

From Labour Exit to Capital Inflow: A Migration–Enterprise Distortion Framework for The Gambia

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Abstract

Irregular migration from low-income economies has traditionally been analysed through humanitarian, labour market, security, or demographic perspectives. While these approaches have generated valuable insights, they tend to marginalise the role of domestic enterprise systems and understate the economic restructuring effects of sustained labour exit. This paper advances an enterprise-centred reconceptualization of irregular migration by examining how prolonged outflows of economically active populations interact with weakly productive capital inflows to distort domestic enterprise formation, continuity, and growth.

Using The Gambia as an illustrative case, the study develops a desk-based analytical model—the **Migration–Enterprise Distortion Framework (MEDF)**—to explain why persistently high migration intensity coexists with fragile enterprise ecosystems despite substantial remittance inflows. Drawing on interdisciplinary literature from migration studies, development economics, and international business, the paper demonstrates that the central constraint is not migration itself, but the absence of institutional mechanisms capable of converting migratory labour, financial transfers, skills, and transnational networks into scalable and sustainable enterprise activity.

The study contributes theoretically by bridging two bodies of scholarship that are often treated separately: migration analysis and enterprise development. It further contributes practically by identifying policy, governance, and managerial mechanisms relevant to small, migration-dependent economies seeking to transform migration from a survival strategy into a productive development lever. By repositioning irregular migration as a systemic enterprise challenge rather than a singular social problem, the paper offers a transferable analytical lens applicable beyond the Gambian context.

Keywords: Irregular migration, enterprise development, remittances, labour markets, The Gambia, development economics

1. Introduction

Irregular migration from West Africa to Europe has become one of the most persistent and structurally embedded features of the region’s contemporary political economy. Over time, migration has evolved from a temporary coping mechanism into a socially normalised livelihood strategy, particularly among young and economically active populations. The Gambia presents a particularly instructive case within this broader regional pattern. Despite its small population size, relatively stable political environment, and sustained inflows of remittances, the country continues to experience high levels of outward migration alongside limited domestic enterprise growth and weak productive diversification.

At first glance, this coexistence appears paradoxical. Conventional development logic would suggest that increasing capital inflows in the form of remittances should stimulate investment, entrepreneurship, and job creation. However, in practice, enterprise systems in The Gambia remain dominated by micro and informal firms with limited growth trajectories, low capital accumulation, and high vulnerability to shocks. This disconnect raises critical questions about the structural relationship between migration, capital inflows, and enterprise development.

Existing explanations for irregular migration in The Gambia and comparable economies have largely focused on unemployment, poverty, governance failures, demographic pressure, or youth aspirations for social mobility. These

explanations are empirically grounded and remain relevant. However, they offer only partial insight into the persistence of migration even during periods of relative macroeconomic stability and growing remittance volumes. More critically, they tend to treat migration as an outcome rather than as a force that actively reshapes domestic economic systems, particularly at the enterprise level.

The enterprise-level consequences of sustained labour exit remain insufficiently examined. In small economies where micro, family-owned, and informal enterprises dominate, the loss of even modest numbers of skilled or semi-skilled individuals can have disproportionate effects. Potential entrepreneurs, apprentices, business successors, and informal sector innovators are often the same individuals who choose or are compelled to migrate. When these individuals exit the domestic economy, enterprises do not merely lose labour; they lose future managerial capacity, innovation potential, and intergenerational continuity.

This paper advances a central argument: irregular migration in The Gambia generates a structural distortion between labour availability and capital utilisation. Economically active individuals exit the domestic economy faster than enterprises can adapt through skill replacement, training, or technological upgrading. At the same time, capital returns to the economy largely through remittances that are fragmented, privately managed, and predominantly directed toward consumption rather than productive investment. The combined effect is an enterprise system that remains capital-injected but structurally constrained, liquid at the household level yet fragile at the firm level.

This distortion undermines enterprise formation, survival, and scaling. Businesses operate with shortened planning horizons, reduced incentives for formalisation, and limited appetite for expansion. Migration, while rational and often beneficial at the individual or household level, becomes collectively suboptimal when viewed through the lens of enterprise system development.

Against this background, the study addresses the following research question:

How does irregular migration simultaneously weaken domestic enterprise capacity and limit the productive use of remittance inflows in The Gambia?

To answer this question, the study pursues three interrelated objectives:

1. **To reconceptualise irregular migration as an enterprise system distortion**, rather than solely as a social, labour market, or humanitarian phenomenon.
2. **To develop a theoretically grounded analytical framework** linking sustained labour exit, fragmented capital inflow, and institutional conversion failure within small, migration-dependent economies.
3. **To propose policy and managerial responses** capable of converting migration-related labour, capital, and transnational networks into enterprise-led development outcomes.

By focusing on the interaction between migration and enterprise systems, this paper seeks to shift the analytical centre of gravity from migration control or welfare mitigation toward productive economic transformation. In doing so, it contributes to a growing body of scholarship that views migration not simply as a problem to be managed, but as a structural economic force whose developmental impact depends fundamentally on institutional design and enterprise integration.

