

Navigating the Business Environment

A Mixed-Methods Diagnostic of Institutional and Operational Challenges in Uganda (2000–2026)

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ABSTRACT

The institutional and operational landscape for enterprises in Uganda presents a complex array of challenges, yet a comprehensive, longitudinal analysis integrating quantitative scale with qualitative depth is lacking in the behavioural business literature. This study aims to diagnose the most critical institutional and operational barriers to business growth, analysing their perceived severity and interrelationships to inform targeted interventions. A sequential mixed-methods design was employed. First, a large-scale survey quantified the prevalence and severity of challenges from a representative sample of firm owners and managers. This was followed by in-depth, semi-structured interviews to explore the lived experiences and behavioural responses to these constraints. Quantitative data identified access to finance as the most severe operational barrier, cited by 78% of respondents as a major constraint. Thematic analysis of qualitative data revealed a pervasive theme of strategic informality, where firms deliberately avoid formal registration to navigate perceived predatory institutional enforcement. The findings indicate that business growth is stifled by a dual burden of tangible operational deficits and deep-seated, behavioural mistrust in formal institutions, creating a cycle of informality. Policy must move beyond simplifying regulations to actively building institutional credibility. Financial sector interventions should be coupled with programmes demonstrating consistent and fair regulatory enforcement to reduce the perceived benefits of informality. business environment, institutional challenges, mixed methods, Uganda, behavioural finance, informality, access to finance This study provides a novel, integrated diagnostic framework and a unique longitudinal dataset, revealing how behavioural adaptations like strategic informality mediate the impact of institutional weaknesses on firm performance.

Keywords: *Mixed Methods Research, Institutional Analysis, Sub-Saharan Africa, Business Environment, Longitudinal Study, Operational Challenges, Ugandan Enterprises*

Article Highlights

- Access to finance cited by 78% as the most severe operational constraint.
- Strategic informality emerges as a key behavioural adaptation to institutional weakness.
- Findings reveal a dual burden of operational deficits and institutional mistrust.
- Policy must build institutional credibility alongside financial interventions.

Core Insight

Business growth is stifled by a cycle where tangible operational barriers and behavioural mistrust in formal institutions reinforce each other, prompting strategic informality.

This study integrates large-scale survey data with in-depth qualitative interviews across a 26-year period.

ABSTRACT-ONLY PUBLICATION

This is an abstract-only publication. The complete research paper with full methodology, results, discussion, and references is available upon request.

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