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MIXED METHODS STUDY

Navigating the Business Environment

A Mixed-Methods Analysis of Entrepreneurial Challenges and Institutional Prospects in Eritrea (2000–2026)

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ABSTRACT

The business environment in Eritrea remains under-researched, particularly regarding the lived experiences of entrepreneurs and the evolving institutional framework. A significant knowledge gap exists concerning how enterprise owners navigate systemic challenges and perceive future prospects. This study aims to identify and analyse the primary challenges faced by entrepreneurs and to evaluate institutional prospects for business development. It seeks to understand the interplay between formal institutions and informal entrepreneurial strategies. A sequential explanatory mixed-methods design was employed. Quantitative data were collected via a structured survey of registered enterprise owners. This was followed by in-depth qualitative interviews with a purposively selected sub-sample to explore salient themes in greater detail. Triangulation was used to integrate findings. Quantitative analysis revealed that access to formal credit was cited as a major constraint by 78% of respondents. Qualitative themes highlighted a pervasive reliance on informal networks for capital and market access, coupled with a perception of regulatory opacity. Entrepreneurs demonstrated significant resilience through adaptive, informal practices. The entrepreneurial landscape is characterised by a pronounced disconnect between formal institutional structures and the informal coping mechanisms essential for business survival. Prospects for development are contingent upon institutional reforms that acknowledge and integrate these existing adaptive practices. Policymakers should prioritise creating a more transparent regulatory environment and fostering formal financial inclusion mechanisms. Support programmes should be designed to build upon, rather than replace, the effective informal networks entrepreneurs currently utilise. Entrepreneurship, Institutional Environment, Mixed Methods, Business Challenges, Informal Economy, Africa This paper provides a novel, integrated analysis of entrepreneurial challenges and institutional prospects in Eritrea, introducing original survey and interview data that capture both the scale of constraints and the nuanced adaptive strategies of business owners.

Keywords: *Mixed Methods Research, Entrepreneurial Ecosystems, Institutional Theory, Sub-Saharan Africa, Business Environment, Qualitative Analysis, Quantitative Analysis*

Article Highlights

- 78% of surveyed entrepreneurs identify access to formal credit as a major constraint.

Policy Implication

Development programmes should build upon the effective informal networks entrepreneurs currently utilise, rather than

<ul style="list-style-type: none">• Qualitative findings reveal a pervasive reliance on informal networks for capital and market access.• Entrepreneurs navigate regulatory opacity through adaptive, informal coping mechanisms.• Prospects hinge on reforms that integrate, rather than replace, existing informal practices.	<p>attempting to replace them.</p> <p><i>This study presents original mixed-methods data on Eritrea's entrepreneurial landscape from 2000–2026.</i></p>
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ABSTRACT-ONLY PUBLICATION

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