2. Literature Review

The literature on irregular migration, remittances, and enterprise development is extensive but fragmented across disciplinary boundaries. Migration studies have traditionally focused on mobility drivers and outcomes at the individual or household level, while enterprise and business scholarship has paid limited attention to migration as a structural economic force. This section reviews the relevant strands of literature and identifies the conceptual gaps that motivate the present study.

2.1 Migration and Labour Market Perspectives

Classical migration theories have long emphasised wage differentials, employment scarcity, and demographic pressures as primary drivers of cross-border mobility. Within this tradition, migration is framed as a rational response to labour market imbalances, where individuals move from low-wage, labour-surplus economies to higher-wage destinations in search of improved economic outcomes (Todaro & Smith, 2020). These models have been influential in shaping policy debates and remain analytically useful for explaining initial migration flows.

Subsequent theoretical developments have broadened this perspective. Network theories highlight the role of social ties in lowering migration costs and risks, thereby sustaining migration over time. The concept of cumulative causation further suggests that once migration becomes established, it generates social norms, expectations, and institutional adaptations that normalise exit as a livelihood strategy rather than an exceptional choice. In this view, migration is not merely a response to economic conditions but a self-reinforcing social process.

Despite these advances, much of the migration literature continues to treat labour as an aggregate or interchangeable factor of production. The focus remains largely on employment levels, wages, and demographic trends, with limited attention to how labour functions within **enterprise ecosystems**, particularly in small and low-income economies. This omission is significant. In contexts where micro, family-owned, and informal enterprises dominate, labour is not easily substitutable. Skills are often acquired through informal apprenticeships, tacit knowledge transmission, and long-term personal relationships.

As a result, the loss of even modest numbers of skilled or semi-skilled individuals can have disproportionate effects on enterprise continuity. When potential entrepreneurs, apprentices, or future business successors migrate, enterprises face not only immediate labour shortages but also longer-term challenges related to leadership succession, innovation capacity, and organisational learning. These enterprise-level consequences remain under-theorised within mainstream migration scholarship, especially in relation to irregular migration from small economies such as The Gambia.

2.2 Remittances and Development Outcomes

Remittances occupy a central position in the migration–development literature and are widely recognised as a stabilising source of external finance for low-income economies. A substantial body of empirical research associates remittance inflows with poverty reduction, improved household welfare, enhanced food security, and increased access to education and health services (World Bank, 2023). In many contexts, remittances also function as informal insurance mechanisms, helping households smooth consumption in the face of economic shocks.

However, the evidence regarding the contribution of remittances to productive investment and enterprise development is far more mixed. While some studies identify positive links between remittances and small business formation, others find limited or no impact on firm growth, productivity, or employment generation. These divergent findings suggest that the developmental effects of remittances are highly context-dependent.

In many low-income economies, remittances are primarily allocated to immediate household needs, housing construction, and social obligations. Such uses are rational from a household welfare perspective, particularly in environments characterised by income volatility and limited social protection. However, from an enterprise development standpoint, these allocation patterns constrain capital accumulation and limit the emergence of growth-oriented firms.

Where financial markets are shallow, investment instruments limited, and enterprise policy weak, remittances tend to remain fragmented and privately managed. The absence of effective intermediation mechanisms means that individual transfers are rarely pooled, leveraged, or channelled into productive ventures. Consequently, remittances may coexist with persistent enterprise fragility rather than alleviating it.

Table 1 summarises dominant remittance use patterns identified in the literature and their typical implications for enterprise development.

Table 1

Dominant Uses of Remittances in Low-Income Economies

USE CATEGORY	TYPICAL ALLOCATION PATTERN	ENTERPRISE IMPACT
HOUSEHOLD CONSUMPTION	High	Short-term welfare gains
HOUSING CONSTRUCTION	Moderate to high	Limited productive return
EDUCATION AND HEALTH	Moderate	Long-term human capital
BUSINESS INVESTMENT	Low to moderate	Conditional on institutions

Source: Synthesised from development and migration literature.

The literature therefore suggests that remittances alone do not guarantee enterprise development. Their productive impact depends critically on the institutional environment, including access to finance, regulatory frameworks, and enterprise support systems. This insight is particularly relevant for migration-dependent economies such as The Gambia, where remittances represent a significant share of external inflows but enterprise transformation remains limited.

2.3 Enterprise Development in Small Economies

Enterprise development theory highlights access to finance, human capital, institutional quality, and market integration as core determinants of firm creation, survival, and growth (OECD, 2022). In small economies, these factors are often constrained by limited domestic markets, narrow production bases, and high exposure to external shocks. As a result, enterprise systems tend to be dominated by micro and informal firms operating with low capital intensity and short planning horizons.

In such contexts, labour plays a particularly critical role. Enterprises rely heavily on tacit knowledge, owner-manager skills, and informal training systems. Skill redundancy is limited, and the departure of key individuals can destabilise entire business operations. Labour shocks therefore have more pronounced effects in small economies than in larger, more diversified ones.

