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Afreh, B., Rodgers, P., Vershinina, N. et al. (1 more author) (2019) Varieties of context and informal entrepreneurship: Entrepreneurial activities of migrant youths in rural Ghana. *International Journal of Entrepreneurial Behavior & Research*, 25 (5). pp. 996-1013. ISSN 1355-2554

<https://doi.org/10.1108/ijebr-02-2018-0109>

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Contextualising Informal Entrepreneurship among Migrant Youths in Rural Ghana

Journal:	<i>International Journal of Entrepreneurial Behavior & Research</i>
Manuscript ID	IJEBR-02-2018-0109.R2
Manuscript Type:	Research Paper
Keywords:	Entrepreneurship, Rural, Immigrants, Motivation

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Abstract

Purpose – The purpose of this paper is to examine the multi-faceted contexts, which influence the motives, decisions and practices of migrant youth entrepreneurs to engage in informal entrepreneurship within a developing economy context. Moreover, the paper aims to explore the under-researched linkages between migration and informal entrepreneurship.

Design/methodology/approach –Inductive, qualitative field data from a migrant destination, the Ashanti Region in Ghana is examined and analysed. This includes 15 individual interviews with MYEs who hails from 12 communities in the three northern regions of Ghana. In this paper, we introduce a narrative-based approach, which has previously been under-employed within empirical studies of informal entrepreneurship.

Findings – Our findings underline the complex array of opportunities and challenges, which influence individual decisions to engage in informal entrepreneurship. The findings highlight the importance of not only economic rationales but also non-economic rationales for engaging in informal entrepreneurship. The findings demonstrate how a cocktail of interplaying contextual factors in Sub-Saharan Africa explains the prevalence of youth migrants engaging in informal entrepreneurship.

Originality/value – The fine-grained discussion of the findings of this study contributes explicitly to theory by underscoring the importance of taking into account the diversity of informal entrepreneurship activities and theoretically demonstrating the need to look beyond narrow economic explanations for why individuals engage in informal entrepreneurship. Taking a more holistic approach to explaining motivations for engaging in informal entrepreneurship, enables more nuanced understandings of the importance of non-economic rationales for individuals, located in specific contextual settings.

Keywords: Context, Embeddedness, Informal Entrepreneurship, Migration, Sub-Saharan Africa, Youth

Introduction

Responding to the *Call for Papers* on 'Migration, Enterprise and Society' (Vershina and Rodgers, 2017), this article examines the cocktail of contextual factors, which can offer more nuanced explanatory power to understand how and why migrant youth engage in informal entrepreneurship within a developing economy setting. For the purposes of this article, we define informal entrepreneurship involving businesses that are lawful in all respects except that such businesses do not declare their incomes for tax purposes (Schneider and Enste, 2000). We define migrant youth entrepreneurs as individuals, aged between 15 and 35 years old who have established and manage a business in a permanent geographical locality, which is different from their administrative region of birth. This age definition is in line with the age classification of 'youth' used in policy documents in many countries across Sub-Saharan Africa (Chigunta, 2017).

Over recent years, research on the notion of informal entrepreneurship has grown, focusing on motivations, business performance and formalisation of such businesses (Thai and Turkina, 2014; Williams and Nadin, 2010; Williams *et al.*, 2017). However, there remains a need to extend understanding and look beyond depictions of formal entrepreneurship as the 'norm' and informal entrepreneurship as representing the 'dark and other' manifestation of entrepreneurial practice. Whilst some studies have explored the interplay of formal and informal institutional contexts (Webb *et al.*, 2009; Williams and Shahid, 2016; Williams, 2017) and the emergence of entrepreneurship within these contexts, there is a need to further explore the critical role of context (Welter, 2016, p.225; Welter *et al.*, 2015, p.300), across diverse locations, including developing economies. Moreover, the lack of appreciation of the diversity of entrepreneurial activity beyond the narrow remit of formal entrepreneurial activity leads to a failure for readings of informal entrepreneurship to fully capture and incorporate the importance of non-economic rationales for individuals to engage in informal forms of entrepreneurial activity (Gibson-Graham, 2006).

Sub-Saharan Africa (SSA) represents one such location where migrant youth entrepreneurs (MYEs) are over-represented within the informal economy (Awumbila *et al.*, 2014; Bezu and Holden, 2015; Thorsen, 2013). Across SSA, the nature and character of informal entrepreneurship vary across countries and within countries (Fox and Sohnesen, 2012). Within the literature on entrepreneurship, there exists an understanding that there are differences between old and young entrepreneurs, regarding motivations and the challenges they face (Levesque and Minniti 2006; Mallett and Wapshott, 2015; Minola *et al.*, 2016). However, within the nascent literature on entrepreneurship within the SSA context, to date, there has been a lack of differentiation regarding old and young entrepreneurs, and their experiences and motivations (Gough and Langevang, 2016; Ismail, 2016; Langevang *et al.*, 2012). This article draws on empirical data generated from qualitative interviews conducted among fifteen MYEs (aged 19–35 years) who operated self-employed businesses in rural communities in the Atwima Nwabiagya District of the Ashanti Region, in the south of Ghana. By focusing specifically on the experiences of MYEs within the context of Ghana, this article presents empirical findings, which showcase how an interplay of contextual factors inherently influence the entrepreneurial activities of such entrepreneurs. Our core research is: *What is the role of contextual factors in influencing the decisions for migrant youth to engage in informal entrepreneurship in Ghana?*

This article is structured as follows. The following section provides a brief overview of theorisations on informal entrepreneurship a review of extant literature on the manifestations and role of context within entrepreneurship studies and the engagement of migrant youth in entrepreneurship. The methodological approach employed in this article is outlined before the

empirical findings are presented. The article concludes with a discussion of the findings and draws contributions.

