
**ASSESSING THE IMPACT OF SOCIAL ECONOMIC AND
DEMOGRAPHIC FACTORS ON THE GROWTH OF SMALL SCALE
RICE FARMING BUSINESS AT WOVWE IN KARONGA**

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ABSTRACT

This research examines the socio-economic and demographic factors affecting the growth of small-scale rice farming businesses in Wovwe, Karonga District, Malawi. Despite the significance of rice farming to the local economy, a comprehensive understanding of the interplay between these factors remains limited. Employing a mixed-methods approach, this study surveys 50 small-scale rice farmers and conducts interviews to gather qualitative insights. The findings aim to inform policymakers and stakeholders about the challenges and opportunities in the agricultural sector, ultimately contributing to sustainable agricultural development and enhanced livelihoods for local farmers.

KEYWORDS: Small-scale rice farming, socio-economic factors, demographic factors, Karonga District, Malawi, sustainable agriculture, mixed-methods research.

INTRODUCTION

Small-scale rice farming is a cornerstone of the agricultural economy in Malawi, particularly in the Karonga District. The Wovwe community exemplifies this reliance on rice cultivation, which supports numerous local families. However, the growth and sustainability of these farming businesses are affected by various socio-economic and demographic factors. This study aims to evaluate how these factors collectively influence the success of small-scale rice farming in Wovwe.

Background of the study

Malawi is predominantly an agricultural country, with rice serving as a vital food source and cash crop. In Wovwe, rice farming not only contributes to food security but also to the livelihoods of many households. Despite its importance, challenges such as limited access to resources, fluctuating market conditions, and demographic pressures hinder the growth of this sector. Understanding the intricate relationships between social, economic, and demographic factors is crucial for developing effective interventions that can enhance the viability of rice farming in the region.

Historical Background

Historically, rice cultivation in Malawi has been shaped by various socio-economic changes. The introduction of modern agricultural practices and government policies aimed at boosting rice production have had mixed results, often failing to address the unique challenges faced by smallholder farmers. This study seeks to fill the gap in literature regarding these challenges by focusing on the Wovwe community, where rice farming is integral to the local economy.

Specific objectives of the study

1. To analyze the social factors influencing the growth of small-scale rice farming businesses at Wovwe.
2. To examine the economic factors impacting the growth of these businesses.
3. To assess the demographic factors affecting small-scale rice farming in Wovwe.
4. To recommend actionable strategies for improving the growth of small-scale rice farming businesses in the region.

Literature Review

Existing literature highlights various socio-economic and demographic factors that influence agricultural productivity. Studies indicate that social capital, access to credit, and educational levels significantly impact farming success. Moreover, demographic dynamics, such as household size and population growth rates, also play a crucial role in shaping agricultural practices. However, comprehensive research focusing specifically on small-scale rice farming in Malawi remains limited, emphasizing the need for this study.

Research methodology

This study employs a mixed-methods approach, combining quantitative surveys and qualitative interviews. Data will be collected from 50 small-scale rice farmers in Wovwe. A questionnaire will be used for quantitative data, while interviews will provide in-depth qualitative insights. The research design aims to explore the intricate relationships between socio-economic and demographic factors and their collective impact on rice farming growth.

Research setting

The study took place in the Wovwe community, located in the Karonga District of Malawi. This region is known for its fertile land and active engagement in rice cultivation, making it an ideal setting for this research.

Target population

The target population consists of 400 small-scale rice farmers in Wovwe, with a sample size of 50 participants selected through simple random sampling for quantitative data and convenience sampling for qualitative insights.

Data collection methods

Data was collected through self-administered questionnaires and semi-structured interviews. The questionnaires included closed-ended questions for quantitative analysis, while interviews will allow for a nuanced understanding of the challenges faced by farmers.

Response rate

The researcher distributed 50 structured questionnaires out of all the questionnaires 50 were returned giving a response rate of 100 %. This response rate was considerable, adequate and representative of the population. The response rate conformed to Mugenda and Mugenda (2019) stipulation that a response rate of 70% and above is reasonable. The questionnaires distributed were in one category, a category for Woven rice farming in Karonga

Table 4.1. Responses received from respondents.

