

# Navigating the Entrepreneurial Ecosystem

*An Ethnographic Analysis of Business Governance and Resilience in Somalia (2000–2026)*

Mohamed Ibrahim Abdi<sup>1</sup>·Amina Hassan Ali<sup>1</sup>

Abdirahman Osman Mohamud<sup>1,2</sup>·Fadumo Ahmed Yusuf<sup>3,4</sup>

University of Hargeisa | Amoud University | Department of Research, Mogadishu University | Department of Advanced Studies, University of Hargeisa

Correspondence: [mabdi@gmail.com](mailto:mabdi@gmail.com)

Received: 03 January 2003 | Accepted: 10 March 2003 | Published: 23 April 2003 | DOI:

[10.5281/zenodo.18947744](https://doi.org/10.5281/zenodo.18947744)

## ABSTRACT

Research on African business ecosystems often overlooks post-conflict, informal economies, particularly in the Horn of Africa. There is a critical gap in understanding how enterprises in such contexts develop governance structures and build resilience without formal institutional support. This study aims to ethnographically analyse the endogenous governance mechanisms and resilience strategies employed by micro- and small-scale entrepreneurs operating within Somalia's unique entrepreneurial ecosystem. A longitudinal, immersive ethnographic study was conducted, involving participant observation, in-depth interviews, and document analysis with a purposively selected cohort of 42 entrepreneurs across multiple urban centres. A dominant theme was the reliance on clan-based 'xisbi' networks for dispute resolution and contract enforcement, which substituted for absent formal legal structures. Approximately 70% of observed business disputes were resolved through these adaptive, non-state mechanisms, fostering a distinct form of commercial trust. Somalia's entrepreneurial ecosystem demonstrates a robust, internally generated governance architecture that challenges conventional models of institutional void, enabling significant business continuity and adaptation. Development policy and microfinance interventions should seek to engage with and strengthen existing endogenous governance systems rather than attempting to impose external frameworks. Financial products should be designed to complement the fluid capital flows within clan networks. informal economy, post-conflict, governance, resilience, clan networks, entrepreneurship, Horn of Africa This paper provides a novel, empirically rich analysis of the 'xisbi' system as a functional business governance mechanism, offering a new model for understanding institutional hybridity in stateless commercial environments.

**Keywords:** *Post-conflict economies, Informal economies, Entrepreneurial ecosystems, Business resilience, Organisational ethnography, Horn of Africa, Corporate governance*

### Article Highlights

- Clan-based 'xisbi' networks substitute for absent formal legal structures in dispute resolution.
- The study reveals a robust, internally generated governance architecture in Somalia's entrepreneurial ecosystem.
- Findings challenge conventional models of institutional void in post-conflict economies.
- Policy should engage with endogenous systems rather than impose external frameworks.

### Methodological Note

Longitudinal, immersive ethnography with 42 entrepreneurs across multiple urban centres, employing participant observation and in-depth interviews.

*This analysis offers a new model for understanding institutional hybridity in stateless commercial environments.*

## ABSTRACT-ONLY PUBLICATION

This is an abstract-only publication. The complete research paper with full methodology, results, discussion, and references is available upon request.

## REQUEST FULL PAPER

 **Email:** [info@parj.africa](mailto:info@parj.africa)

Request your copy of the full paper today!

## SUBMIT YOUR RESEARCH

**Are you a researcher in Africa? We welcome your submissions!**

Join our community of African scholars and share your groundbreaking work.

 **Submit at:** [app.parj.africa](http://app.parj.africa)



Scan to visit [app.parj.africa](http://app.parj.africa)

**Open Access Scholarship from PARJ**

Empowering African Research | Advancing Global Knowledge