

Navigating Institutional Voids

An Ethnographic Analysis of Entrepreneurial Agency and Market Formation in Senegal (2000–2026)

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ABSTRACT

Entrepreneurship in sub-Saharan Africa often operates within significant institutional voids, where formal market-supporting institutions are weak or absent. The literature lacks deep, longitudinal accounts of how such conditions are navigated and how markets are consequently shaped from the ground up. This study aims to elucidate the mechanisms of entrepreneurial agency used to overcome institutional voids and to theorise the endogenous process of market formation in a West African context. A 26-month immersive ethnography was conducted, combining participant observation with in-depth interviews. The research engaged with 42 entrepreneurs and stakeholders across Dakar and secondary cities, documenting daily practices and strategic adaptations. Entrepreneurs primarily enact three forms of agency: institutional bridging, normative arbitrage, and infrastructural bricolage. A dominant theme was the creation of substitutive governance through kinship and religious networks, which facilitated over 70% of observed credit arrangements. This grassroots institutional work directly moulded the emergent market's structure and norms. Market formation in this context is a socially embedded, agent-driven process wherein entrepreneurs do not merely respond to voids but actively construct substitutive institutional frameworks, fundamentally shaping the market's character and trajectory. Policymakers and development finance institutions should design interventions that recognise and bolster existing endogenous substitutive systems rather than imposing external formal frameworks. Support should target enhancing the scalability and resilience of these grassroots institutional solutions. institutional voids, entrepreneurial agency, market formation, ethnography, substitutive institutions, Senegal This paper provides a novel, empirically grounded theoretical model of market formation as an agent-driven process of endogenous institutional construction, challenging the deficit perspective often applied to contexts with weak formal institutions.

Keywords: *Ethnography, Institutional Voids, Entrepreneurial Agency, Sub-Saharan Africa, Market Formation*

Article Highlights

- Identifies three core forms of entrepreneurial agency: bridging, arbitrage, and bricolage.
- Documents how substitutive governance networks facilitated over 70% of observed credit.
- Theorizes market formation as a socially embedded, agent-driven process of institutional construction.
- Challenges deficit perspectives on contexts with weak formal institutions.

Policy Implication

Interventions should recognise and bolster existing endogenous substitutive systems rather than imposing external formal frameworks.

A longitudinal ethnography based on 26 months of immersive fieldwork.

ABSTRACT-ONLY PUBLICATION

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