Category	Questionnaires	Frequency	Percent (%)
Woven Rice Farming	50	50	100
Total	50	50	100

4.3 Demographic Information

The demographic information reveals data about the gender of the respondents as an essential variable of the research.

4.3.1 Gender of respondents

The study wanted to find out the gender of the respondents. The results are presented in a pie chart below in figure 4.1, most of the respondents were males represented by 57% and the least of the respondents were males with 43 %. From the findings, it was clear that all gender was significantly represented in the study.

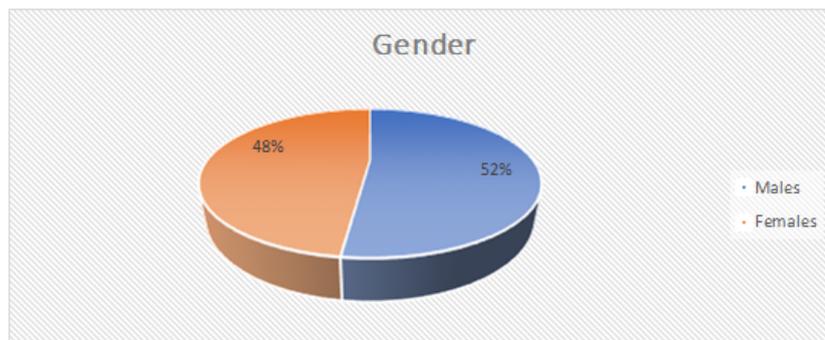


Figure 4.1 Gender of respondents.

Age of respondents

The study wanted to find out the age brackets of the respondents. The results are presented in a graph below. As presented in figure 4.2, 25 % of the respondents were in the age group of between 18-25 years, 20 % were between 26-35 years, 30% were between 36-45 years, 20% were between 46-55 years and 5% were above 56 years. The findings indicated that all age groups participated in the study.

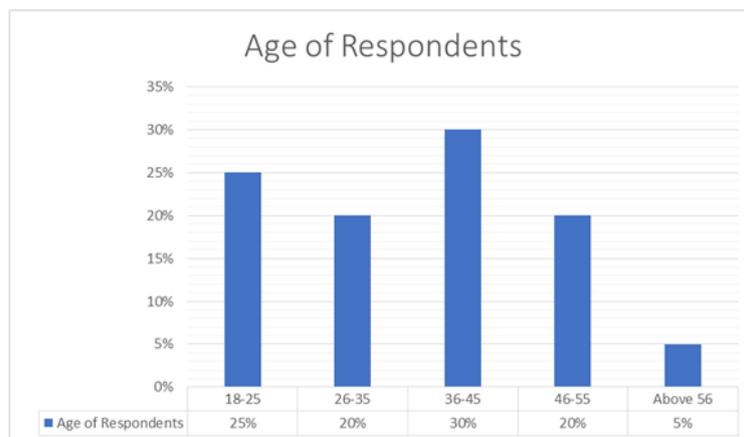


Figure 4.2 Age of respondents.

4.4 Number of years working at Woven rice farming

The study sought to establish the number of years the respondents had been working at Woven rice farming and sampled out respondents to determine the level of working experience at Woven rice farming with an aim of assessing the strength and reliability of the responses for generalization of the research findings. Figure 4.3.2 below, shows 29% of the respondents had been in at Woven rice farming for a period of 1-5years, 29% of the respondents had worked for a period of 6-10 years, 20% of the respondents had worked for a period of 11-15years, while 22% had been in at Woven rice farming for a period of above 15 years. The results indicated that the majority of the respondents had worked long enough to understand the effects of socio-economic factors.

