

Title

**ASSESSING THE SUSTAINABILITY OF FINCA's MICROFINANCE SUPPORT TO 265
ENERGIES: A SMALL-SCALE ENTERPRISE IN LILONGWE**

Author

STANDFORD THOLE

Co-Author

MISS YEWO MBEYA



Issued January 2026 Certificate

AR2026G08DN2



ABSTRACT

Youth unemployment remains one of the most persistent socio-economic challenges facing Malawi and many developing countries. Despite the expansion of formal education, a large proportion of young people continue to experience limited access to decent employment and sustainable livelihoods. Vocational and Technical Education (VTE) has increasingly been recognized as a strategic intervention for addressing youth unemployment by equipping young people with practical, market-relevant skills. This study assessed the impact of vocational and technical education on youth economic empowerment in Malawi, using Don Bosco Technical College in Lilongwe as a case study. The study adopted a qualitative case study design, targeting graduates, instructors, and institutional stakeholders. Data were collected through semi-structured interviews and analyzed thematically. Findings reveal that VTE at Don Bosco Technical College significantly contributes to youth economic empowerment through improved employability, increased self-employment opportunities, income generation, and enhanced self-reliance. However, challenges such as limited access to start-up capital, market saturation, inadequate business skills, and persistent gender-based barriers constrain the sustainability of these outcomes. The study concludes that while VTE is an effective pathway for youth economic empowerment, its impact can be strengthened through integrated support systems that combine skills training with entrepreneurship development, financial inclusion, and strong industry linkages. Policy recommendations are provided to enhance the effectiveness of vocational education in Malawi.

Keywords: Vocational and Technical Education; Youth Economic Empowerment; Employability; Self-Employment; Skills Development; Malawi

INTRODUCTION

Youth unemployment is a critical development challenge affecting many developing countries, including Malawi. With over 60 percent of the population classified as youth, Malawi faces increasing pressure to create productive employment opportunities for its young population. Despite rising levels of educational attainment, many young people remain unemployed or underemployed due to a mismatch between formal education and labor market demands.

Traditional academic education systems have been criticized for emphasizing theoretical knowledge at the expense of practical and technical skills. Consequently, graduates often lack competencies required for employment or entrepreneurship. Vocational and Technical Education (VTE) has emerged as an alternative pathway aimed at bridging this skills gap by providing hands-on training aligned with labor market needs.

In Malawi, the government and development partners have promoted VTE through institutions regulated by the Technical, Entrepreneurial and Vocational Education and Training Authority (TEVETA). Among these institutions, Don Bosco Technical College in Lilongwe plays a critical role in training youth from disadvantaged backgrounds. Despite its prominence, empirical evidence on the actual economic outcomes of its training programs remains limited. This study therefore assessed the impact of VTE on youth economic empowerment, focusing on Don Bosco Technical College.

BACKGROUND OF THE STUDY

Malawi's labor market is characterized by high youth unemployment, underemployment, and informality. According to the National Statistical Office, many young people are engaged in low-productivity informal activities with limited income security. Structural factors such as slow industrial growth, limited private sector expansion, and skills mismatches exacerbate this challenge.

Vocational and Technical Education has been identified as a key mechanism for enhancing employability and promoting entrepreneurship. VTE programs focus on practical competencies in areas such as carpentry, tailoring, electrical installation, plumbing, automotive mechanics, and information technology. These skills are particularly relevant in urban and peri-urban economies like Lilongwe.

Don Bosco Technical College operates within this context, providing vocational training combined with life skills, discipline, and ethical values. The institution targets marginalized youth, including school dropouts and those from low-income households. While anecdotal evidence suggests positive outcomes, systematic assessment of its contribution to youth economic empowerment is necessary to inform policy and practice.