Informal Entrepreneurship

Within the literature on 'informal entrepreneurship', there are four significant schools of theorisation. Firstly, there has been an overwhelming tendency to view informal manifestations of entrepreneurship as purely negative, juxtaposed to the business activity within the formal sector being seen as representing progress and modernisation (Geertz, 1963). However, within this 'residue' depiction of informal entrepreneurship has increasingly been delegitimised in the face of the enduring and growing nature of informal entrepreneurship worldwide (Schneider, 2008; Williams 2004, 2005).

Secondly, structuralist readings explain the existence of informal entrepreneurship resulting from processes of de-regulation across the global economy that have led to the increase in de-skilling and degrading of work (Espenshade, 2004). Within this discourse, individuals engage in informal entrepreneurship out of necessity to survive (Amin et al. 2002). Unlike the residue thesis, structuralist accounts view informal entrepreneurship as a functioning part of contemporary forms of capitalism. Thirdly, the neo-liberal perspective views participation in informal entrepreneurship as a matter of choice, rather than necessity (de Soto, 2001). Faced with cumbersome, bureaucratic institutional constraints, individuals follow a rational economic strategy and spontaneously engage in informal entrepreneurship to avoid wasting time and cost registering their businesses formally.

Finally, moving away from capitalist-centric perspectives seeking to explain informal entrepreneurship as involving solely economically motivated activity (Gibson-Graham, 2006), post-structuralist readings incorporate the importance of alternative, non-capitalist economic practices (e.g. Jones et al., 2006; Snyder, 2004). Such a theorisation provides an opportunity for more local and regional approaches to studying informal entrepreneurship, in which context plays a critical role, rather than solely measuring economic performance (Williams and Windebank, 2001). This perspective de-centres the role of formal market activities and instead showcases the diversity of entrepreneurial practices, beyond those solely explained by rational economic motivations. The work of Gibson-Graham (2006) is particularly important as it offers a more holistic explanation of manifestations of informal entrepreneurship and underscores the importance of embeddedness in local contexts that facilitate such engagement. Of particular relevance to this study, such a perspective allows an appreciation that informal entrepreneurship can be conducted for reasons other than solely economic gain and include assistance for relatives, friends and neighbours within a community (Williams, 2004, 2006).

Understanding Context and Embeddedness

While context can facilitate and constrain the entrepreneurial actions of individuals (Welter, 2011; Zahra and Wright, 2011; Zahra *et al.*, 2014), there remains a lack of understanding about the significance of 'context' in entrepreneurship research. Nonetheless, context is a multi-faceted construct with "situational opportunities and constraints that affect the occurrence and meaning of organizational behaviour" (Johns, 2006, p.386), and its many faces encompass the social,

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3 economic, institutional, spatial and temporal-historical environments which influence
4 entrepreneurial behaviours (Basco, 2017; Welter, 2011; Welter and Gartner, 2016).

5 The 'embeddedness' perspective, developed by Polanyi (1944) and later refined by
6 Granovetter (1985), argues that economic actions, such as entrepreneurship, are influenced not
7 only by the atomised decisions of individuals but also by the given contexts in which such
8 individuals operate. However, the understanding of nature, form and depth of entrepreneurs'
9 embeddedness in contexts is highly subjective and open to debate. As a consequence, it provides
10 the opportunity for scholars to distinguish between "who" is embedded in "what" (Hess, 2004,
11 p.166).

12
13 Extant literature on entrepreneurial practices in the informal economy in emerging regions,
14 such as SSA, is scarce but growing (Adom and Williams, 2012; Eijdenberg, 2016; Eijdenberg *et*
15 *al.*, 2018). Within this nascent literature, there is a reliance on utilising Western dichotomy of
16 necessity-opportunity motives (Adom and Williams, 2012; Gurtoo and Williams, 2009; Williams,
17 2008; 2009) to explain the prevalence of informal entrepreneurship. However, in order to extend
18 this literature, in this article, we widen the scope of understandings of informal entrepreneurship,
19 beyond narrow depictions solely based on 'economic' motivations by examining the hitherto
20 under-researched group of young migrant entrepreneurs. We will now examine the various
21 contexts in turn.
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26 **Varieties of Context in Sub-Saharan Africa**

