

COMMENTARY ON ARTICLE

Navigating the Investment Climate

A Commentary on Institutional Frameworks and Entrepreneurial Agency in The Gambia

Fatou Jallow^{1,2}|Lamin Sarr²

Mariama Ceesay³

¹ Medical Research Council (MRC) Unit The Gambia at LSHTM

² Department of Research, University of The Gambia

³ Department of Interdisciplinary Studies, University of The Gambia

Correspondence: fjallow@gmail.com

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ABSTRACT

Recent research on African economies underscores the critical role of institutional frameworks in shaping entrepreneurial outcomes. This commentary engages with a specific published study examining the interplay between formal institutions and entrepreneurial agency within The Gambia's investment climate. This commentary aims to critically analyse the aforementioned study's conceptualisation of institutional voids and entrepreneurial resilience. It seeks to extend the discussion by integrating a behavioural finance perspective on how cognitive biases influence entrepreneurs' navigation of weak formal structures. The approach is a conceptual and critical analysis, deconstructing the theoretical premises and empirical interpretations of the original research. It synthesises these findings with established behavioural theories to propose an augmented analytical lens. The original study's finding that over 70% of surveyed entrepreneurs relied predominantly on informal networks to secure capital is reinterpreted. This behaviour is framed not merely as a coping mechanism but as a heuristic-driven response to profound information asymmetry and trust deficits in formal markets. A purely institutional analysis is insufficient for understanding investment behaviours in contexts like The Gambia. Incorporating behavioural finance concepts reveals how heuristics and social preferences fundamentally mediate the relationship between institutional frameworks and entrepreneurial action. Future research should employ mixed-methods designs that quantitatively measure cognitive biases alongside qualitative assessments of institutional perceptions. Policy interventions must address both structural constraints and the behavioural realities of economic actors. institutional voids, entrepreneurial finance, behavioural biases, heuristics, The Gambia, investment climate This commentary provides a novel behavioural finance lens for interpreting existing empirical data on institutional constraints, proposing a integrated micro-meso analytical framework for future study.

Keywords: *Sub-Saharan Africa, Institutional Theory, Entrepreneurial Agency, Investment Climate, Mixed-Methods Research, Business Environment*

Article Highlights

- Critiques the conceptualisation of institutional voids and entrepreneurial resilience.
- Proposes integrating behavioural finance to analyse cognitive biases in weak structures.
- Reinterprets the 70% informal capital sourcing as a heuristic-driven response.
- Advocates for mixed-methods research measuring biases and institutional perceptions.

Core Argument

A purely institutional analysis is insufficient. Behavioural finance reveals how heuristics and social preferences mediate between frameworks and entrepreneurial action.

This commentary reinterprets empirical findings through a behavioural finance lens.

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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