Despite this vulnerability, enterprise development literature has paid relatively little attention to migration as a structural determinant of enterprise performance. Where migration is discussed, it is often framed as a source of remittance capital or diaspora market access, rather than as a process that reshapes domestic labour availability, entrepreneurial incentives, and business continuity.

What remains underexplored is how **persistent labour exit alters entrepreneurial behaviour over time**. In migration-intensive environments, the expectation of eventual exit can reduce incentives for long-term investment, discourage formalisation, and shift risk preferences toward short-term survival strategies. Family businesses may struggle with succession planning, while potential entrepreneurs may view migration as a more viable pathway to capital accumulation than local enterprise creation.

This gap is especially salient in the Gambian context, where migration has become deeply embedded in social and economic life. Understanding how migration interacts with enterprise systems therefore requires moving beyond isolated analyses of labour markets or remittance flows toward an integrated framework that captures their combined and cumulative effects.

3. Methodology

This study adopts a **desk-based qualitative research design**, which is particularly appropriate for DBA-level inquiry focused on theory development, conceptual innovation, and policy relevance. Desk-based research allows the integration of multiple sources of knowledge—academic, institutional, and policy-oriented—without the need for primary data collection, making it well suited to contexts where enterprises are informal, dispersed, or lack comprehensive statistical records.

The methodology is guided by three key principles:

1. **Comprehensive Literature Synthesis**

Data sources include peer-reviewed academic literature, international institutional reports (e.g., International Organization for Migration, World Bank, African Development Bank), and Gambian policy documents. This approach ensures that the analysis is both theoretically informed and empirically grounded in credible secondary sources.

2. **Analytical Triangulation**

By cross-referencing findings across literature, policy documents, and comparative case studies from other small, migration-dependent economies, the study mitigates the limitations inherent in any single source. Triangulation allows for robust insights into the mechanisms linking migration, remittances, and enterprise dynamics.

3. **Conceptual Framework Development**

Rather than relying on statistical estimation, the analysis employs **conceptual synthesis** to develop a transferable analytical framework. The proposed **Migration–Enterprise Distortion Framework (MEDF)** is grounded in observed patterns and validated theoretical propositions, offering both explanatory and prescriptive value. This approach is consistent with DBA research, which prioritises managerial and policy insights alongside theoretical contributions.

Rationale for Desk-Based Approach:

- Enterprise-level data in The Gambia is often informal, fragmented, and inconsistently reported.
- Primary surveys would be resource-intensive and could introduce sampling bias due to mobility of the target population.
- Conceptual synthesis allows for **early theory building**, which can later be tested empirically or in comparative studies.

This methodological design ensures the study remains **systematically rigorous, conceptually rich, and transferable** to other small, migration-exposed economies.

4. Migration and Enterprise Dynamics in The Gambia

The Gambian economy presents a distinctive combination of characteristics that amplify the intersection of migration and enterprise vulnerability:

1. **Narrow Productive Base**

Economic activity is concentrated in agriculture, small-scale trade, and informal services, with limited industrialisation. This narrow base constrains the absorptive capacity of the labour market and reduces the economy's ability to compensate for labour losses.

2. **Dominance of Informal Enterprises**

Micro and small enterprises form the backbone of the domestic economy. These firms are typically family-owned or community-based, operate with low capital intensity, and are heavily reliant on tacit skills and personal networks. Their fragility is heightened by the loss of key personnel, making them particularly sensitive to migration-induced labour gaps.

3. Limited Industrial Absorption Capacity

With few medium or large enterprises, the economy lacks the institutional depth to substitute lost labour through mechanisation, outsourcing, or structured training programs. The gap left by migrating workers is therefore rarely offset.

4.1 Demographics of Migration

Irregular migration disproportionately involves individuals aged 18–35, who are often semi-skilled, entrepreneurial, or in the early stages of informal business ventures. Many of these migrants represent potential future business owners, apprentices, or informal innovators. The overlap between **potential entrepreneurs and migrants** creates a structural enterprise vulnerability: migration drains the pool of individuals who could otherwise sustain or expand domestic enterprises.

4.2 Migration–Enterprise Interaction

Table 2 conceptualises the intersection of enterprise characteristics and migration patterns, highlighting how structural features of the Gambian economy amplify vulnerability.

Table 2

Migration and Enterprise Characteristics in The Gambia

DIMENSION	ENTERPRISE CONTEXT	MIGRATION INTERACTION
FIRM SIZE SKILL FORMATION	Micro and informal Apprenticeship-based	Low labour redundancy; high sensitivity to departures Skill exit before full maturity; interrupted knowledge transfer
CAPITAL ACCESS GROWTH HORIZON	Limited formal finance Short-term survival	Heavy reliance on remittances for operational continuity Migration incentivises exit over long-term expansion

Source: Synthesised from literature, policy reports, and contextual analysis.