27 The *social context* refers to the nature, depth and extent of relationships which entrepreneurs
28 depend on to operate their businesses which are shaped by a diversity of elements and social actors
29 (Uzzi, 1997). It embodies relationships that provide the resources and opportunities entrepreneurs
30 need which may not be easily accessible to other actors within their social networks (Dubini and
31 Aldrich, 1991; Portes and Sensenbrenner, 1993). Within the context of Sub-Saharan Africa,
32 relationships emanating from social networks lead to collective support and generate informal
33 agreements (Grimm *et al.*, 2013; Langevang *et al.*, 2016). However, despite the facilitating roles
34 of social contexts towards informal entrepreneurship, the relationships formed can also constrain
35 venture creation activities in the informal economy (Grimm, *et al.*, 2013; Langevang *et al.*, 2016;
36 Thorsen, 2013).
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40 The *economic context* embodies the economic environment which influences the
41 entrepreneurial actions and processes of entrepreneurs (Rath *et al.*, 2002; Schnell and Sofer, 2002).
42 In Sub-Saharan Africa, the economic context is mired with poverty, income inequality and
43 unemployment, which all act to constrain entrepreneurial activities (Amorós and Cristi, 2011).
44 Within such a context, the emergence of informal forms of entrepreneurship is driven by survival
45 strategies (Chigunta *et al.*, 2005; Langevang, 2008, Langevang and Gough, 2012). Specifically for
46 the young generation of entrepreneurs, their ability to develop a business venture is constrained by
47 inter-generational poverty (Yankson and Owusu, 2016). However, studies have argued that
48 entering into informal entrepreneurship becomes more attractive owing to the small levels of start-
49 up capital required (Eijdenberg and Borner, 2017). However, paradoxically, the ease of entry into
50 engaging in forms of informal entrepreneurship means that competition is high in this business
51 environment (Chigunta *et al.*, 2016; Thorsen, 2013).
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54 The *institutional context* relates to the environment that shapes the ability of individuals to
55 develop and sustain entrepreneurial activity (De Castro *et al.*, 2014; Webb *et al.*, 2009, 2013; Webb
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3 *et al.*, 2014; Welter and Smallbone, 2011; Williams, 2017). Institutional contexts understood as
4 'the rules of the game' (North 1990) can manifest themselves as formal and informal institutions
5 (Williams and Shahid, 2016; Williams, 2017). Formal institutions relate to the codified laws,
6 regulations and policies that encourage business activity in the formal domain (Busenitz *et al.*,
7 2000; Baumol and Strom, 2007). Informal institutions relate to the shared practices, customs,
8 values and norms of societies, which determine the collective understanding of the people on how
9 economic and social activities should be undertaken (Williams, 2017).
10
11

12 While formal and informal institutions can co-exist to influence entrepreneurial actions
13 (Stephan *et al.*, 2015), in developing economies across sub-Saharan Africa, formal institutions are
14 weak and inefficient (Mbaku, 2004) which negatively impacts on business performance (Zoogah
15 *et al.*, 2015). In such a context, many entrepreneurs depend on informal institutions to acquire
16 resources and obtain contracts (Chironga *et al.*, 2011).
17

18 The *spatial context* relates to the variations in economic, social and institutional contexts
19 across different geographical locations, which affects decisions towards entrepreneurship (Welter,
20 2011). Spatial context also embodies various resources in geographical locations, such as the
21 emotional attachment to place, shared meanings and representation of place (Kibler *et al.*, 2014;
22 Korsgaard *et al.*, 2015a, b; McKeever *et al.*, 2015; Müller and Korsgaard, 2018). Concerning
23 migratory movements, youth in Africa consider their movement to new destinations (and the
24 entrepreneurial activities associated with such movements) as rites of passage (Grant, 2012)
25 towards generating social mobility. However, unfavourable economic and social constraints in
26 destination locations can lead to less successful outcomes regarding how individual entrepreneurs
27 accumulate resources to participate in informal entrepreneurship (Gough and Birch-Thomsen,
28 2016).
29
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31 The *temporal-historical* context refers to how historical events within a given society, as
32 well as life-courses of individuals over time, shape the decisions and actions of individuals towards
33 entrepreneurship (Lippmann and Aldrich, 2016; Wadhvani and Jones, 2014). The temporal-
34 historical context allows for the evaluation of controls that entrepreneurs have over their resources
35 and their environment as they move through different times (Lippmann and Aldrich, 2016),
36 accumulating experiences (Kim and Longest, 2014) and demonstrating their commitment to their
37 business goals (Uy *et al.*, 2015).
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40 In summary, there exists a multiplicity of contexts in which individual entrepreneurs are
41 embedded. In the next section, we discuss the methodological considerations within this research
42 study.
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46 **Methodology**

47
48 We adopted an inductive qualitative methodology (Edmondson and McManus, 2007; Eisenhardt,
49 1989) and used narrative interviews within this study (Elliot, 2005; Gartner, 2007). Such an
50 approach offers space for "an in-depth study of a given phenomenon, mobilizing creative ways of
51 producing and analysing empirical data... [-]..(and is a useful tool) to describe, decode and advance
52 the understanding of intertwined past, present or future eclectic data" (Hlady-Rispal and Jouison-
53 Laffitte, 2014, p.594). The narrative approach is gaining prominence in entrepreneurship research
54 (Corner *et al.*, 2017; Hamilton, 2013; Singh *et al.*, 2015, 2016) and can capture contextual richness
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(Hlady-Rispal and Jouison-Laffitte, 2014). Narratives transform the everyday experiences of entrepreneurs into meaningful stories such that they “neither accept nor reject ‘reality’. Instead, they seek to mould it, shape it and infuse it with meaning” (Gabriel, 2000, p.41). Through the narratives of the MYEs, we were able to capture the chain of events, time periods and differential contexts our respondents navigated to establish their informal businesses and how such contextual experiences affected business decisions.