Problem Statement

Despite various government and donor-led initiatives, youth unemployment continues to be a critical socio-economic issue in Malawi. Many young people, particularly those from low-income backgrounds, find it difficult to secure meaningful employment or initiate viable entrepreneurial ventures. The root of this problem lies partly in the disconnect between the academic

education system and the skills demanded by the labor market.

Vocational and Technical Education has emerged as a promising intervention aimed at bridging this skills gap. Don Bosco Technical College in Lilongwe is one such institution committed to empowering youth through practical, hands-on training. However, despite the college's efforts, many graduates still struggle with unemployment or underemployment. Common challenges include limited access to capital, weak business networks, outdated tools and infrastructure, and gender-based inequalities in access and outcomes.

Furthermore, there is a lack of empirical research focusing specifically on the impact of Don Bosco's programs. Without such localized and institution-specific data, stakeholders cannot fully understand how effective these interventions are or identify areas for improvement. This study addressed that gap by evaluating how Don Bosco's vocational training programs contribute to youth economic empowerment in Lilongwe District.

Research Objectives
Main Objective
 To assess the impact of vocational and technical education at Don Bosco Technical College on youth economic empowerment in Malawi.

Specific Objectives

To examine how accessibility of VTE programs influences youth participation in economic empowerment pathways.

To evaluate the relevance of VTE skills in preparing graduates for employment and entrepreneurship.

To analyze the contribution of VTE to employment, self-employment, and

income generation among graduates. To identify challenges limiting effective utilization of VTE skills for sustained economic empowerment.

Research Questions

How does accessibility of VTE programs at Don Bosco Technical College influence youth participation in economic empowerment? How relevant are the skills acquired through VTE in meeting labor market and entrepreneurial demands? What economic outcomes result from participation in VTE programs?

What challenges limit the long-term economic empowerment of VTE graduates?

Literature Review

Vocational and Technical Education refers to structured education and training programs designed to equip learners with practical skills, occupational competencies, and technical knowledge required for specific trades and professions (UNESCO, 2018). Unlike general academic education, VTE emphasizes hands-on learning, workplace exposure, and competency-based training. The International Labour Organization (ILO, 2010) defines VTE as a critical mechanism for preparing individuals for productive employment, self-reliance, and lifelong learning.

In developing countries, VTE is increasingly viewed as a strategic tool for addressing youth unemployment and poverty. UNESCO-UNEVOC (2019) argues that well-designed VTE systems contribute to inclusive economic growth by equipping youth with skills aligned to labor market needs. In Malawi, VTE is regulated by the Technical,

Entrepreneurial and Vocational Education and Training Authority (TEVETA), which oversees curriculum development, accreditation, and quality assurance across public and private training institutions.

Youth economic empowerment refers to the process through which young people gain access to employment opportunities, income-generating activities, productive resources, and the capacity to make independent economic decisions (Narayan-Parker, 2002). It encompasses employment, entrepreneurship, income stability, financial autonomy, and improved livelihoods. According to the World Bank (2020), youth economic empowerment is a key driver of poverty reduction, social inclusion, and sustainable development.

In the Malawian context, youth economic empowerment is closely linked to skills development and employability. The National Youth Policy (2013) emphasizes vocational training as a key pathway for empowering young people, particularly those excluded from formal education systems. However, economic empowerment is not only about skills acquisition but also about the ability to translate those skills into sustainable livelihoods.

Employability refers to an individual's ability to obtain and maintain employment, including the capacity to adapt to changing labor market conditions (OECD, 2010). Skills development plays a central role in enhancing employability by providing both technical and soft skills such as communication, problem-solving, and entrepreneurship. McGrath (2012) emphasizes that skills development systems must be responsive to labor market demands to achieve meaningful employment outcomes.

In Malawi, employability challenges persist due to skills mismatches, limited industrial growth, and weak school-to-work transition mechanisms (Chakapa, 2022). VTE is therefore positioned as a critical intervention for enhancing employability among youth, particularly in the informal and small-scale enterprise sectors.