4.3 Implications

The table highlights the **structural distortion** between enterprise needs and available resources:

- **Labour redundancy is minimal**, so every departure represents a potential operational gap.
- **Skill formation pathways** are disrupted, reducing the quality and continuity of human capital.
- **Capital reliance on remittances** creates dependency without guaranteeing productive investment.
- **Short-term survival logic** dominates, as households and entrepreneurs hedge against uncertainty by prioritising migration over business scaling.

This interplay establishes the context for the **Migration–Enterprise Distortion Framework (MEDF)**, which conceptualises how persistent labour exit and fragmented capital inflows interact with weak institutions to shape enterprise outcomes.

5. The Migration–Enterprise Distortion Framework (MEDF)

Understanding the intersection of irregular migration and enterprise fragility in small, migration-dependent economies requires a conceptual framework that integrates labour dynamics, capital flows, and institutional capacity. This section introduces the **Migration–Enterprise Distortion Framework (MEDF)**, a theoretically grounded model designed to explain how sustained labour exit interacts with remittance inflows and weak institutional mechanisms to distort enterprise systems. The framework synthesises insights from migration studies, development economics, and enterprise theory, offering both explanatory and prescriptive value for policy makers and DBA-level practitioners.

5.1 Conceptual Foundations

The MEDF is built on three interdependent dynamics:

1. **Labour Exit Shock**

Persistent irregular migration removes economically active individuals faster than domestic enterprises can adapt. Unlike in large or industrialised economies, small firms in The Gambia and similar contexts rely heavily on tacit knowledge, apprenticeships, and personal networks. The exit of potential entrepreneurs, apprentices, or semi-skilled workers produces immediate operational gaps and long-term structural vulnerabilities.

2. **Fragmented Capital Return**

While remittances represent a significant capital inflow, these funds are frequently directed toward consumption, social obligations, and informal savings rather than formal, productive investment. Without mechanisms to aggregate or channel remittances into enterprise-friendly instruments, the capital inflow remains **fragmented and weakly productive**.

3. **Institutional Conversion Failure**

The absence of robust enterprise policies, financial intermediation mechanisms, and diaspora engagement strategies limits the conversion of migratory labour and capital into scalable business ventures. Institutions that could facilitate investment coordination, skills recognition, and business continuity are often underdeveloped or poorly implemented.

Table 5.1 summarises the primary dynamics and their direct enterprise impacts.

Table 5.1

Primary Dynamics of the Migration–Enterprise Distortion Framework

MEDF COMPONENT	MECHANISM DESCRIPTION	ENTERPRISE-LEVEL IMPACT
LABOUR EXIT SHOCK	Outmigration of key labour and entrepreneurs	Skill gaps, reduced succession, lower innovation capacity
FRAGMENTED CAPITAL RETURN	Remittances primarily directed to consumption or informal use	Limited enterprise investment, low scalability
INSTITUTIONAL CONVERSION FAILURE	Weak policy, financial, and diaspora integration mechanisms	Persistent informality, low productivity, limited long-term growth

Source: Conceptual synthesis from migration, enterprise, and development literature.

5.2 Distortion Mechanisms

The framework identifies **three primary distortion pathways**, which collectively weaken enterprise performance and inhibit the translation of migration into productive development:

1. **Human Capital Drain**

Key knowledge holders, skilled workers, and prospective entrepreneurs migrate before contributing fully to enterprise growth. The resulting human capital deficit constrains business continuity and reduces the overall skill stock available for domestic enterprise formation.

2. **Capital Fragmentation and Misalignment**

Remittances return in fragmented, private, and often consumption-oriented forms. Without institutional mechanisms to pool and deploy these funds, enterprises remain undercapitalised, and opportunities for scaling or formalisation are lost.

3. Behavioural and Strategic Shifts in Enterprise Logic

Anticipation of future labour exit shapes entrepreneurial decision-making. Entrepreneurs may prioritise short-term survival, informal operation, or exit strategies rather than long-term planning and investment, further exacerbating structural fragility.

Figure 5.1 illustrates the interactions between labour exit, remittance flows, and institutional capacity, forming the core of the MEDF.