Over the last three or so decades, Ghana’s economy has been growing steadily, and the socioeconomic environment has been stable mainly as a result of retrenchment policies and liberalisation reforms that focuses on private sector development (Owusu *et al.*, 2016; Yankson and Owusu, 2016). However, regional differences exist between the relatively prosperous southern regions and the more impoverished northern regions (GSS, 2014). There exist internal migration processes whereby individuals from the most impoverished regions often move to the more prosperous regions, in search of work (Cooke *et al.*, 2016). These migrants participate in enterprise activities largely in the informal economy of destination locations, which has led to the growth of informality in such destinations (Hart, 1973; Alhassan, 2017). With our aim to understand the roles that varied contexts play in influencing the decisions migrant youths make towards informal entrepreneurship, we selected and interviewed migrant youths in rural communities in the Atwima Nwabiagya District, which is one of the 37 administrative districts located in the Ashanti Region, south of Ghana (GSS, 2014).

Sampling process

We accessed fifteen young individuals, aged between nineteen and thirty-five years old, who represented migrants from twelve locations in Northern Ghana. Access to these respondents was set up by the lead author, who is a Ghanaian. The respondents were selected purposefully (Patton, 1990) in three specific ways. First, the researcher received contact details of eighteen beneficiaries of programmes of an entrepreneurship organisation within the district, which was used to identify the first group of potential participants. Of the eighteen individuals, only nine consented to participate in the interviews. Second, these nine individuals opened their social networks, and through this snowball sampling technique (Goodman, 1961), we identified three more respondents. Third, the remaining three respondents volunteered to participate from the local community.

Data Collection

Semi-structured interview schedules were designed to obtain detailed narratives regarding the migration pathways and experiences of developing entrepreneurial activities. The data was generated in the field between July 2017 and October 2017. Each interview lasted between forty-five minutes and ninety minutes and was conducted in the Dagbani or Akan languages, depending on the preference of the respondent. Each narrative took an individual course in which the respondent talked about their life journeys, from childhood to becoming an entrepreneur, including their migration experiences in Ghana. Each narrative also touched upon the role of education and skill development for the respondents and the role of families and communities in enabling or constraining their business activities. Furthermore, respondents spoke about their engagement with formal training programmes and funding from a variety of sources. These interviews were

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3 recorded. The interviews were transcribed, resulting in 142 pages of single-spaced generated data.
4 The conversational nature of the interviews provided in-depth knowledge of contextual practices
5 (Steyaert and Katz, 2004; Welter, 2011) and a general understanding of how business is understood
6 and conducted for each respondent in their respective research sites (Steyaert and Bouwen, 1997).
7 Table 1 provides background information, type of business, legal status and number of employees
8 of our respondents at the time of the interviews.
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11 **INSERT TABLE 1 HERE**
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15 ***Data Analysis***

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17 Following Larty and Hamilton (2011)'s work on the narrative analytical approach, we adopted a
18 three-step procedure to ensure that data analysis was reliable, consistent and enabled data
19 replicability, minimising distortion and subjectivity in the data analysis process. First, researchers
20 constructed chronologies of each respondent reflexive account of past and present work and
21 enterprise practices to identify common elements (Creswell, 2007; Elliot, 2005). From this, we
22 developed a structural framework of how the stories of the MYEs were linked together: coding for
23 the role of each respondent, key actors and structures in the micro, meso and macro environments
24 who influenced the respondents and the specific roles such actors and structures played in the lives
25 and businesses of the respondents at different times.
26

27 Second, we carried out content analysis to identify salient themes and patterns that emerged
28 from the data (Patton, 1987), examining the nature, form and depth of embeddedness of the MYEs
29 individual and collective stories in the multiple contexts they navigated across time and space and
30 how such contexts reinforced and constrained their decisions to operate enterprises in the informal
31 economy. Third, we linked the emergent themes and patterns with key theories on informal
32 entrepreneurship and youth migration and the contexts in which these activities take place.
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36 **Findings**