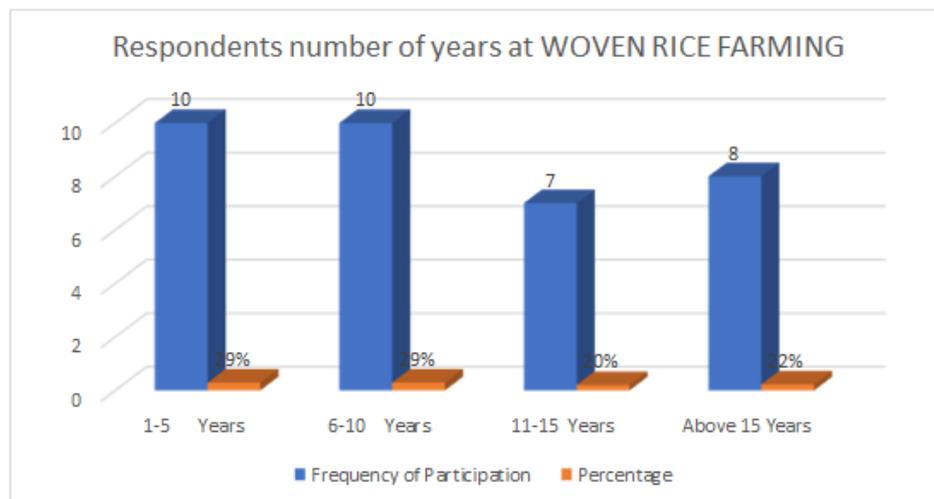


Figure 4.4 Number of years working at Woven rice farming.

Presentation of research findings

The main aim of this study was to analyze the impact of socio-economic factors on small scale business growth.

4.4.1 To analyze the social factors influencing the growth of small-scale rice farming businesses

4.4.1.1 Gender disparities

As presented in figure 4.6, 50 % of the respondents strongly agreed that gender disparities as a social factor have an impact on the growth of SMEs, 40% agreed; 10 % disagreed. This concurred with the findings that business environment should be an accommodative system in gender issues (Berners, 2011). This finding signified that business environment should be accommodative and inclusive regardless of gender at Woven rice farming.

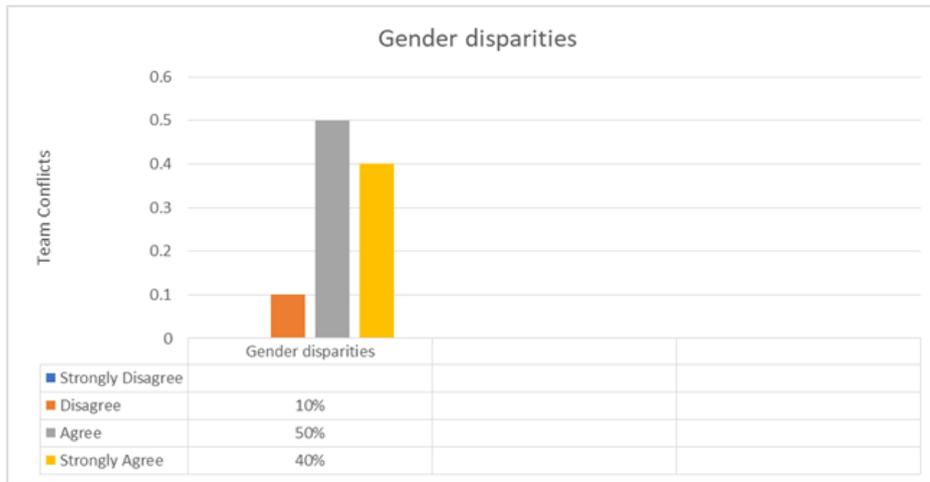


Figure 4.6 Gender disparities.

4.4.1.2 Lack of financial literacy and saving culture

As presented in figure 4.7, 60% of the respondents strongly agreed that lack of financial literacy and saving culture affects business growth, 20% agreed; 10% disagreed; 10% strongly disagreed. This concurred with the findings on the effects of financial literacy and saving culture on business. (Burns, 2013). This finding signified correlation of financial literacy and saving culture to business growth.