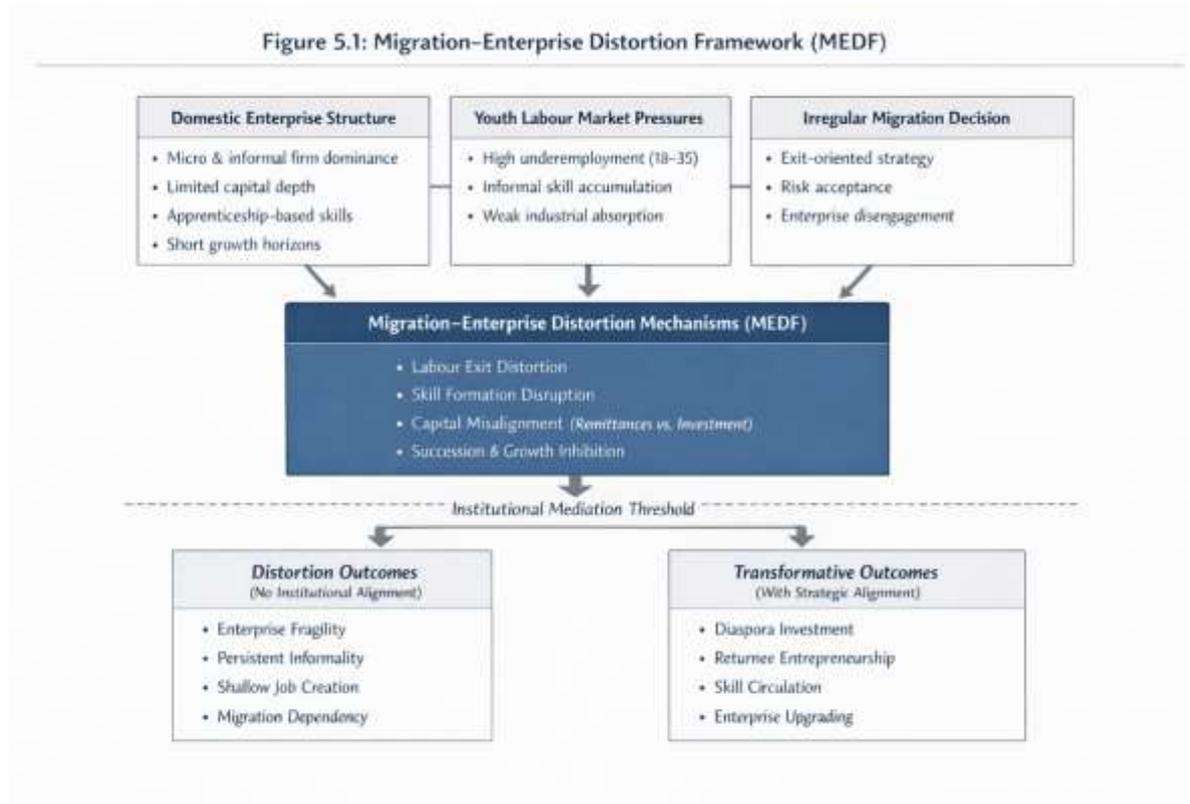


Figure 5.1 can be conceptualised as a three-component interaction model with arrows indicating feedback loops: Labour Exit → Enterprise Capacity ↓, Remittances → Potential Capital ↑, Institutional Weakness → Limited Conversion → Enterprise Fragility.

5.3 Interactions and Feedback Loops

A key insight of the MEDF is the **cumulative nature of distortion**. Each component interacts with the others in reinforcing loops:

- **Labour exit** reduces enterprise capacity, which diminishes the attractiveness and feasibility of investing remittances domestically.
- **Fragmented remittances** fail to compensate for labour shortages, reinforcing dependency on migration for household and firm sustainability.
- **Institutional weakness** perpetuates the fragmentation of both human and financial capital, making the system resistant to self-correction.

Table 5.2 summarises these feedback loops and their implications for enterprise systems.

Table 5.2
Feedback Loops in the MEDF

FEEDBACK LOOP	DESCRIPTION	DEVELOPMENT IMPLICATION
LABOUR–CAPITAL LOOP	Labour exits before enterprise can absorb remittance inflows	Enterprise stagnation despite capital availability
CAPITAL–INSTITUTION LOOP	Remittances fail to flow into structured investment due to weak institutions	Capital underutilisation; low productivity
LABOUR–INSTITUTION LOOP	Institutional deficits prevent skills retention or reintegration	Persistent human capital gaps; informalisation

5.4 Framework Implications for Policy and Enterprise Practice

The MEDF provides a conceptual lens for interpreting migration not merely as a social phenomenon but as an **enterprise system shock**. Its practical implications include:

1. **Policy-Level Recommendations**
 - Development of diaspora investment instruments and enterprise bonds to pool remittance funds for productive use.
 - Fast-track schemes for returnee entrepreneurs, recognising skills and experience gained abroad.
 - Integration of migration data into national enterprise and industrial strategies.
2. **Enterprise and DBA-Level Recommendations**
 - Managers and DBA practitioners should anticipate labour exit as a strategic variable affecting business planning.
 - Firms can leverage diaspora networks for knowledge transfer, market access, and investment mobilisation.
 - Emphasis on formalisation, succession planning, and skill retention as mitigation strategies against migration-induced fragility.
3. **Research Implications**
 - The MEDF offers a transferable analytical tool for studying small, migration-dependent economies.
 - Future empirical studies can operationalise the framework through case studies, simulations, or remittance-to-investment tracking.

5.5 Theoretical Contribution

The MEDF contributes to scholarly literature by:

- **Bridging migration and enterprise studies:** Treating migration as a structural economic factor rather than an isolated social or labour market phenomenon.
- **Highlighting system-level distortions:** Showing how labour exit, remittance flows, and institutional weakness interact cumulatively.
- **Providing a transferable conceptual model:** Applicable to other small, high-migration economies in West Africa and beyond.