37
38 This section presents the collective narratives, which emerged from the interviews undertaken with
39 our respondents. We showcase some of the key dimensions of context across the social, economic,
40 institutional, spatial and temporal-historical domains. Our data reveals five key processes which
41 underpin the engagement of youth migrants in Ghana in informal entrepreneurship. First, we
42 explore the *social embeddedness* of migrant youths through enabling and constraining effects of
43 social support and familial obligations, influence of peers and regional ethnic ties as well as the
44 role of community in supporting youth entrepreneurs. Second, we reveal the embedded
45 *precariousness of informal entrepreneurship* within our research setting through the persistence
46 of informality in the work environment, the use of credit sales models, the prevalence of informal
47 financing institutions and the persistence of informal waged employment alongside informal
48 entrepreneurship amongst our respondents. Third, we observe the prevalence of weak formal
49 institutions, which led to the emergence of strongly embedded *informal institutions* based on
50 reciprocity driven relationships with local communities, wide adoption of unregistered business
51 practices, lack of opportunities in the formal labour market and lack of regulations which
52 prioritises foreign made goods over local goods in general. Fourth, our data shows a dramatic
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3 *regional diversity* in terms of opportunity structure in relation to the dispersion of customers in the
4 north and concentration of customers in the south, seasonality of demand for work but
5 nevertheless, easy access to cheap, informal labour and certain prestige with working in the south,
6 which draws youth migrants to this location. Finally, we expose the historical *legitimation of*
7 *informal practices* across a whole range of institutions and individuals, which has become
8 normalised. Table 2 presents a set of illustrative quotes as well as the coding structure of our data.
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11 **INSERT TABLE 2 HERE**

12 *Social Context*

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15 Respondents and their businesses were influenced by the complex intersection of familial and
16 social relations they were connected to at the destination locations and to some extent their source
17 communities, which provided to them the foundational enterprise opportunities, resources, skills
18 and mentorship required to set up new businesses in the informal economy. As *Dorcas* illustrates,
19 “*The lady (supplier) who supply me maize on credit for two weeks was introduced to me by*
20 *brother’s wife.*” Similarly, *Yakubu* recounts the familial obligations: “*Almost every three months I*
21 *send money to my mother and elder sister in the village. it’s a burden to my business, but I can’t*
22 *look on for them starve to death?*” Moreover, there were expectations from friends and community
23 members, which forced respondents to offer discounted pricing and credit sales to them, thereby
24 reducing their profit margins. Thus, while the emergence of informal entrepreneurship among our
25 respondents was heavily dependent on the ties they were part of, the expectations and demands
26 from such ties simultaneously constrained the businesses of such entrepreneurs.
27

28
29 Beyond the family and kinship ties, we observed a lot of learning from peers and individuals
30 from similar regional, ethnic backgrounds. As *Seidu* explains, “*I was influenced by my friend to*
31 *learn the apprenticeship for this mechanic job.*” Similarly, *Esther* receives assistance from her
32 community: “*One elderly woman in this community gave me this container (metal kiosk) to start*
33 *my hairdressing salon. I didn’t have enough money to do a new one.*” As such, we highlight the
34 importance of the *social embeddedness* of youth migrants beyond their social and familial
35 networks to wider peer and community support in assisting them to set up and run their informal
36 entrepreneurial ventures.
37

38 *Economic Context*

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41 Our findings also revealed the critical importance of the economic context, which relates to the
42 economic opportunities and constraints that prevail in the micro, meso and macro environment
43 which affected the enterprise practices and motives of our respondents. For many of the
44 respondents, they found an economic environment in the destination locations where there was a
45 normalisation of engagement in informal work. As *Esther* states, “*When your master is away from*
46 *the shop you can quickly do some jobs for one or two customers and use that money to take care*
47 *of your personal expenses*”. Moreover, while engagement in informal work was considered a
48 ‘norm’, several respondents were clearly exposed to precarious informal work environments. As
49 *Yakubu* states, “*I worked in peoples’ cocoa farms and did galamsey job (illegal small-scale mining)*
50 *for a year before I could raise enough money to start (the business)*”. Moreover, within the wider
51 economic context of enduring poverty, entrepreneurial individuals had developed innovative sales
52 models involving selling products on credit to customers. As *Dorcas* states, “*Some of the people*
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3 *come to tell me stories of their problems, and I am forced to sell to them on credit.*” Similarly,
4 *Sirina* notes how within the resource-constrained environment, *“We get a lot of jobs when it is*
5 *funerals or Christmas. That is when the people here spend a lot of money.”* The lack of
6 opportunities to engage with formal finance institutions led increasingly to respondents turning to
7 informal financing institutions in order to raise the much-needed economic capital for their
8 informal entrepreneurial activities. As *Esther* states, *“I prefer to save with the women group than*
9 *these microfinance companies/rural banks.”* In sum, such findings reveal how within a severely
10 resource-constrained environment, we find the embedded precariousness of manifestations of
11 informal entrepreneurship.
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14 15 *Institutional Context*

16
17 Within the research context of our study region, we found the prevalence of formal institutions,
18 which were either not working efficiently or absent. In particular, respondents complained about
19 the lack of government regulations to support enterprise development. As *Nimatu* states, *“The*
20 *government must do something to save our businesses. The imported goods are destroying us.”*
21 Such sentiments were commonly heard. Despite the existence of free compulsory basic education
22 and the national apprenticeship programme in Ghana that is aimed at training the youths to
23 undertake more formalised jobs (Palmer, 2009), respondents outlined how the lack of formal,
24 government schemes to remedy structural problems in the labour market simply led to their
25 continued engagement in informal employment. As *Paul* states, *“The way the system (structure of*
26 *labour market) is you have to use a bad job (informal self-employment) to look for a better job*
27 *(wage employment in formal sectors)”*.
28
29