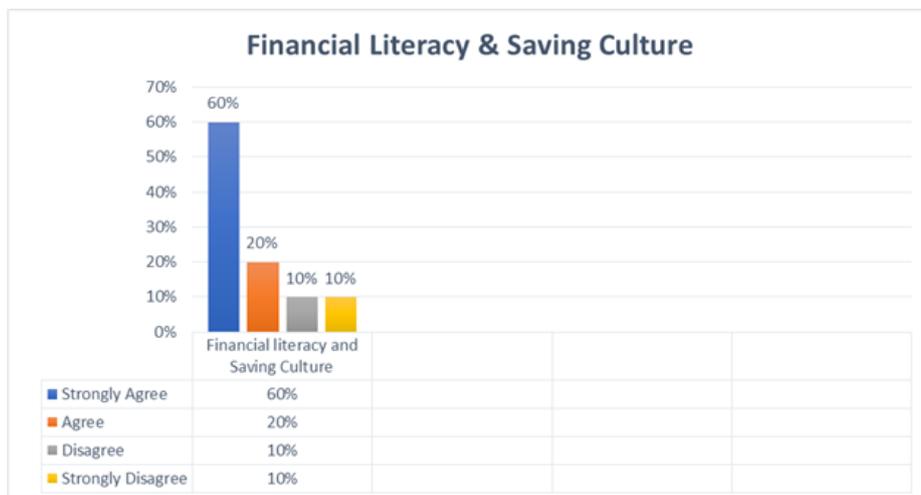


Figure 4.7 Financial Literacy and saving culture.

4.4.1.3 Lack of business skills and networking

As presented in figure 4.8, 70% of the respondents strongly agreed and 10% agreed that lack of business skills and networking affects SMEs and 20% disagreed. This concurred with the findings on relationship between lack of business skills and networking (Burkart, 2010). This

finding signified that the majority of respondents were aware that lack of business skills and networking affects businesses.

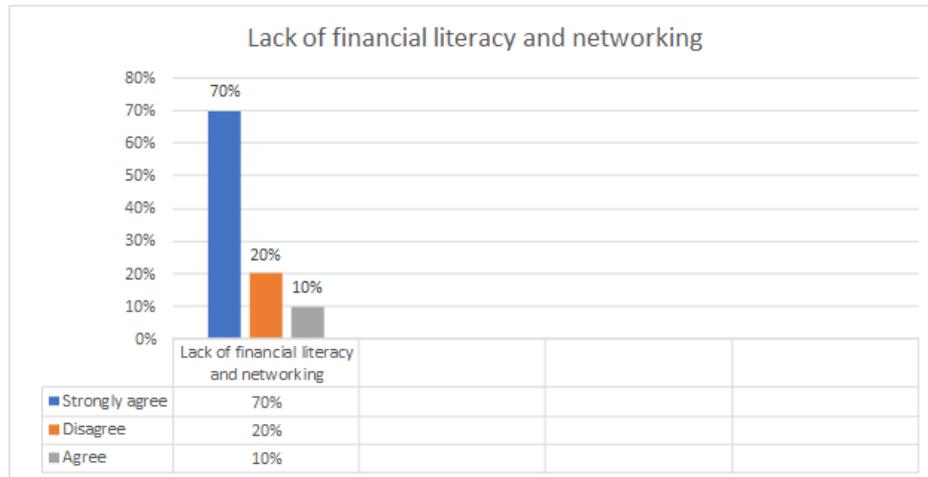


Figure 4.8 Lack of financial literacy and networking.

4.4.1.4 Lack of business skills

As presented in figure 4.9, 10% of the respondents strongly disagreed that lack of business skills hinders business growth and 10% disagreed; 22% agreed; 58% strongly agreed. This intertwines the findings that business skills should not be ignored (Cherunilam, 2015). This finding signified that WOVEN RICE FARMING views business skills as a contributory factor to business performance.

