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QUALITATIVE STUDY

Navigating the Institutional Environment

A Qualitative Analysis of Liberian Enterprise Challenges and Growth Trajectories (2000–2026)

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ABSTRACT

The post-conflict institutional environment in Liberia presents a complex landscape for enterprise development, yet there is limited in-depth qualitative research on how firms navigate these systemic challenges to achieve growth. This study aims to identify and analyse the specific institutional barriers faced by Liberian enterprises and to understand the adaptive strategies they employ to pursue growth within this constrained environment. A qualitative, multi-case study design was employed, using purposive sampling to select 24 established small and medium-sized enterprises across Monrovia and three counties. Data were collected via semi-structured interviews with founders and senior managers, supplemented by documentary analysis, and thematically analysed using an abductive approach. Analysis identified a dominant theme of 'negotiated informality', where firms develop elaborate, extra-legal arrangements to circumvent bureaucratic and regulatory hurdles. A significant finding was that approximately two-thirds of participants described corruption not merely as a cost, but as a calculable risk to be managed within strategic planning. Enterprise growth is less a function of overcoming institutional voids and more a process of continuous, strategic negotiation with a fluid and often predatory institutional framework, which fundamentally shapes business models and trajectories. Policymakers should focus on creating predictable and transparent regulatory interfaces. Support programmes must move beyond generic capacity building to provide strategic guidance on institutional navigation and risk mitigation specific to the local context. institutional voids, qualitative case study, business environment, post-conflict economies, strategic negotiation, enterprise growth This paper provides a novel, empirically grounded framework of 'negotiated informality' that explains how firms strategically engage with, rather than passively suffer from, weak institutions, offering a new lens for behavioural finance in fragile states.

Keywords: *Post-conflict economies, Institutional voids, Qualitative case study, Enterprise development, Sub-Saharan Africa, Business environment, Growth trajectories*

Article Highlights

- Firms develop 'negotiated informality' to circumvent

Core Finding: Negotiated Informality

The study identifies a dominant theme where firms create

<p>bureaucratic hurdles.</p> <ul style="list-style-type: none">• Corruption is often viewed as a calculable risk to be managed strategically.• Growth trajectories are shaped by adaptive engagement with weak institutions.• Support programmes require context-specific guidance on institutional navigation.	<p>elaborate, extra-legal arrangements to operate within Liberia's constrained institutional environment.</p> <p><i>This analysis offers a novel framework for understanding firm behaviour in fragile states.</i></p>
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