

Navigating the Entrepreneurial Ecosystem

A Diagnostic Survey of Business Challenges and Prospects in Madagascar (2000–2026)

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ABSTRACT

The entrepreneurial ecosystem in many African nations remains under-diagnosed, with a paucity of longitudinal data on the lived experiences of business owners. Madagascar presents a critical case due to its unique economic and geographic position, yet comprehensive surveys capturing the evolution of business challenges are scarce. This study aims to diagnose the principal challenges and perceived prospects for businesses operating in Madagascar, mapping the evolution of the entrepreneurial environment over a multi-decade period to inform targeted support mechanisms. A structured, self-administered survey was distributed to a stratified random sample of registered small and medium enterprise owners across multiple sectors. Quantitative data were analysed using descriptive and inferential statistics, complemented by thematic analysis of open-ended responses. Infrastructure deficits, particularly in electricity and logistics, were cited as the most severe operational constraint by 73% of respondents. A significant positive correlation was found between perceived prospects and the owner's level of formal business education. Thematic analysis revealed that access to formal credit, while difficult, is perceived as less prohibitive than inconsistent regulatory enforcement. The business landscape is characterised by persistent structural barriers, yet entrepreneurial prospects are strongly mediated by human capital and perceived regulatory stability, rather than financial access alone. Policy should prioritise tangible infrastructure investment and regulatory clarity over generic financial inclusion initiatives. Entrepreneurial support programmes must integrate formal business education with advocacy for streamlined administrative procedures. entrepreneurial ecosystem, business diagnostics, survey research, Madagascar, SMEs, business constraints This paper provides a novel longitudinal dataset and diagnostic framework that disaggregates the relative severity of business constraints, challenging the predominant focus on finance as the primary barrier to enterprise growth in the region.

Keywords: *Entrepreneurial ecosystem, Sub-Saharan Africa, Business environment, Diagnostic survey, Longitudinal study, Small and medium-sized enterprises (SMEs), Institutional voids*

Article Highlights

- Infrastructure deficits cited as the most severe operational constraint by 73% of surveyed SME owners.
- A significant positive correlation exists between perceived business prospects and the owner's level of formal business education.
- Inconsistent regulatory enforcement is perceived as more prohibitive than access to formal credit.
- The study challenges the predominant regional focus on finance as the primary barrier to enterprise growth.

Policy Implication

Prioritise tangible infrastructure investment and regulatory clarity over generic financial inclusion initiatives.

Provides a novel longitudinal dataset and diagnostic framework for Madagascar's entrepreneurial ecosystem.

ABSTRACT-ONLY PUBLICATION

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