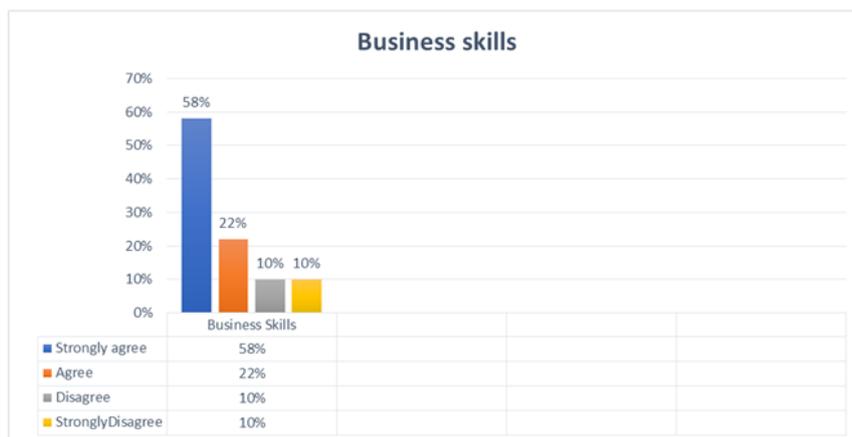


Figure 4.9 Lack of business skills.

4.4.2 To examine the economic factors that impact the growth of small-scale rice farming businesses

4.4.2.1 Limited access to markets hinders growth of SMEs

As presented in figure 4.10, 70% of the respondents strongly agreed that limited access to markets hinders growth of SMEs and 20% agreed; 5% disagreed; 5% strongly disagreed. This concurs with the findings that accessibility to market growths propels growth in SMEs. This finding signified market accessibility by SMEs is significant to their growth.

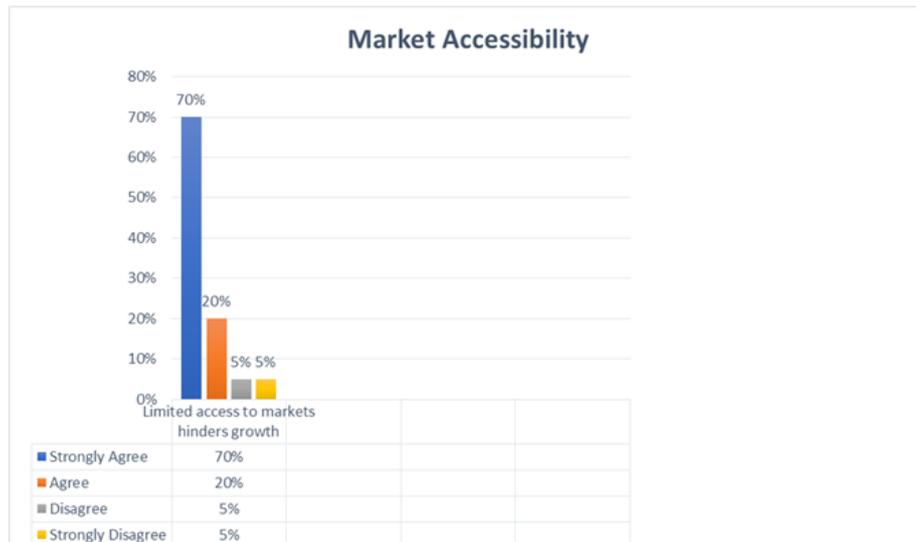


Figure 4.10 lack of market access hinders growth.

4.4.2.2 High operational costs for exports and currency conversion

As presented in figure 4.11, 80% of the respondents strongly agreed that high operational costs for exports and currency conversion and 20% disagreed. This concurs with the findings on increase in operational costs for exports and currency conversion as an economic hinderance to business growth (Burns, 2013). This finding signified operational costs and currency conversion are a catalyst on business growth.

