malawi and this negatively affects sustainability efforts in manufacturing SMEs. Therefore, manufacturing SMEs in Blantyre City should collaborate with academia and RDIs, and seriously invest in research. Alternatively, the government and other stakeholders should consider funding the academia to research sustainable manufacturing in SMEs and ensure that the study findings are easily accessible by manufacturing SME.

In the lens of institutional theory, this is a regulative strategy as it requires research and development policies, and intellectual property protection. It is also a normative strategy in that it requires a cultural shift towards innovation and research among manufacturing SMEs. It is a cognitive strategy in that it requires research capacity building programmes for SMEs. Literature reports low business sustainability-related research in SME sector in developing countries (Alayón, 2022; Blake, 2018). However, Blake (2018) argued that the degree of engagement in business research has a bearing on manufacturing SMEs' ability to achieve sustainable growth. According to Blake (2018), business research makes possible the ability to identify innovative products and unique selling propositions (USP) to achieve more competitive advantage. This finding underscores the need for research to be part of manufacturing SMEs' business sustainability strategy.

4.6.2.5. Improving policy and regulatory environment

Improving policy and regulatory environment was cited by twenty-seven respondents. According to these respondents, improving regulatory efficiency at MBS, MEPA and EAD; and improving the monetary and taxation policy could significantly improve manufacturing SMEs' readiness to adopt and implement sustainable business practices. Tax incentives such as tax holidays, tax cuts and tax waivers by MRA are critical for manufacturing SMEs wishing to adopt and implement sustainable business practices. However, commenting on the feasibility of implementing and scaling-up tax incentives to foster adoption and implementation of sustainable business practices in manufacturing SMEs in Malawi in general, and Blantyre City in particular, one of the respondents argued that:

> *"Wider-scale implementation of tax incentives for sustainable manufacturing may not be feasible considering Malawi's narrow tax base and volatile economic conditions……"(A7)*

Improving policy and regulatory support for manufacturing SMEs can create an enabling environment conducive for sustainable business practices, thereby supporting the goal of Malawi Vision 2063 of strengthening policy and institutions for sustainable development (NPC, 2020). According to NPC (2021), the government intends to improve business environment by ensuring sound monetary policy to stabilize interest rates, exchange rates, and inflation; enacting Special Economic Zones Bill; developing and implementing a Cooperative Development Policy, National import substitution strategy (NISS), National Standards for eco-friendly

products, and establish an MSME regulatory board to curb the proliferation of informal manufacturing SMEs.

From an Institutional theory perspective, this is a regulative strategy in that it requires simplified business registration processes, tax reforms, investment incentives and subsidies. It is also a cognitive strategy as it requires awareness campaigns on sustainability policies and regulations, and training programmes on regulatory compliance. This underscores the significant role of efficient and effective policy and regulations in fostering sustainable manufacturing in SMEs. Less complex legislation and standards improve understanding of the law and its compliance in manufacturing SMEs.

The consensus among authors is that developing laws to regulate sustainability in manufacturing SMEs, improving enforcement of existing laws to halt non-compliance, and providing regulatory awareness training to manufacturing SMEs is critical for the smooth adoption and implementation of sustainable manufacturing practices (Gonçalves, et al., 2024; Kumar, et al. 2023; Alshahrani, 2023).

4.7. Conclusion

This chapter presented a critical discussion and interpretation of key study findings. The study revealed that manufacturing SMEs in Blantyre City face numerous challenges when attempting implement sustainable business practices including; limited awareness, and limited access to finance and technology. Despite these barriers, the study has identified several enablers in the economy that can facilitate the adoption of sustainable business practices in the targeted SMEs such as support institutions and effective policy and regulatory environment.