Accessibility of VTE programs is a major determinant of youth participation and inclusion. Empirical studies indicate that financial costs, entry requirements, geographical location, and social perceptions significantly influence access to vocational training. In Malawi, TEVETA (2020) reports that many youth from rural and low-income households face barriers to accessing VTE due to tuition fees, accommodation costs, and limited training centers.

Mzumara and Banda (2021) found that vocational institutions located in urban areas are more accessible to urban youth than rural youth, leading to spatial inequalities in skills development. Gender disparities further affect access, as socio-cultural norms discourage female participation in technical trades such as carpentry, electrical installation, and welding (Phiri, 2022).

Internationally, similar challenges have been observed. Mehrotra et al. (2014) note that youth from disadvantaged backgrounds often lack access to vocational training due to financial and institutional barriers. These findings highlight the importance of inclusive admission policies, fee subsidies, and decentralized training

The relevance of skills acquired through VTE is critical to employment and economic empowerment

outcomes. Studies in Malawi reveal that while vocational training provides practical skills, curricula are sometimes outdated and insufficiently aligned with emerging market demands (African Development Bank, 2019). Chakapa (2022) argues that many VTE programs emphasize traditional trades without adequately integrating entrepreneurship, digital skills, and innovation.

Kalua and Nyirenda (2023) found that graduates from technical colleges in Lilongwe were more likely to engage in self-employment, but many lacked business management skills necessary for sustainability. Similar findings have been reported in other developing countries, where weak industry linkages limit the relevance of vocational training (ILO, 2020; OECD, 2021).

In contrast, countries with strong apprenticeship and dual training systems demonstrate higher employment outcomes among VTE graduates. These systems emphasize close collaboration between training institutions and employers, ensuring that skills taught reflect real workplace demands.

Empirical evidence consistently shows that VTE contributes positively to youth employment and income generation. In Malawi, vocational training graduates are more likely to engage in self-employment and informal sector activities compared to those with general education (NSO, 2019). Kalua and Nyirenda (2023) report that vocational graduates in Lilongwe District experienced improved income stability and increased economic independence.

International studies also confirm the role of VTE in facilitating school-to-work transitions and supporting entrepreneurship (World Bank,

2020). VTE enhances productivity, reduces unemployment, and supports small and medium enterprises, particularly in urban and peri-urban economies.

Despite positive outcomes, several challenges limit the effective utilization of vocational skills. Limited access to start-up capital is consistently identified as a major barrier preventing graduates from establishing or expanding businesses (TEVETA, 2022). Lack of tools, market competition, and weak post-training support further constrain economic empowerment.

Gender-specific challenges also persist, with female graduates facing discrimination, limited access to finance, and restricted market participation (Phiri & Chirwa, 2023). These challenges underscore the need for integrated approaches that combine skills training with financial inclusion, mentorship, and policy support.

Theoretical Framework

This study is guided by a combination of Human Capital Theory, Skills Development Theory, and the Capability Approach, which together provide a comprehensive lens for understanding the role of vocational and technical education in youth economic empowerment.

Human Capital Theory

Human Capital Theory, advanced by scholars such as Becker (1964), posits that investment in education and training enhances individuals' productivity, employability, and earning potential. Within the context of VTE, the theory suggests that vocational skills acquisition increases youth capacity to

participate effectively in the labor market and engage in productive economic activities. The theory underpins the argument that VTE serves as a strategic investment that contributes to individual income growth, organizational productivity, and national economic development.

In this study, Human Capital Theory explains how VTE programs at Don Bosco Technical College enhance youth employability by equipping learners with practical and marketable skills that increase their economic value.

Skills Development Theory

Skills Development Theory emphasizes the role of structured training systems in preparing individuals for productive employment and entrepreneurship. The theory highlights the importance of aligning training content with labor market demands, technological change, and economic development priorities. (McGrath, 2012, ILO, 2010).