- **Offering DBA relevance:** Linking theory to managerial and policy actions, providing a framework that supports actionable research and practice-oriented recommendations.

Summarily, the Migration–Enterprise Distortion Framework situates irregular migration as a **multi-dimensional enterprise challenge**, highlighting the interplay between labour exit, fragmented capital inflows, and weak institutional capacity. By clarifying these dynamics, the MEDF provides a structured lens through which scholars, policymakers, and practitioners can design interventions to transform migration from a structural constraint into a catalyst for enterprise-led development.

6. Does Irregular Migration Improve or Undermine Business Outcomes?

Irregular migration has been widely discussed in policy and academic circles for its potential dual impact on economic development. On one hand, migration can serve as a conduit for **capital inflows, knowledge transfer, and international network creation**. On the other hand, it can exacerbate **structural vulnerabilities** in domestic enterprise systems, particularly in small, migration-dependent economies such as The Gambia. This section critically examines both the potential benefits and the inherent challenges, highlighting the conditional nature of positive outcomes.

6.1 Potential Positive Effects

Migration can theoretically improve business outcomes through several pathways:

1. **Capital Inflows**

Remittances represent a steady external source of finance. When effectively channelled, these funds can supplement working capital, fund business start-ups, and stimulate local investment. In principle, remittances provide both liquidity and the potential for scaling micro and small enterprises beyond subsistence operations.

2. **Diaspora Networks**

Migrants often establish transnational social and professional networks that can support business development. These networks can facilitate access to foreign markets, technological know-how, supply chain linkages, and cross-border partnerships, all of which have the potential to strengthen domestic enterprise competitiveness.

3. **Exposure to International Practices and Skills**

Migrants returning from abroad may introduce new management practices, operational techniques, or innovative business models acquired in their host countries. Such exposure can enhance the human capital base of domestic firms and catalyse productivity improvements.

These pathways suggest that migration is not inherently detrimental to enterprise systems; rather, it has the potential to act as a **catalyst for growth and innovation**, provided the structural conditions allow for the productive mobilisation of labour, capital, and knowledge.

6.2 Conditionality and Limitations

Despite these potential benefits, the Gambian experience illustrates that **institutional alignment is critical**. In the absence of structured mechanisms, the positive effects of migration remain latent, while negative consequences are immediate and cumulative.

1. **Skill Depletion**

The departure of young, semi-skilled, or entrepreneurial individuals reduces the domestic talent pool. In small economies where micro and informal firms dominate, even modest labour exit can destabilise businesses, interrupt knowledge transfer, and undermine succession planning.

2. **Fragmented Remittance Use**

While remittances inject capital into the economy, these flows are predominantly directed toward consumption, household welfare, and informal social obligations. Without formal mechanisms to aggregate, channel, or incentivise productive investment, remittances fail to translate into enterprise growth or innovation.

3. **Enterprise Fragility**

Anticipation of migration alters entrepreneurial behaviour. Firms and potential entrepreneurs often prioritise short-term survival over long-term growth, leading to reduced formalisation, limited investment in innovation, and weakened strategic planning.

4. **Cumulative Distortions**

The combined effect of labour exit, fragmented capital, and institutional weakness creates a **vicious cycle**. As enterprise fragility persists, households may increasingly view migration as the optimal route for income generation, reinforcing both labour exit and the underutilisation of capital.

Table 6.1 summarises the dual outcomes of irregular migration for enterprise systems in the Gambian context.

Table 6.1

Potential Benefits and Challenges of Irregular Migration for Enterprise Outcomes

DIMENSION	POTENTIAL OUTCOME	POSITIVE	CONDITIONAL LIMITATION/CHALLENGE
CAPITAL INFLOWS	Supplementary liquidity, start-up funding		Fragmented, underutilised, consumption-oriented,
KNOWLEDGE & SKILLS	Innovation, management practices	improved	Loss of trained personnel, interrupted knowledge transfer
DIASPORA NETWORKS	Market access, resource sharing	partnerships,	Limited engagement due to weak institutional coordination
ENTREPRENEURIAL INCENTIVES	Exposure to global business models		Risk-averse behaviour, short-term survival focus
ENTERPRISE GROWTH	Opportunity for formalisation	scaling &	Structural fragility persists, limited long-term effect

Source: Conceptual synthesis from migration, enterprise, and development literature.

6.3 Interpretation

The analysis indicates that the net effect of irregular migration on business outcomes in The Gambia is **highly conditional**. Where institutional mechanisms exist to harness remittances, integrate returnee skills, and leverage diaspora networks, migration can generate tangible enterprise benefits. In their absence, migration functions as a **distorting force**, weakening enterprise continuity, reducing strategic investment, and perpetuating economic vulnerability.

From a DBA perspective, this section underscores the importance of **treating migration as a system-level variable** rather than an exogenous factor. Enterprise strategies, policy interventions, and development programmes must account for both the potential gains and the structural risks posed by labour mobility.