30 In response to the lack of government support for formal business operations, individuals
31 often shied away from the gaze of formal eyes and engaged in informal entrepreneurship, often
32 not registering their businesses. As *Esther* states, *“The tax people come here once a year to only*
33 *those who have shops along the road. Some people do their businesses in their homes.”* In such an
34 institutional environment in which the formal institutions are weak, we observed not only the
35 growth and endurance of informal entrepreneurial activities, but importantly, such activities were
36 based on reciprocity-driven relationships with local communities. As *Dorcas* states, *“In my church,*
37 *it is the attitude you show towards dues and other payments such as tithes that the church leaders*
38 *look at to support you when you face some problem such as the death of your close relative.”* Here,
39 we see the importance within such weak formal institutional environment of not only economically
40 motivated decisions to engage in informal entrepreneurship, but decisions based on wider non-
41 economic motives (Gibson-Graham, 2006).
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45 *Spatial Context*

46
47 The migratory process can be seen as a determining factor in enabling the migrant youth
48 entrepreneurs to engage in entrepreneurship. Regional diversity also played a role in the decisions
49 of youth migrants to participate in informal entrepreneurial activities. In contrast to the northern
50 regions, respondents highlighted how in the southern regions, there was a concentration of
51 potential customers, aiding the potential for informal entrepreneurial activity to prosper. As
52 *Nimatu* states, *“People are more concentrated over here even in rural communities, and you can*
53 *find more customers at one particular place.”* Moreover, the seasonality of work was also a clear
54 factor as outlined by *Yakubu*. *“In the north, there is little money during the long off-farming season.*
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3 *You won't get a lot of work to do compared to this place."*

4 As a result of such regional differences, respondents spoke about the easy access to cheap,
5 informal labour in their northern homelands. As *Seidu* states, "*Anytime I go home I get one or two*
6 *youths who want to travel with me to come and learn the job.*" Finally, respondents spoke about
7 how working in the southern regions had certain amounts of prestige associated with it. As *Yakubu*
8 states, "*Once you are working here (southern Ghana) our people back home don't care the*
9 *informal work you do. They give us a lot of respect anytime we go home.*" Our respondents revealed
10 that while most of them planned to stay in their destination locations permanently, they travelled
11 to their source communities during major cultural festivals. For these informal entrepreneurs, they
12 participated in such cultural events in their source communities and in doing so, were able to build
13 social status and reputation among their friends and kins. As *Yakubu* states, "*participating you get*
14 *to see the progress you have made in your life compared to your friends, and it motivates you to*
15 *come back here to work harder for the following year. During the festival, you have to donate a*
16 *lot of money to show everyone that you are successful in your business.*" Such accounts
17 demonstrate again that our respondents, through the engagement in informal entrepreneurship,
18 were able to grasp not only economic opportunities but seek to improve their reputation within
19 their home communities.
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25 *Temporal-Historical Context*

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27 The temporal-historical aspect of contextual embeddedness embodies the respondents' different
28 notions and experiences of temporality that were implicated in their narratives. From the data
29 analysis, it was clear that the entrepreneurial processes of the respondents in the informal economy
30 of destination locations fitted into the wider picture of the socio-cultural and historical practices of
31 their parents, other relatives and forefathers from pre-colonial times, during the colonial era and
32 in recent years. The individuals made a purposeful decision to engage in entrepreneurial activity
33 in the informal economy, having migrated to Southern Ghana to find work (e.g. *Awumbila et al.*,
34 2011; *Hart*, 1973; *van der Geest*, 2010). In their narratives, the respondents were able to justify
35 their rationale to operate small informal businesses as not purely economic. In their narratives, we
36 can depict how migrant youth entrepreneurs followed the footsteps of influential actors in their
37 lives that maintained the "long tradition" of northerners moving to southern part of the country to
38 engage in economic and enterprise activities in the informal economy. Being embedded in
39 historical traditions of families and ethnicities related to migration and participation in informal
40 entrepreneurship at popular rural destinations and personal experiences in their life-courses had
41 made them develop an implicit understanding of the economic, social and cultural values
42 associated with informal entrepreneurship which had shaped their motives and enterprise practices.
43 As *Amina* states, "*For the many years I worked with my elder sister to operate her waakye (rice*
44 *and beans) business there was nothing like registering her business*" (*Amina*). Across the
45 respondents, we witnessed the historical legitimation of informal practices across a whole range
46 of institutions and individuals, which has become normalised.
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52 **Concluding discussion**

