

Navigating Institutional Voids and Entrepreneurial Agency

A Qualitative Exploration of Business Prospects in Egypt (2000–2026)

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ABSTRACT

In emerging economies, institutional voids present significant challenges for enterprise development. The interplay between these structural constraints and entrepreneurial agency in shaping long-term business prospects remains underexplored, particularly in North African contexts. This study aims to elucidate how entrepreneurs perceive and navigate institutional voids, and to analyse the strategies they employ to leverage agency for business creation and growth over an extended period. A qualitative, longitudinal design was employed, utilising in-depth, semi-structured interviews with 42 founders and senior executives of small and medium-sized enterprises. Data were analysed using a reflexive thematic approach to identify patterns of strategic action and perception. A dominant theme was the strategic circumvention of formal financial institutions, with approximately two-thirds of participants relying on informal trust-based networks for seed capital. Entrepreneurs exhibited a nuanced form of agency, often proactively shaping informal institutions to compensate for state-level voids. Entrepreneurial agency is not merely reactive but constitutes a formative force that can reconfigure the institutional landscape in settings characterised by systemic gaps. Business prospects are thus co-created through this dynamic interaction. Policymakers should focus on recognising and formalising effective informal entrepreneurial practices. Support programmes should be designed to bolster the identified trust-based networks rather than seeking to replace them prematurely with formal structures. institutional voids, entrepreneurial agency, qualitative research, business prospects, emerging economies This paper provides a novel longitudinal analysis of the co-evolution of entrepreneurial strategy and informal institutional frameworks, offering a dynamic model of institutional work in a North African context.

Keywords: *Institutional voids, Entrepreneurial agency, Emerging economies, Sub-Saharan Africa, Qualitative case study, Business environment, Egypt*

Article Highlights

- Two-thirds of entrepreneurs relied on informal, trust-based networks for seed capital.
- Entrepreneurs proactively shaped informal institutions to compensate for state-level voids.
- Business prospects are co-created through the dynamic interaction of agency and structure.
- Findings advocate for formalising effective informal practices over premature replacement.

Policy Implication

Support programmes should be designed to bolster identified trust-based networks rather than seeking to replace them prematurely with formal structures.

A longitudinal qualitative study of 42 founders and executives in Egypt.

ABSTRACT-ONLY PUBLICATION

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