The study has also proposed effective strategies that can be employed to achieve greater sustainability including; promoting business incubators and growth accelerators, improving access to finance, formulating Cooperatives, and investing in research and technology, These findings suggest that the adoption and implementation of sustainable business practices in manufacturing SMES in Blantyre City require a multi-faced approach that addresses the barriers, and leverages the enablers and strategies, contributing to a more sustainable and resilient manufacturing SME subsector.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0. Introduction

This chapter provides conclusions from the study on key barriers, enablers, and strategies for adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City, identified from the analysis of key informant interviews and a systematic literature review. The chapter also provides the contributions of this study to literature and practice while providing actionable recommendations for policymakers, manufacturing SME owners, and managers. Finally, the chapter ends with recommendations for future research direction.

5.1. Conclusion of the Study

This study employed Institutional theory and Triple Bottom Line (TBL) business sustainability model to investigate into barriers, enablers and strategies for the adoption and implementation of sustainable business practices among manufacturing SMEs in Blantyre City. The study's results suggest that institutional theory provides a useful framework for understanding key barriers, enablers, and strategies for adopting and implementing sustainable business practices suggested by the TBL model. The findings highlight the importance of regulative, normative and cognitive institutions or pressures in influencing SMEs' adoption of sustainable business practices.

From an Institutional theory perspective, this study identified a lack of familiarity with sustainable business practices among SMEs, a lack of access to finance coupled

with increased costs of adoption, a lack of access to markets, technology and technical expertise, a weak policy and regulatory environment, high logistics and transport costs, and a lack of access to physical infrastructure to support the adoption and implementation, as key sustainability challenges facing manufacturing SMEs in Blantyre City. These challenges limit the potential of manufacturing SME sub-sector to contribute to inclusive wealth creation and sustainable economic development goals envisioned in Malawi 2063 economic transformation agenda. Addressing these challenges will require a collaborative effort from various stakeholders, including government MDAs, NGOs, financial institutions, and industry associations.

The study has also revealed factors that can facilitate the adoption and implementation of sustainable business practices among the targeted SMEs. These factors include increased awareness and education programmes on sustainable business practices, improved access to technology, finance, markets and market information, more supportive policies and regulations, and increased support from SME supportive institutions. The effective utilization of these enablers can help manufacturing SMEs in Blantyre City implement sustainable business practices, boost competitiveness, and achieve sustainable growth.

The study has also yielded valuable insights into how manufacturing SMEs in Blantyre City can adopt and implement sustainable business practices. These insights encompass a range of strategies including increasing awareness and capacity building programmes, formulating Cooperatives and business networks, investing in sustainability-related technologies and technological infrastructure, promoting incubation and growth accelerator service centres, enhancing access to finance,

markets and market information, investing in business research, and improving policy and regulatory support. Therefore, it is essential that manufacturing SME owners or managers and all stakeholders take heed of these strategies to leverage the identified enablers and overcome the sustainability challenges facing the targeted SMEs in Blantyre City. Adopting a stakeholder networking approach is particularly crucial, as it allows for a multi-sectoral response to the challenges outlined in this study.

5.2. Contribution of the Study

5.2.1. Contribution to literature

The findings from this study make a valuable contribution to the existing literature on SMEs in Malawi. While previous research has explored the challenges facing SMEs in general, there has been limited focus on identifying key barriers, enablers and strategies for adopting and implementing sustainable business practices for all the three dimensions of business sustainability as suggested by TBL model; and exclusively focusing on manufacturing SME sub-sector in Blantyre City. By offering specific enablers and strategies to help manufacturing SMEs in Blantyre City overcome the identified sustainability challenges, this study fills a critical gap in knowledge and adds to the body of literature on business sustainability in Malawi's SME sector.

5.2.2. Contribution to practice

The study's findings regarding barriers, enablers, and strategies for adopting and implementing sustainable business practices offer policymakers a comprehensive understanding of the critical challenges that hinder sustainability initiatives in

manufacturing SMEs in Blantyre City. This knowledge forms the basis for policy formulation for addressing the identified challenges. The identified enablers, such as the available supportive institutions, provide practical insights to manufacturing SME owners or managers in Blantyre City on how to leverage existing resources to promote sustainable manufacturing. Additionally, the study outlines actionable strategies tailored to adopt sustainable business practices, empowering manufacturing SME owners and stakeholders to overcome sustainability barriers. These strategies have also been aligned with key stakeholders to facilitate the implementation. All these are critical for manufacturing SMEs in Blantyre City to achieve sustainable growth and contribute significantly to the economy.