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54 In line with existing theorisations (*Lippmann and Aldrich*, 2016; *Wadhvani and Jones*, 2014;
55 *Welter*, 2011; *Welter and Gartner*, 2016), this study has revealed that in rural destinations of an
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3 African country, MYEs were embedded in a web of social, economic, institutional, spatial and
4 temporal-historical contexts which influenced their motivations towards engaging in informal
5 forms of entrepreneurial activity (Langevang *et al.*, 2012, 2016; Thorsen, 2013). Our research
6 findings have demonstrated that faced with an unfavourable economic and regulatory environment
7 where profits are marginal, and the cost of operation and taxes are high (Langevang *et al.*, 2016,
8 p.88-89), entrepreneurial youths in SSA embed their business activities shallowly in formal
9 institutional contexts in contrast to their rootedness in informal institutions (Ismail, 2016). Within
10 an institutional environment in which formal institutions are either absent or not functioning
11 efficiently to support entrepreneurial activity, we underline the importance of consideration of
12 informal institutions in driving informal entrepreneurial activity.
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15 Our findings demonstrate that faced with the burden of failing formal institutions, manifested
16 in regulatory inefficiencies and the associated bureaucracies, bribery and corruption (Filmer and
17 Fox, 2014), youth entrepreneurs make use of social and communal ties with their home and new
18 host communities to develop skills, accumulate resources and information to launch informal
19 businesses. Moreover, we found that individuals were rooted in informal educational institutions
20 located within household enterprises and smallholder agricultural activities. Similarly, in the place
21 of formal apprenticeship schemes (Palmer, 2009) which were absent, individuals engaged in
22 'traditional' learning schemes, involving relatives, friends and community members which
23 provided them with opportunities to acquire the skills and knowledge necessary to develop
24 informal entrepreneurial businesses. As such, for these individuals, engaging in informal forms of
25 entrepreneurial activity were not solely based on purely economic rationales. Instead, engagement
26 in informal entrepreneurship gave these individuals added meaning and value to their life courses
27 and added rootedness to their identities within their kin and friendship networks back home. In
28 particular, focusing on the under-researched context of the temporal-historical domain, in this
29 article, we showcase how for youth entrepreneurs, engaging in forms of informal entrepreneurship
30 enabled them to evoke the past actions and processes of their forefathers and maintain the "long
31 tradition" of northerners moving to the southern part of the country to engage in informal
32 entrepreneurship. Such actions as such provide an embedding legitimacy for the engagement in
33 informal entrepreneurship and also highlight the recursive relationship between context and
34 informal entrepreneurship. In doing so, these findings elucidate the often ignored but critically
35 important linkages between processes of migration and engagement in informal entrepreneurial
36 activity. Moreover, our respondents demonstrated that engaging in informal entrepreneurship in
37 the southern regions of Ghana provided them with prestige and improved social status within their
38 homelands, thus underscoring the importance of understanding the role of non-economic rationales
39 for individuals engaging in informal forms of entrepreneurship.
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42 This study has several theoretical implications. Whilst for decades, 'formal' manifestations
43 of entrepreneurial activity has been seen as the 'norm', this study seeks to build on attempts within
44 the scholarly community to recognise the critical importance of the interplay of formal and
45 informal institutional contexts (Webb *et al.*, 2009; Williams and Shahid, 2016; Williams, 2017).
46 Within this nascent sub-stream of entrepreneurship literature, hitherto there has been a lack of
47 empirical examination of differences regarding old and young entrepreneurs and also the interplay
48 between processes of migration and processes of informal entrepreneurship. Within this article,
49 we have outlined the importance of taking into account the multifaceted nature of context and how
50 it can constrain and provide opportunities for new venture creation. By adopting such a holistic
51 view of the role of context, this study has highlighted the importance of moving away from
52 attempts to understand informal entrepreneurship, based solely on economically motivated activity
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(Gibson-Graham, 2006). As our findings have demonstrated, the motivations for engaging in informal entrepreneurship can include reasons other than solely economic gain and include assistance for relatives, friends and neighbours within a community as well as the gaining of prestige and reputation within friendship and kinship networks. In doing so, we highlight the diversity of entrepreneurial activities, undertaken by these youth entrepreneurs, which is inherently embedded in local contexts in SSA, which facilitate such engagement. As such, the results of our research study extend the possibilities for further empirical studies of informal entrepreneurship to include more local and regional approaches, which provide the opportunity for rationales for engaging in informal entrepreneurship to surface, beyond the narrow remit of formal, economic motivations.

There are some limitations to our study. The study is localised within a region in Ghana and involved a small number of migrant youth entrepreneurs. Further research needs to look at other geographical areas. While the views of the interviewees cannot be considered to be representative of all youth migrant entrepreneurs in Ghana, the value of this research lies in the rich contextual insights it provides relating to the nature of informal entrepreneurship within a developing economy context. However, more research amongst the nature of youth migrant entrepreneurship living in different contexts, including in urban spaces rather than rural locations is required. In this way, we can seek to capture the rationales of migrant youth entrepreneurs participating in informal entrepreneurial practices.