According to this perspective, effective VTE systems require strong linkages between training institutions, industry, and policy frameworks.

This theory is relevant to the study as it explains how the relevance, quality, and responsiveness of VTE programs influence youth economic outcomes. It also underscores the importance of curriculum relevance, instructor competence, and practical training in determining the effectiveness of vocational education.

Capability Approach

The Capability Approach, developed by Amartya Sen (1999), focuses on expanding individuals' freedoms and

opportunities to achieve valued ways of living. In the context of VTE, the approach views vocational training not merely as skill acquisition but as a means of enhancing youth capabilities to choose meaningful employment, generate income, and participate fully in economic and social life.

This framework is particularly relevant for understanding the empowerment dimension of VTE, especially for marginalized youth. It highlights how access to training, supportive institutions, and enabling environments influence the extent to which youth can convert skills into real economic opportunities.

Research Methodology
Research Design

A qualitative case study design was adopted.

Study Area

Don Bosco Technical College, Lilongwe District.

Study Population

Youth graduates, instructors, and institutional stakeholders.

Sampling Techniques

Purposive and snowball sampling methods were used.

Data Collection
Semi-structured interviews were conducted.

Data Analysis

Thematic analysis was applied to identify recurring patterns and themes.

Ethical Considerations

Informed consent, confidentiality, and voluntary participation were ensured.

Results and Discussion
Response Rate

A 100% response rate was achieved among targeted participants.

Demographic Characteristics

Respondents included both male and female participants aged 18–50, ensuring diverse perspectives.

Accessibility of VTE Programs

Affordable fees and flexible entry requirements enhanced access, though rural students faced accommodation challenges.

Relevance of Skills Training

Training was largely aligned with labor market needs, particularly in the informal sector, though gaps in entrepreneurship and digital skills were noted.

Economic Empowerment Outcomes

Graduates reported improved employment prospects, increased self-employment, income generation, and confidence.

Challenges

Limited access to start-up capital, market competition, and gender-based barriers constrained sustainability.

Summary, Conclusions and Recommendations
Summary of research findings
The study established that vocational and technical education at Don Bosco Technical College plays a significant role in promoting youth economic empowerment in Area 23,

Lilongwe. Findings revealed that accessibility to VTE programs particularly in terms of affordable fees, supportive entry requirements, institutional reputation, and geographic location positively influences youth participation, including young people from vulnerable and marginalized backgrounds. These findings are consistent with literature reviewed in Chapter Two, which emphasizes accessibility as a critical determinant of youth participation in vocational training.

The study further revealed that the vocational and technical skills offered at Don Bosco Technical College are largely relevant to the demands of the Lilongwe labor market. Graduates reported acquiring practical skills in trades such as electrical installation, tailoring, carpentry, welding, automotive mechanics, and information and communication technology. The strong emphasis on hands-on training enhanced graduates' confidence, competence, and readiness for both wage employment and self-employment. However, some respondents indicated a need for continuous curriculum updates, modern equipment, and greater integration of entrepreneurship and digital skills to keep pace with changing market demands, as highlighted in Chapter Two.

With regard to economic empowerment outcomes, the findings demonstrated that Don Bosco's VTE programs contribute directly to employment creation, self-employment, and income generation among youth. Many graduates reported improved livelihoods, increased income stability, and enhanced self-reliance following completion of their training. These outcomes align with Human Capital Theory, which views skills development as an investment that increases productivity and earning potential,

as well as Empowerment Theory, which emphasizes self-efficacy, autonomy, and agency.

Despite these positive outcomes, the study identified several post-graduation challenges that limit the full utilization of acquired skills. Key challenges included limited access to start-up capital, lack of tools and equipment, difficulty accessing markets, and insufficient post-training support such as mentorship and job placement services. Social and economic factors, including market saturation and gender-related barriers, further constrained graduates' ability to translate skills into sustained economic empowerment.