5.3. Recommendations of the study

Based on the findings of this study, this section outlines the key recommendations of the study to both policymakers, and manufacturing SME owners and managers to help them take the necessary actions for the sustainability of manufacturing SME sub-sector in Blantyre City.

5.3.1. Recommendations for policymakers

Considering that improved access to finance is both an enabler and a strategy for adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City, this study recommends that the government should implement a deliberate policy to provide concessional lending to manufacturing SMEs to address the current financing gap and growth needs faced by manufacturing SMEs in Blantyre City.

This study has also identified a lack of knowledge and awareness of the available sustainable business practices and their associated costs and benefits, as well as a lack of technical skills and expertise, as key barriers hindering the adoption and implementation of sustainable business practices in manufacturing SMEs in Blantyre City. Therefore, the study recommends that the government should provide targeted education and capacity-building programmes to equip manufacturing SMEs in Blantyre City with the knowledge and technical skills necessary for adopting and implementing sustainable business practices.

The study has also identified the promotion of incubation and growth accelerator service centres as one of the key strategies for adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City. Therefore, this study recommends that the Ministry of Trade and Industry should expedite the formulation of a business incubation strategy to guide institutions that offer business incubation services in Malawi. The well-guided business incubation and growth accelerator service centres could significantly improve the capacity of manufacturing SMEs in the adoption and implementation of sustainable business practices.

Considering that improved access to technology is both an enabler and a strategy for adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City, this study recommends that the government should seriously consider investing in technology and technological infrastructure that could support the adoption and implementation of sustainable business practices by the targeted SMEs. Increased technological assimilation rates could facilitate sustainable growth of manufacturing SMEs in Blantyre City.

The study has also identified the formulation of cooperatives and business networks as one of the key strategies for adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City. Therefore, this study recommends that the Ministry of Trade and Industry should expedite the implementation of the Cooperative Development Policy to guide the formulation and operation of Cooperatives in Malawi. The policymakers should also encourage collaboration among SMEs, government agencies, industry associations, academic institutions, and other stakeholders to share knowledge, resources, and expertise in sustainable business practices. Public-private partnerships can leverage collective efforts to address common business sustainability challenges.

Considering that improved access to markets and market information is both an enabler and a strategy for adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City, this study recommends that the Ministry of Trade and Industry should expedite the formulation of Market Policy to improve manufacturing SMEs' access to domestic and cross-border markets.

The study also recommends that the Ministry of Trade and Industry should hasten the development of an SME web-based database or repository and an SME online market platform to allow easy access to information and the market by manufacturing SMEs in Blantyre City. Additionally, policymakers should implement measures to stimulate demand for sustainable products among consumers and businesses in Blantyre City. These could include public procurement policies favouring eco-friendly manufactured products.

Considering that an improved policy and regulatory environment is both an enabler and a strategy for adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City, this study recommends that policymakers should develop effective policies and laws that regulate and foster sustainable manufacturing in SMEs. Clear and consistent regulations can promote the adoption and implementation of sustainable business practices in manufacturing SMEs in Blantyre City. The study further recommends that the regulatory authorities should address the inefficiencies highlighted in this paper by conducting policy and regulatory reforms.

This study also identified business research as one of the key strategies for adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City. Therefore, the study recommends that the government through the Ministry of Trade and Industry should fund the academia to conduct research in the manufacturing SME sub-sector and ensure that the results are made available in simple language in an SME repository to allow the targeted SMEs and other stakeholders to access and understand the information. Funding research initiatives can spur the development of new solutions tailored for the sustainability needs of manufacturing SMEs in Blantyre City.