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Table 1: Participants

Coded name of respondent	Gender	Marital Status	Age (years)	Education	Business type	Legal status	Years of operation in destination location	Number of workers employed by respondent
Salamatu	Female	Married	26	No education	Seamstress	Not registered	3	2
Sirina	Female	Married	29	No education	Seamstress	Not registered	7	5
Sumaiya	Female	Married	26	No education	Seamstress	Not registered	6	8
Amina	Female	Married	25	Junior High School	Local food joint	Not registered	6	4
Dorcas	Female	Married	27	Junior High School	Local food joint (chop bar)	Not registered	8	3
Esther	Female	Single	31	Junior High School	Hairdresser	Not registered	5	4
Nimatu	Female	Married	23	No education	Trader (local rice distributor)	Not registered	4	0
Rukayatu	Female	Single	27	Junior High School	Petty trader(local soap manufacturer and retailer)	Not registered	7	0
Memunatu	Female	Single	25	No education	Petty trader(local soap manufacturer and retailer)	Not registered	6	0
Faustina	Female	Married	32	No education	Local pottery manufacturer (wholesaler)	Not registered	7	4
Seidu	Male	Consensual union	34	No education	Metal Fabricator/Welder /Blacksmith	Not registered	3	6
Abdulai	Male	Single	19	No education	Metal Fabricator/Welder /Blacksmith	Not registered	2	0
Yakubu	Male	Married	29	Junior High School	Mechanic	Not registered	7	8
Moro	Male	Married	34	Junior High School	Drinking spot operator	Not registered	6	1
Paul	Male	Single	22	Senior High School	Mobile money merchant/sale of recharge cards	Not registered	3	0

Fieldwork, 2017

Context	Illustrative quotes	Dimensions of Context (Upper level themes)	
Social Context	<p>“The lady (supplier) who supply me maize on credit for two weeks was introduced to me by brother’s wife” (Dorcas)</p> <p>“..almost every three months I send money to my mother and elder sister in the village. it’s a burden to my business but I can’t look on for them starve to death? ”(Yakubu)</p> <p>“I was influenced by my friend to learn the apprenticeship for this mechanic job. He said we couldn’t do the <i>galamsey</i> (illegal small-scale mining) and the jobs in people cocoa farms for the rest of our lives” (Seidu)</p> <p>One elderly woman in this community gave me this container (metal kiosk) to start my hair dressing salon. I didn’t have enough money to do a new one “(Esther)</p>	<p>Social Support and Obligations</p> <p>Familial support and Obligations</p> <p>Peers and Regional Ethnic ties</p> <p>Community Support</p>	<p>Social Embeddedness</p>
Economic Context	<p>“When your master is away from the shop you can quickly do some jobs for one or two customers and use that money to take care of your personal expenses” (Esther).</p> <p>“I worked in peoples’ cocoa farms and did <i>galamsey</i> job (illegal small scale mining) for a year before I could raise enough money to start (the business)” (Yakubu)</p> <p>“Some of the people come to tell me stories of their problems and I am forced to sell to them on credit” (Dorcas)</p> <p>“We get a lot of jobs when it is funerals or Christmas. That is when the people here spend a lot of money” (Sirina)</p> <p>“I prefer to save with the women group than these microfinance companies/rural banks.” (Esther)</p>	<p>Informal wage jobs</p> <p>Exposure to precarious informal work environment</p> <p>Credit Sales models adopted due to poverty</p> <p>Lack of Finance</p> <p>Informal Financing Institutions</p>	<p>Precariousness of Informal Entrepreneurship</p>

Institutional Context	<p>“The government must do something to save our businesses. The imported goods are destroying us.” (Nimatu)</p> <p>“the way the system (structure of labour market) is you have to use a bad job (informal self-employment) to look for a better job (wage employment in formal sectors) (Paul)</p> <p>“The tax people come here once a year to only those who have shops along the road. Some people do their businesses in their homes” (Esther)</p> <p>“In my church, it is the attitude you show towards dues and other payments such as tithes that the church leaders look at to support you when you face some problem such as the death of your close relative” (Dorcas)</p>	<p>Lack of regulations</p> <p>Lack of Jobs</p> <p>Unregistered Businesses</p> <p>Reciprocity Driven Relationships</p>	Weak Formal Institutions
Spatial Context	<p>“People are more concentrated over here even in rural communities and you can find more customers at one particular place” (Nimatu)</p> <p>“In the north, there is little money during the long off-farming season. You won’t get a lot of work to do compared to this place” (Yakubu)</p> <p>“Anytime I go home I get one or two youths who want to travel with me to come and learn the job” (Seidu)</p> <p>“Once you are working here (southern Ghana) our people back home don’t really care the (informal) work you do. They give us a lot of respect anytime we go home” (Yakubu)</p>	<p>Dispersion and concentration of customers</p> <p>Seasonal work demands between North and South</p> <p>Easy access to cheap labour</p> <p>Prestige and independence associated with destination location</p>	Regional Diversity
Temporal-Historical Context	<p>“During Christmas we work long hours to make up for the lost sales in the lean seasons of the year ” (Dorcas)</p> <p>“For the many years I worked with by elder sister to operate her waakye (rice and beans) business there was nothing like registering her business.” (Amina)</p>	<p>Being in control of business in turbulent times</p> <p>Perceived acceptance of informal work practices</p>	Historical Legitimacy of informality