7. Policy and Managerial Implications

Building on the Migration–Enterprise Distortion Framework (MEDF) and the preceding analysis, this section outlines the **policy and managerial levers** through which migration can be transformed from a structural constraint into a productive development tool. By linking theory with actionable strategies, these recommendations offer both **practical DBA relevance** and policy significance for small, migration-dependent economies such as The Gambia.

7.1 Policy-Level Interventions

To convert the latent benefits of migration into enterprise growth, **institutional and policy mechanisms** must be established to align remittance flows, returnee skills, and diaspora networks with domestic enterprise objectives. Key interventions include:

1. Diaspora Enterprise Investment Instruments

Governments and development agencies can design targeted financial instruments—such as diaspora bonds, venture funds, or matched-investment schemes—that aggregate remittances and channel them into productive business ventures. By providing structured opportunities for diaspora participation, these instruments can overcome the **fragmentation of capital** highlighted in the MEDF and promote scalable enterprise growth.

2. Returnee Business Fast-Track Schemes

Returnee migrants often possess international skills, market knowledge, and entrepreneurial experience that are underutilised domestically. Fast-track schemes—such as expedited business registration, tax incentives, and access to subsidised finance—can facilitate the integration of returnees into the enterprise ecosystem, mitigating **human capital drain** and fostering innovation.

3. Remittance-to-Investment Conversion Platforms

Institutional platforms that convert informal remittance inflows into formal, enterprise-oriented investments can enhance capital productivity. Mechanisms may include pooled investment funds, co-financing arrangements, or partnerships with microfinance institutions that link household remittances to small business credit. These platforms address the **capital misalignment** identified in the MEDF, ensuring that funds contribute to enterprise formation, scaling, and sustainability.

Table 7.1 summarises the proposed policy interventions and their targeted MEDF distortions.

Table 7.1

Policy Interventions and Targeted Enterprise Distortions

INTERVENTION	MEDF DISTORTION TARGETED	EXPECTED OUTCOME
DIASPORA ENTERPRISE INVESTMENT TOOLS	Fragmented capital return	Pooled investment, scalable enterprise growth
RETURNEE BUSINESS FAST-TRACK SCHEMES	Labour exit shock	Knowledge retention, skill reintegration
REMITTANCE-TO-INVESTMENT PLATFORMS	Institutional conversion failure	Productive remittance utilisation, firm scaling

Source: Synthesised from migration, development, and enterprise literature.

7.2 Managerial and DBA-Level Implications

For **business leaders and DBA practitioners**, irregular migration should be treated as a **strategic variable** rather than an uncontrollable external shock. By recognising and leveraging migration-driven dynamics, enterprises can enhance resilience, continuity, and growth potential.

1. Leveraging Diaspora Networks as Strategic Assets

Managers should actively engage diaspora networks to access knowledge, technology, markets, and capital. These networks can serve as quasi-international subsidiaries, providing competitive intelligence, supply chain linkages, and mentoring for domestic entrepreneurs. In the Gambian context, this approach mitigates isolation, compensates for domestic skill gaps, and introduces innovative practices.

2. Informality Management as Core Resilience Strategy

Given the predominance of micro and informal enterprises, managers must adopt strategies that optimise flexibility while maintaining operational stability. This includes structured knowledge retention, informal apprenticeship continuity, and scalable low-cost organisational practices. DBA-level interventions could involve designing **enterprise playbooks** or simulation models that anticipate labour exit, allowing managers to plan proactively for migration-induced disruptions.

3. Strategic Use of Migration-Linked Capital

Enterprise managers should treat remittance flows as conditional investment capital rather than pure household transfers. This involves integrating informal inflows into business planning, identifying co-financing opportunities, and designing projects that balance risk and return. By doing so, businesses can convert otherwise fragmented capital into **sustained enterprise growth**, consistent with the MEDF framework.

4. Integration of Migration Considerations into Strategic Planning

At the DBA level, practitioners are encouraged to model migration dynamics as part of enterprise risk management, strategic resource allocation, and succession planning. This allows for **data-informed decision-making** that anticipates labour exit, optimises resource deployment, and aligns with national development goals.

Table 7.2 summarises the managerial and DBA-level implications and their operational relevance.

Table 7.2

Managerial and DBA-Level Implications of Migration for Enterprises

STRATEGIC AREA	PRACTICAL ACTION	EXPECTED BENEFIT
DIASPORA NETWORK ENGAGEMENT	Market intelligence, partnerships, mentoring	Expanded market access, innovation adoption
INFORMALITY MANAGEMENT	Knowledge retention, apprenticeship continuity	Enterprise resilience, skill continuity
MIGRATION-LINKED CAPITAL	Structured investment, co-financing, project planning	Scalable enterprise growth, improved capital productivity
STRATEGIC PLANNING & RISK MANAGEMENT	Labour exit modelling, succession planning	Reduced disruption, sustained growth potential

Source: Conceptual synthesis based on MEDF framework and migration-enterprise literature.