By effectively implementing these recommendations, policymakers can create an enabling environment that supports manufacturing SMEs in Blantyre City to adopt and implement sustainable business practices, ultimately contributing to inclusive economic growth and sustainable development as envisioned in Malawi 2063 economic transformation agenda.

5.3.2. Recommendations for manufacturing SME owners

Based on the insights from this study, the study makes the following recommendations for manufacturing SME owners and managers in Blantyre City:

Firstly, considering that increased awareness of sustainable business practices can facilitate sustainability in manufacturing SMEs in Blantyre City, this study recommends that manufacturing SME owners or managers should develop awareness of the sustainable business practices and associated costs and benefits of adopting and implementing such practices. Understanding these dynamics can help overcome resistance. This can be achieved by developing business networks with large manufacturing firms, joining industry associations, and constantly seeking knowledge from support institutions, the academia and research and development institutions.

Secondly, this study identified a lack of technical skills and expertise as one of the sustainability bottlenecks facing manufacturing SMEs in Blantyre City. Therefore, the study recommends that manufacturing SME owners or managers should seek external technical support through networking and collaboration with sustainability experts or industry associations that can provide guidance and support in implementing sustainable business practices. By leveraging external expertise, manufacturing SMEs can access resources; knowledge, skills, and expertise that could help them adopt sustainable business practices. Additionally, the study recommends that manufacturing SME owners invest in employees' capacity-building training to offset sustainability challenges related to a lack of skills and expertise.

Thirdly, considering that the formulation of cooperatives is both an enabler and a strategy for the successful adoption and implementation of sustainable business practices in manufacturing SMEs in Blantyre City, this study recommends that manufacturing SME owners in Blantyre City should formulate and join cooperatives and ensure that these cooperatives are built on the foundations of legality and trust for the benefit of the membership.

In addition, the lack of financial resources has also been highlighted as one of the key barriers to adopting and implementing sustainable business practices in manufacturing SMEs in Blantyre City. In keeping with this finding, this study recommends that manufacturing SME owners should develop a saving culture to increase their capital base to meet the increasing cost of adopting and implementing sustainable business practices. Manufacturing SME owners in Blantyre City should understand that growth must come from within.

The study has also underscored the need for well-developed market linkages for sustainable products to offset sustainability challenges related to market access. Therefore, this study recommends that manufacturing SME owners or managers should develop a unique selling proposition to increase consumer awareness of eco-friendly products and increase their market share. In addition, the targeted SMEs should also invest in value chains to improve on quality to match the product quantity and quality with the market demand. Joining trade associations could also improve access to markets and bargaining power

Finally, improved access to technology has also been highlighted in this study as both an enabler and a strategy for adopting and implementing sustainable business

practices in manufacturing SMEs in Blantyre City. Therefore, the study recommends that manufacturing SME owners should strive to invest in technologies and innovations that can support sustainability practices in manufacturing SMEs in Blantyre City.

By following these recommendations, manufacturing SME owners or managers in Blantyre City can effectively navigate the challenges and capitalize on the opportunities associated with adopting and implementing sustainable business practices; ultimately enhancing their competitiveness, resilience, and long-term sustainability.

5.3.3. Recommendations for future research

Based on the findings of this study, the following are the recommendations for future research:

This study focused on Blantyre City, the commercial City of Malawi. Further qualitative studies on this topic could be conducted in other Cities in Malawi such as Zomba, Lilongwe and Mzuzu. By conducting this study in all the cities, researchers can deepen understanding of barriers, enablers and strategies for the adoption of sustainable business practices in diverse urban contexts and inform context-specific interventions. Informing policy decisions requires understanding the research topic's manifestation in various contexts. Therefore replicating and expanding this study can shape policy decisions and interventions at national level.

