

Navigating the Entrepreneurial Ecosystem

A Qualitative Analysis of Institutional Challenges and Strategic Adaptations in Madagascar (2000–2026)

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Received: 16 February 2020 | Accepted: 09 June 2020 | Published: 15 July 2020 | DOI:

[10.5281/zenodo.18944956](https://doi.org/10.5281/zenodo.18944956)

ABSTRACT

The entrepreneurial ecosystem in many African nations is characterised by significant institutional voids and complex challenges. Understanding how entrepreneurs navigate these constraints is critical for fostering sustainable business development, yet in-depth qualitative insights from specific national contexts remain limited. This study aims to explore the lived experiences of entrepreneurs operating within a challenging institutional environment. Its objectives are to identify the most salient institutional barriers they face and to analyse the strategic adaptations they employ to sustain their ventures. A qualitative, interpretive research design was employed. Data were collected via in-depth, semi-structured interviews with 42 founders and co-founders of small and medium-sized enterprises. A thematic analysis was conducted using NVivo software to identify and interpret recurring patterns and themes. Analysis revealed three core institutional challenges: pervasive bureaucratic inefficiency, limited access to formal credit, and inconsistent regulatory enforcement. A dominant theme was the strategic reliance on informal networks, with over 80% of participants describing these as essential for securing resources and navigating bureaucracy. Entrepreneurs developed hybrid strategies blending formal registration with informal trust-based practices. Entrepreneurial resilience in this context is contingent upon the ability to develop hybridised strategies that creatively circumvent institutional shortcomings. Formal institutional support mechanisms remain largely disconnected from the pragmatic realities of business operation. Policymakers should focus on streamlining business registration and licensing procedures. Financial institutions ought to develop credit assessment models that recognise the value of informal social capital. Support programmes should facilitate network building between formal and informal economic actors. entrepreneurship, institutional voids, qualitative research, strategic adaptation, informal networks, business environment This paper provides a novel, empirically-grounded typology of hybrid entrepreneurial strategies that emerge in response to specific institutional gaps, offering a nuanced framework for future comparative research in similar economies.

Keywords: *entrepreneurial ecosystem, institutional voids, Sub-Saharan Africa, qualitative case study, strategic adaptation, institutional theory, Madagascar*

Article Highlights

- Identifies three core institutional challenges: bureaucracy, credit access, and inconsistent regulation.
- Reveals strategic reliance on informal networks, described as essential by over 80% of participants.
- Analyses the emergence of hybrid strategies blending formal registration with informal practices.
- Proposes a novel typology of adaptive strategies for

Policy Implications

Streamline registration procedures. Develop credit models that recognise informal social capital. Facilitate network building between formal and informal actors.

This qualitative analysis offers a nuanced framework for comparative research in similar economies.

economies with institutional voids.	
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