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Digital Inclusion and Tech Entrepreneurship

Exploring the Current
Landscape and
Future Opportunities



Setting the Context

- Overview of Malawi:
 - Population: 20.7 million (2023 estimate)
 - Agri-based economy
- Digital Inclusion- Ensuring everyone has access to and can effectively use ICTs
- Tech entrepreneurship: The creation and growth of technology-driven businesses solving real-world challenges.





Digital Inclusion in Malawi: Current Landscape

- Internet penetration in Malawi is growing. According to the International Telecommunication Union (ITU), internet penetration was about 24% in 2021.
- Reflects challenges like affordability, infrastructure gaps, and limited digital literacy.
- **Mobile phones:** Mobile phone usage is much higher.
- According to the National ICT survey 2023, the use of mobile telephones is 68.9% and use of smartphones is at 40.5.



Barriers to Digital Inclusion

- **Connectivity Issues:** Limited internet infrastructure, especially in rural areas, where majority of the population lives. Poor electricity access hampers the development of digital services.
- **Digital Literacy:** A lack of digital skills among the population. According to UNESCO, only about 19% of Malawians are computer literate.
- **Gender Disparities:** Women are less likely than men to have access to the internet and digital devices, with only 31% of women having access to mobile phones compared to 69% of men (GSMA Mobile Gender Gap Report 2023).





INITIATIVES PROMOTING DIGITAL INCLUSION

1. **Connect-a-school:** Aims at building ICT infrastructure in the form of School computer ICT laboratories and providing the internet in public schools.

Benefits such as including access to an ever-growing volume of educational information, building capacity for digital inclusion and participation, access to global education and economic opportunities, collaboration, and the use of online applications.

2. **Yathu Yathu:** The Community Broadband Operators project is aimed at providing broadband services in the areas that are not covered yet and are not investment attractive, these mainly are in rural and hard to reach areas across Malawi.





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INITIATIVES PROMOTING DIGITAL INCLUSION

2. With this, they will create a digital society that is digitally savvy in content creation, enhanced problem-solving skills, access and usage of e-commerce platforms, access and usage of digital financial payment systems across different economies of the world, and indeed a plethora of human development options.

3. **SME Digital skills training:** Organising training for SMEs. Training includes digital finance, how to use the phone to benefit their businesses, How to use different applications





Tech Entrepreneurship in Malawi

Current State of Tech Startups:

- o Malawi has a growing tech startup ecosystem, but it is still in its early stages. The sector is small compared to other African nations like Kenya or Nigeria, but it is steadily growing.
- o Key sectors for tech entrepreneurship in Malawi include fintech, agritech, healthtech, and e-commerce.



INITIATIVES PROMOTING TECH ENTREPRENEURSHIP

1. **E-commerce development:** The e-commerce platform application to automate their business processes and derive the full benefit of the Forth Industrial Revolution.
2. **Smart Africa Youth Chapter:** a platform for education, collaboration, and empowerment, aiming to foster a new generation digitally proficient entrepreneurs who can navigate the complexities of the digital world to build successful businesses
3. **Muuni Fund:** ICT research and innovation fund that provides seed funding to individuals with ICT innovation initiatives.
4. draft **Digital innovation and Entrepreneurship bill:** An Act to make provision for the creation and development of an enabling environment for information and communication-technology-enabled startups in Malawi;



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THE ROLE OF DIGITAL INCLUSION IN BOOSTING TECH ENTREPRENEURSHIP

- Improving access to digital technologies can help create more entrepreneurial opportunities by opening up new markets, enabling remote work, and providing access to information and skills.
- Published reports by the World Bank show that a **10% increase in internet penetration** in developing countries is associated with an approximate **1.38% increase in GDP growth**. Similarly, the ITU has highlighted that digital inclusion can significantly boost economic productivity, improve business efficiency, and create new avenues for innovation in emerging economies
- **Women's Empowerment:** Expanding digital inclusion for women in tech could lead to the creation of gender-diverse entrepreneurial ecosystems, helping address economic inequality.



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WAY FORWARD

1. Infrastructure Investment for Economic Diversification

- Expand digital infrastructure (internet connectivity, broadband, mobile networks) as a critical enabler of economic diversification.
- Digital infrastructure is the backbone for expanding sectors like fintech, agritech, and e-commerce, which are essential for economic transformation.
- More inclusive connectivity can unlock market access for SMEs (Small and Medium Enterprises), which constitute a growing section of the Malawian economy.



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WAY FORWARD

2. Digital Skills Training to Enhance Human Capital.

- According to the International Labour Organization (ILO), digital skills can increase labour productivity by up to 15% in emerging economies.
- A focus on women's digital literacy can help close the gender gap in the labour market, improving overall economic participation.

3. Strengthening the Regulatory Environment to Foster Innovation

- An enabling regulatory environment is key to supporting tech innovation and attracting both local and international investment.
- Regulations around **data protection, incubation and acceleration platforms** are necessary to create a stable business environment.