Additionally, researchers might consider developing resilient frameworks for small and medium-sized enterprises (SMEs) that can address the unique sustainability

challenges facing manufacturing SMEs in Malawi such as environmental, social and economic pressures. These resilient frameworks can ensure improved sustainability performance of SMEs, enhanced competitiveness, increased resilient to external shocks, increased innovations and compliance with regulations. By developing resilient frameworks for manufacturing SMEs in Malawi, researchers can contribute to sustainable development, economic growth, and environmental conservation.

Another potential area of focus could be analyzing the effectiveness of existing policies and regulatory frameworks in facilitating the adoption of sustainable business practices within manufacturing SMEs in Malawi; and identifying areas where policy changes could promote sustainability within the manufacturing SME sector. Existing policies and regulatory frameworks significantly impact manufacturing SMEs' adoption of sustainability practices. However, current policies may not adequately address sustainability challenges facing manufacturing SMEs. By analyzing policy effectiveness researchers can contribute to creating a supportive environment for manufacturing SMEs to adopt and implement sustainable business practices, ultimately promoting their growth and contribution to the economy.

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APPENDICES

Appendix A: Key informant interview protocol

University of Malawi

Introduction

I am Francis Fletcher Zuze, a postgraduate student in Development Studies at the University of Malawi. Currently, I am conducting research on *Barriers, Enablers and Strategies for the adoption and implementation of sustainable business practices by manufacturing SMEs in Blantyre City*. The respondents for this study include owners or managers of manufacturing SMEs in Blantyre City and officials from government ministries, departments and agencies (MDAs). Therefore, your organization has been selected to take part in this study. The results of this study will inform policymakers, manufacturing SMEs owners and other stakeholders on how to promote sustainable growth of manufacturing SME sub-sector in Blantyre City. This interview is expected to last for approximately 60 minutes. This is purely academic exercise and the collected data will remain anonymous and confidential. Your participation will significantly contribute to the sound results of the study.

Background information

Name of organization	
Position	
Level of education	
Expertise	
Experience (years)	
Gender	

PART I: Interview questions with key informants at firm level (SME owners/ managers)

A. Questions related to barriers to sustainability

1. What does business sustainability mean to your firm?
    a. how important is it to your firm?
2. What business sustainability practices can manufacturing SMEs adopt and implement?
3. Are there any sustainability practices that your firm has tried to implement but have been unsuccessful?
    a. If yes; what were the reasons for the lack of success?
4. Can you share any challenges your company has faced in promoting environmental, social or economic sustainability of your firm?

B. Questions related to enablers for sustainability

5. Do you have the necessary skills to adopt and implement sustainable business practices identified in question (2) above?
6. What resources or support do you need to successfully implement sustainable business practices?
7. Are there any policies and regulations that promote sustainability practices among manufacturing SMEs?
    a. If so, what are they, and how effective have they been?
8. Does policy or regulations provide an enabling environment for the adoption and implementation of sustainable business practices? If yes, how?

C. Questions related to strategies for sustainability

9. Are there areas where your organization is actively seeking to improve its sustainability performance?

    a. What are they, and what strategies are being considered?

10. What strategies have you found to be more effective in adopting and implementing sustainable business practices?

11. How do you ensure social responsibility and ethical practices in your business operations?
12. What strategies do employ to ensure long-term financial sustainability of your business?
13. What recommendations do you have for policymakers and manufacturing SMEs' Owners?
14. Do you have additional comments?

PART II: Interview questions with key informants from MoTI, SMEDI, MBS, BCC, MEPA, EAD, MCCCI, MUBAS, CASMEs, and NASMEs

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1. What do you understand by business sustainability?
    - **a.** What business sustainability practices can manufacturing SMEs adopt and implement?
2. What do you think are the key barriers facing manufacturing SMEs in Blantyre City when it comes to the adoption and implementation of sustainable business practices?
3. What are some of the key enablers that can facilitate the adoption and implementation of sustainable business practices in manufacturing SME in Blantyre City?
4. What are some of the most effective strategies for adopting and implementing sustainable business practices among manufacturing SMEs in Blantyre City?

    a. What role can government play in implementing these strategies?