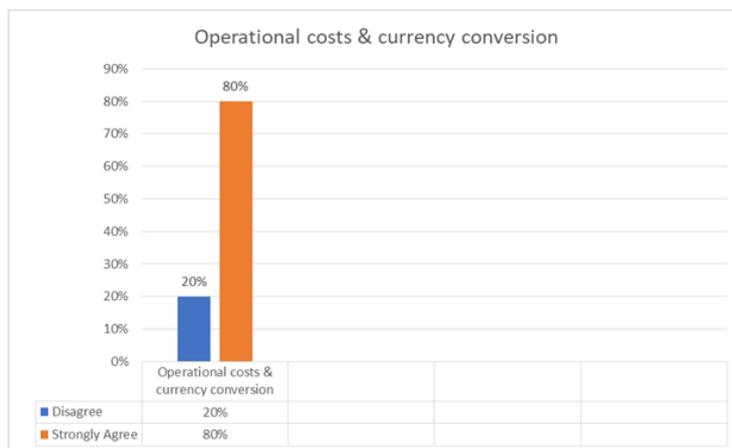


Figure 4.11 high operational costs & currency conversion.

4.4.2.3 Unfavorable policies and regulatory environment

As presented in figure 4.12, 50% of the respondents strongly agreed and 20% agreed to Unfavorable policy and regulatory environment, in addition 30% disagreed. This finding signified that the majority of respondents agreed that SMEs face unfavorable business policies and regulatory environment. This finding concurred with Omoregie, (2019) in his journal where he concluded it was very vital for businesses to operate in a favorable business climate with favorable policies and regulatory environment.

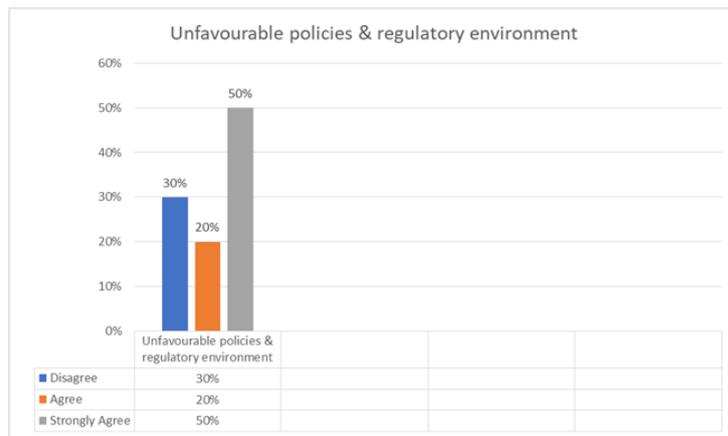


Figure 4.12 Unfavorable policies and regulatory environment.

4.4.2.4 Access to capital

As presented in figure 4.14 70% of the respondents agreed and 30% disagreed. This finding signified that the majority of respondents agreed that access to finance/capital hindered the growth of SMEs. This finding concurred with Kathuri & Pals (2013) in their book in which they found out that business growth can be hindered by access to finance leading to economic factors difficulties.

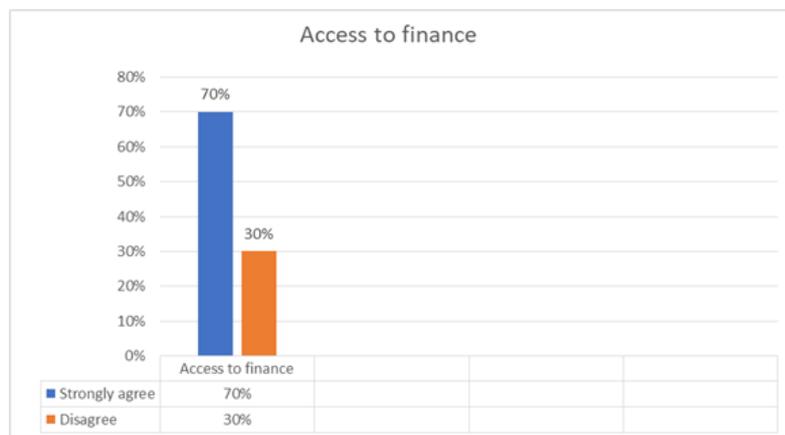


Figure 4.13 Access to Finance.