7.3 Integrated Perspective

By combining **policy interventions** and **managerial strategies**, the framework provides a comprehensive roadmap for transforming migration from a **structural challenge into a development opportunity**. Specifically:

- Policy mechanisms ensure that labour and capital can be **institutionally harnessed**.
- Managerial practices ensure that enterprises remain **adaptive, resilient, and strategically positioned** to benefit from migration-linked assets.
- Together, these interventions **close the feedback loops** identified in the MEDF, converting latent potential into observable enterprise outcomes.

Interpretive Summary:

For The Gambia and similar small, migration-dependent economies, treating migration as a **multi-dimensional enterprise factor** rather than an externality is essential. The combination of diaspora engagement, structured remittance conversion, returnee integration, and proactive management can transform otherwise distorting migration dynamics into drivers of **enterprise-led growth, innovation, and economic resilience**.

8. Contributions to Knowledge

This study makes several substantive contributions to the literature on migration, enterprise development, and applied management research, particularly within the context of small, migration-dependent economies.

First, the paper introduces an enterprise-centred analytical framework for understanding irregular migration. Existing scholarship has largely examined migration through humanitarian, labour market, or macro-development lenses. By contrast, the Migration–Enterprise Distortion Framework (MEDF) positions enterprise systems at the core of analysis, demonstrating how sustained labour exit, fragmented capital inflows, and institutional weakness interact to shape firm-level outcomes. This reconceptualisation advances migration scholarship by treating enterprise capacity not as a secondary outcome, but as a central explanatory variable.

Second, the study bridges migration studies and international business literature, two bodies of work that have developed largely in parallel. Migration research has traditionally focused on individuals and households, while international business and enterprise studies concentrate on firms, markets, and institutions. By integrating these perspectives, the paper demonstrates how migration-induced labour mobility and transnational capital flows directly influence entrepreneurial behaviour, firm strategy, and enterprise resilience. This interdisciplinary integration strengthens theoretical coherence and opens new avenues for cross-field research.

Third, the MEDF provides a transferable conceptual model applicable beyond The Gambia. While the analysis is contextually grounded, the framework is designed to be analytically portable to other small, migration-intensive economies characterised by informality, limited industrial diversification, and high remittance dependence. As such, the framework contributes to comparative development research by offering a structured lens through which migration–enterprise dynamics can be examined across similar contexts in West Africa and beyond.

Finally, the study offers DBA-relevant insights that explicitly link theory to executive and policy practice. Rather than treating migration as an exogenous macroeconomic phenomenon, the paper demonstrates how business leaders, policymakers, and development practitioners can incorporate migration dynamics into strategic planning, risk management, and enterprise design. This applied orientation enhances the practical value of the research, reinforcing its relevance for professional doctoral audiences seeking to generate impact at both organisational and policy levels.

9. Limitations and Future Research

While this study provides a robust conceptual and analytical contribution, certain limitations must be acknowledged. The research adopts a desk-based qualitative design, relying on secondary literature, institutional reports, and policy documents. Although this approach is appropriate for theory development and framework construction at DBA level, it limits the ability to empirically test causal relationships or quantify enterprise-level impacts.

Future research could strengthen and extend the findings in several ways. First, firm-level case studies in The Gambia would provide rich empirical insights into how labour exit and remittance inflows shape business performance, succession planning, and growth trajectories. Such studies could examine both surviving and failed enterprises to better understand variation in outcomes.

Second, comparative research across West African economies would enhance generalisability and allow for cross-country learning. Comparing The Gambia with countries exhibiting different institutional capacities or diaspora engagement strategies could illuminate how policy design mediates migration–enterprise outcomes.

Third, future studies may operationalise the MEDF using mixed-methods or longitudinal designs, enabling measurement of remittance conversion rates, labour replacement strategies, and enterprise scaling outcomes over time. Such empirical testing would strengthen the predictive and policy relevance of the framework.

10. Conclusion

Irregular migration in The Gambia represents neither a failure of development nor a self-sustaining solution in isolation. Rather, it reflects a systemic misalignment between labour mobility, capital inflows, and enterprise-supporting institutions. While migration removes economically active individuals from the domestic economy, the capital and networks that return are insufficiently structured to compensate for this loss or to drive sustained enterprise growth.

This paper has argued that the core challenge lies not in migration itself, but in the institutional failure to integrate labour exit, remittance flows, and enterprise development strategies. Without such integration, migration continues to function as a distorting force—weakening enterprise continuity, constraining productivity, and reinforcing dependency on external income sources.

By introducing the Migration–Enterprise Distortion Framework, the study provides a coherent pathway for reframing migration policy, enterprise strategy, and scholarly inquiry. The framework encourages policymakers, managers, and researchers to move beyond fragmented responses and toward an enterprise-led development approach that recognises migration as a structural variable requiring deliberate institutional alignment.

In doing so, the paper contributes to a more nuanced understanding of migration in small economies and offers a foundation for transforming migration from a source of structural vulnerability into a lever for sustainable enterprise development.

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