5. Are there policies or regulations that require SMEs to adopt and implement Sustainability practices?
    - **a.** If so, what are they, and how effective have they been?
    - **b.** If not, what can be done to encourage policy development?
6. What recommendations are you making for policymakers and SME owners?
7. Do you have additional comments?

Appendix B: Data collection template

DATA COLLECTION SHEET (TEMPLATE)

Researcher: …….. Date: …….....

Interviewee: …….. Contact…….

Institution……. Position…….

Level of Education ……. Experience …….....

Key Barriers	Key Enablers	Key Strategies	Recommendations for Policymakers	Recommendations for SMEs Owners

Appendix C: Consent Form

University of Malawi

CONSENT FORM	
PROJECT TITLE	Exploring barriers, enablers, and strategies for the adoption and implementation of sustainable business practices by manufacturing SMEs in Blantyre City

Name of the researcher: Francis Fletcher Zuze (MA Development Studies)

Contact Address: University of Malawi, Post Office Box 280, Zomba, MALAWI

Email: ma-dev-23-20@unima.ac.mw; **Mobile:** (+265) 888480026

	Please Tick Initial Box	
1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions.	**YES**	**NO**
2. I understand that my participation is voluntary and that refusal to participate will not attract any penalties.	**YES**	**NO**
3. I agree to the interview being audio recorded	**YES**	**NO**
4. I agree to the use of anonymized quotes in publications	**YES**	**NO**
5. I agree to take part in the above study.	**YES**	**NO**

Name of Participant _____ Signature_____ Date_____

Name of Researcher _____ Signature _____ Date _____

UNIMAREC Chairperson: Victoria Ndolo, PhD Telephone: (+265) 992697277 Email: unimarec@unima.ac.mw

Appendix D: Participant Information Sheet

University Of Malawi

PARTICIPANT INFORMATION SHEET

Project Title: Exploring Barriers, Enablers and Strategies for the Adoption and Implementation of Sustainable Business Practices by Manufacturing SMEs in Blantyre City.

This information sheet briefly outlines why the research is being conducted and what will be involved. Therefore, you are invited to take part in this study.

1. **Purpose of Study**

   The overall objective of this qualitative study is to explore barriers, enablers and strategies for the adoption and implementation of sustainable business practices by manufacturing SMEs in Blantyre City for a better growth of the SMEs and contribution to the economic growth

2. **Participant involvement**

   Your involvement in this study would be to take part in an interview on barriers, enablers, and strategies for the adoption and implementation of sustainable business practices by manufacturing SME in Blantyre City. The interview session will last for one hour and I will record it with your consent. If you do decide to take part, you will be asked to sign two consent forms, one to be kept by you and the other to be kept by the researcher. A copy of this information sheet will also be provided. Your participation is on voluntary basis and that refusal to participate will not attract any penalties. You are also free to withdraw from the study at any time with or without a reason.

3. Risks or discomforts

No risks or discomforts are anticipated from taking part in this study to the respondents. But if you feel uncomfortable with a question, you can skip that question or withdraw from the study altogether.

4. Confidentiality and anonymity

All information that is collected during the course of the research will be kept strictly confidential. Your name or any contact details will not be recorded on the interview transcripts. In addition, any details which potentially could identify you will also be removed or changed. Each participant will be assigned a participation number, and only the participant number will appear with your responses

5. Usage of research results

The results of this study will be used in my MA thesis report that will be presented to an academic audience through Viva Voce at the University of Malawi; and might be published in a journal. However, anonymity and confidentiality will be upheld in all cases. Findings from this study will help policymakers and SMEs owners to better understand barriers to business sustainability and how to leverage enablers for sustainability to improve sustainable growth of manufacturing SME in Blantyre City.

6. Confirmation of participation

If you decide to take part in this study, please reply affirmatively to the statements on the consent form.

7. Funding of the project

The MA Programme, for which this project is undertaken, is fully funded by the researcher himself. There is no agency from which the researcher has received

funding.