4.4.3 To examine the correlation between the role of social and economic factors on business growth

4.4.3.1 Stable employment

As presented in figure 4.14, 90% of the respondents agreed and 10% disagreed. This finding signified that the majority of the respondents agreed that stable employment signifies a correlation between social and economic factors.

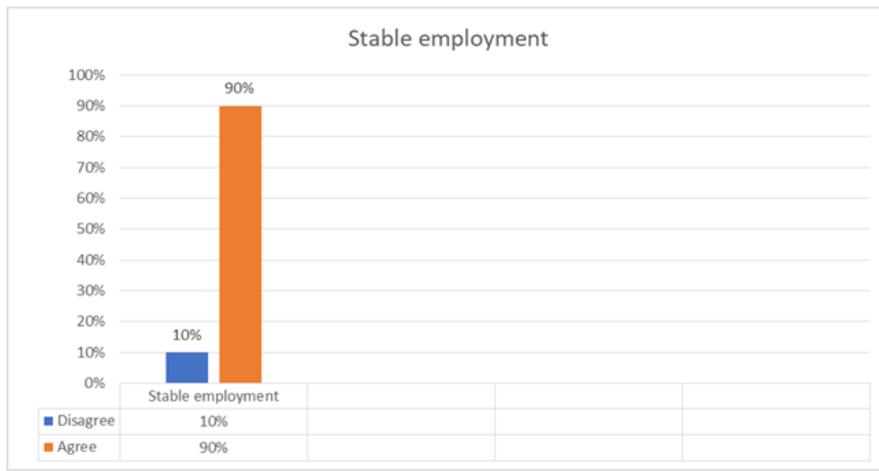


Figure 4.14 Stable employment.

4.4.3.2 Sufficient managerial and entrepreneurial skills

As presented in figure 4.15, 85 % of the respondents agreed and 15% disagreed. This finding signified that sometimes both managerial and entrepreneurial skills embed the relationship between both social and economic factors in business.



Figure 4.15 Managerial and Entrepreneurial skills

4.4.3.3 Formalization of small-scale businesses

As presented in figure 4.16, 80% of the respondents agreed and 20% disagreed. This signified that formalization of small-scale business has an effect on business performance.

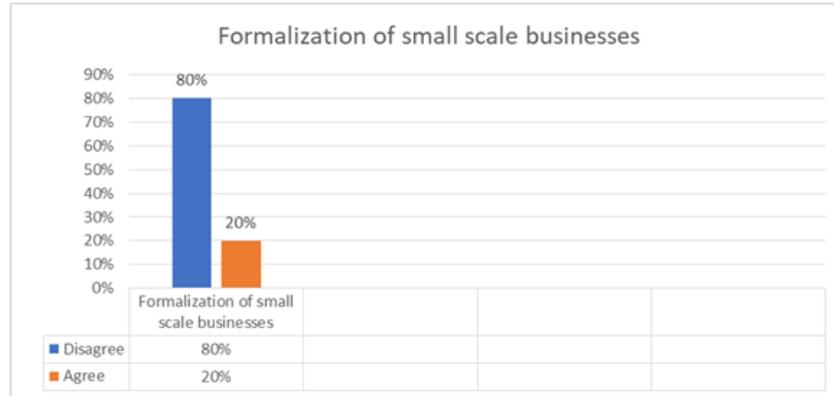


Figure 4.16 Formalization of small-scale businesses.

4.4.3.4 High incomes associated with better social outcomes

As presented in figure 4.17, 75% of the respondents agreed and 25% disagreed. This signified that the majority agreed that higher incomes and wealth are often associated with better social outcomes.

