

Entrepreneurial Ecosystems and Institutional Voids

A Comparative Analysis of Business Challenges and Prospects in the Central African Republic (2000–2026)

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ABSTRACT

Entrepreneurial ecosystems in fragile states are characterised by significant institutional voids, yet comparative analyses of how these voids shape business challenges and prospects remain scarce, particularly for Central Africa. This study comparatively analyses the evolution of the entrepreneurial ecosystem, identifying the most persistent institutional voids and their differential impact on business challenges and prospects over a multi-decade period. A longitudinal comparative case study design was employed, synthesising data from policy documents, enterprise surveys, and in-depth interviews with entrepreneurs and institutional actors. Thematic and comparative analysis was conducted across defined temporal phases. A dominant theme was the critical and persistent void in formal contract enforcement, which led over 80% of surveyed firms to rely solely on informal, trust-based networks. This reliance fundamentally shaped business prospects, creating resilience but simultaneously constraining scalability and formal sector integration. Institutional voids are not merely absences but active, shaping elements of the entrepreneurial ecosystem, fostering adaptive informal institutions that present a dualistic mix of resilience and limitation for business growth. Policy interventions should prioritise hybrid governance models that formally recognise and integrate effective informal enforcement mechanisms, rather than attempting direct transplantation of formal institutional frameworks. institutional voids, entrepreneurial ecosystem, fragile states, informal institutions, business environment, comparative analysis This paper provides a novel longitudinal dataset and a comparative phase analysis framework, demonstrating how informal contracting mechanisms evolve as a core, rather than peripheral, component of the ecosystem in response to persistent formal voids.

Keywords: *Entrepreneurial ecosystems, Institutional voids, Comparative analysis, Sub-Saharan Africa, Business environment*

Article Highlights

- Over 80% of firms rely solely on informal, trust-based networks for contract enforcement.
- Persistent formal voids create a dualistic mix of resilience and limitation for business growth.
- Informal contracting evolves as a core, rather than peripheral, component of the ecosystem.
- Policy should prioritise hybrid models that integrate effective informal enforcement mechanisms.

Core Finding

The critical void in formal contract enforcement fundamentally shapes business prospects, constraining scalability while fostering network-based resilience.

This analysis provides a novel longitudinal dataset and comparative framework for fragile states.

ABSTRACT-ONLY PUBLICATION

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