Conclusion

The study concludes that vocational and technical education at Don Bosco Technical College is a critical pathway for youth economic empowerment in Area 23, Lilongwe. Through the provision of relevant, practical, and market-oriented skills, the institution enhances employability, promotes entrepreneurship, and improves income-generating capacity among graduates. The findings confirm that accessible and relevant VTE programs contribute not only to economic outcomes but also to increased confidence, independence, and social inclusion among youth.

However, the study also concludes that the impact of VTE is constrained by structural and systemic challenges, particularly limited access to finance, inadequate tools and equipment, weak industry linkages, and insufficient post-training support mechanisms. Addressing these challenges is essential if VTE is to achieve its full potential as a sustainable

strategy for youth economic empowerment in Malawi

Recommendations of the research study

Based on the findings of the study, the following recommendations are proposed:

Strengthening Institutional and Industry Partnerships

Don Bosco Technical College should strengthen collaboration with industry players, government institutions, TEVETA, non-governmental organizations, and the private sector. Such partnerships would enhance curriculum relevance, expand apprenticeship and internship opportunities, and improve job placement for graduates.

Improving Access to Start-Up Capital and Business Support

There is a need for targeted financial support mechanisms for VTE graduates, including youth-friendly loans, grants, and revolving funds. Linking graduates to microfinance institutions and entrepreneurship support programs would help address financial barriers to business start-up and expansion.

Enhancing Training Quality and Curriculum Relevance

Regular curriculum review should be undertaken to ensure alignment with labor market needs. Greater emphasis should be placed on entrepreneurship, digital literacy, innovation, and customer service. Investment in modern training equipment and learning resources is also necessary to maintain training quality.

Strengthening Post-Training Support Systems
Don Bosco should establish

structured post-training support systems, including mentorship programs, business incubation services, career guidance, and alumni networks. These initiatives would enhance graduates' ability to sustain employment and income-generating activities.

Promoting Gender and Social Inclusion
Targeted strategies should be implemented to encourage female participation and support marginalized youth. These may include scholarships, mentorship programs, gender-sensitive

Areas for further studies

Future research should focus on assessing the long-term economic outcomes of VTE graduates to determine the sustainability of employment and entrepreneurial activities. Further studies could also examine the effectiveness of post-training support mechanisms, such as mentorship and access to finance, in enhancing graduate success. Comparative studies across different vocational institutions in Malawi would provide broader insights into best practices for strengthening VTE systems. Additionally, research on gender-specific experiences and outcomes in vocational training would contribute to more inclusive policy development.

REFERENCES

1. African Development Bank. (2019). Jobs for youth in Africa: Strategy for creating 25 million jobs and equipping 50 million youth by 2025. AfDB.
2. Alkire, S. (2002). Valuing freedoms: Sen's capability approach and poverty reduction. Oxford University Press.

3. Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101. <https://doi.org/10.1191/1478088706qp063oa>
4. Becker, G. S. (1964). *Human capital: A theoretical and empirical analysis, with special reference to education*. University of Chicago Press
5. Chakapa, J. (2022). Skills mismatch and youth unemployment in Malawi. *Journal of African Development Studies*, 14(2), 45–60.
6. Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). SAGE Publications.
7. Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough? *Field Methods*, 18(1), 59–82. <https://doi.org/10.1177/1525822X05279903>
8. International Labour Organization. (2010). *A skilled workforce for strong, sustainable and balanced growth*. ILO.
9. International Labour Organization. (2020). *Global employment trends for youth*. ILO.
10. Kalua, B., & Nyirenda, L. (2023). Technical education and youth self-employment in Lilongwe District. *Malawi Journal of Social Development*, 8(1), 22–38.
11. McGrath, S. (2012). Vocational education and training for development: A policy in need of a theory? *International Journal of Educational Development*, 32(5), 623–631. <https://doi.org/10.1016/j.ijedudev.2011.12.00>