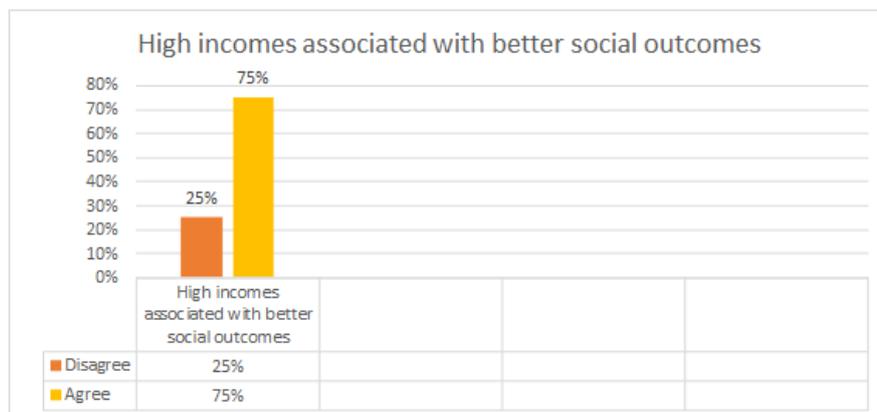


Figure 4.17 High incomes associated with better social outcomes

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the key findings from the study, conclusions on the findings and recommendations. The study focused on the assessing the impact of socioeconomic factors on the growth of small-scale businesses at Woven Rice Farming in Karonga. This chapter gave a conclusion and recommendations given by the researcher.

5.2 Summary of the research finding

From the given study the researcher found out that all the respondents agreed that they were well versed with the effects of socio-economic factors hence these would mitigate the rise of business challenges at Woven rice farming. In addition, that there was a significance of managerial and entrepreneurial at Woven rice farming thereby enhancing innovation and creativity. For better understanding respondents thought it wise to linking social and economic factors through effective business environment correlation as the way to go and improve business performance. However, the respondents commended the efforts made by Woven Rice farming in trying to mitigate gender disparities through different measuring and monitoring mechanisms in order to improve the gender system in the business environment. However, different businesses should aid in achieving business to business engagement at Woven rice farming by taking note of the effects of socio-economic factors. The participants agreed that there was a relationship between social and economic factors.

5.3 Conclusion of the study

Based on the results of the study on analyzing the impact of socio-economic factors on the growth of small-scale businesses. The study concluded that socio-economic factors have a significant relationship with Woven rice farmer`s engagement and performance and should further be correlated with goals and objectives of the organization. In addition, controlled socio-economic factors by the government are an incentive to farmers through business satisfaction, innovation and creativity coupled with employee engagement. As the cooperative develops farmers should also grow through the trainings. Management is a strategic component which aids efficiency and effectiveness of the cooperative. Therefore, effective management creates team spirit and improves team work and consequently mitigates socio-economic factors.

Recommendations of the study

The following recommendations were made:

- Government support and policies: the government should increase focus on bridging the digital divide and leveraging Fintech for SME finance. Policies should aim at building resilience for SMEs to adapt market changes. In essence government should create frameworks and provide direct assistance to help SMEs overcome socio-economic challenges. The government and SMEs should always engage in honest, open communication, the government through different stakeholders should create an open line of

communication with SMEs. Honesty and transparency should serve as an example to addressing the challenges faces by SMEs.

- Innovation and technology: this will boost efficiency and for SMEs to compete globally and adapt to market changes by leveraging digital tools. Technology enables new service models, faster development and creation of novel solutions through digital transformation and innovation. Digital tools improve information flow, allowing SMEs to sense trends, adapt quickly and build competitive advantages for long term survival.
- Entrepreneurial orientation: positively impacts business performance by fostering innovation, proactiveness and risk taking, leading to increased sales growth and competitive advantage. It helps firms spot opportunities Leading a group of people requires a mutual sense of trust and understanding between the leader and team members. Therefore, to achieve these managers should learn to connect.
- Financial literacy: it is crucial for survival and growth involving skills like budgeting, forecasting, cash flow and risk management but many owners lack these leading to poor decisions, resource inefficiency and higher failure rates.

CONCLUSION

The study assessed the impact of socio-economic factors SMEs growth. However, the results of the study could be generalized to Woven rice farming due to the nature of business. However, it is suggested that further research be undertaken to examine the effectiveness of embedding all the macro-economic factors. This may provide new insights on the possible factors that could influence business performance. The researcher was of the view that another study be undertaken to investigate the relationship between macro-economic factors and entrepreneurial mindset.

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