8. Contact for further information

Should you have any questions or reservations concerning this research, do not hesitate to contact the following:

Researcher: Francis Fletcher Zuze

Telephone: (+265) 888480026

Email: ma-dev-23-20@unima.ac.mw

Academic Supervisor:

Regson Chaweza, PhD

Email: rchaweza@unima.ac.mw

UNIMAREC Chairperson

Victoria Ndolo, PhD

Telephone: **(+265) 992697277**

Email: unimarec@unima.ac.mw

Appendix E: Protocol approval letter

VICE-CHANCELLOR
Prof. Samson Sajidu, BSc Mlw, MPhil Cantab, PhD Mlw

Our Ref: P.05/23/260

Your Ref.:

CHANCELLOR COLLEGE
P.O. Box 280, Zomba, Malawi

Telephone: (265) 1 526 622
Fax: (265) 1 524 031
E-mail: vc@cc.ac.mw

20th February, 2024

Mr Fletcher Zuze,
MA MDS Student,
University of Malawi.
P.O. Box 280,
Zomba.

Dear Mr Zuze,

APPROVAL OF AMENDMENTS TO PROTOCOL NO. P.05/23/260. EXPLORING BARRIERS, ENABLERS AND STRATEGIES FOR THE ADOPTION AND IMPLEMENTATION OF SUSTAINABILITY PRACTICES BY MANUFACTURING SMES IN BLANTYRE CITY.

Having reviewed your application for amendment(s) to the originally approved protocol, the University of Malawi Research Ethics Committee (UNIMAREC) hereby grants you a research ethics approval and regulatory permit to the requested amendment(s). This approval is valid for one year from the date indicated above.

Should the study go beyond one year you will be required to submit an application for annual review and continuation on the form available at the committee secretariat before the expiry date of this approval.

Wishing you a successful implementation of the study and the committee awaits a copy of the written technical report.

UNIVERSITY OF MALAWI
RESEARCH ETHICS COMMITTEE
20 FEB 2024
APPROVED
P.O. BOX 280, ZOMBA

Yours Sincerely,

Dr Victoria Ndolo
CHAIRPERSON OF UNIMAREC

CC: Vice Chancellor
Registrar
Director of Finance and Investments
Head of Research
UNIMAREC Administrator
UNIMAREC Compliance Officer

Appendix F: Blantyre City Council letter of approval

Blantyre City Council

The Secretariat
Town Hall
Civic Centre
Kasungu Crescent
Private Bag 67
BLANTYRE
Republic of Malawi

BCC/ ADM/ 20/1

All correspondence to be addressed to:

The Chief Executive Officer
Phone +265 1 870 211
Fax: +265 1 870 508 / 1 870 417
Email: bcachief@bccmw.com
Website: www.bccmw.com

15th August, 2023
Francis Flesher Zuze
University of Malawi
P. O. Box 280
Zomba.

Dear Mr. Zuze,

PERMISSION TO CONDUCT A RESEARCH TITLED " BARRIERS, ENABLERS AND STRATEGIES FOR THE ADOPTION AND IMPLEMENTATION OF BUSINESS SUSTAINABILITY PRACTICES BY MANUFACTURING SMALL AND MEDIUM - SIZE ENTERPRISES IN BLANTYRE CITY".

The above stated subject refers.

We are in receipt of your letter dated 1st August 2023 in which you requested Blantyre City Council to grant you permission to collect research data on the topic **"Barriers, enablers and strategies for the adoption and implementation of business sustainability practices by manufacturing small and medium - size enterprises in Blantyre City"**

We are pleased to grant you permission through University of Malawi to conduct the study on condition that the information gathered will only be used on academic purposes.

You are advised to contact Mr. Benson Chirwa in the Directorate of Commerce for further assistance.

Yours Sincerely,

ALFRED NYENGO

FOR: CHIEF EXECUTIVE OFFICER

Taking the City Back to the People