ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

# Foundation for Enduring Enterprises: Reimagining Corporate Governance for Zimbabwe and Africa

**Josephat Junior Tshoga**

**Lupane State University, Zimbabwe**

**DOI: https://doi.org/10.51583/IJLTEMAS.2026.151000076**

**Received: 19 October 2026; Accepted: 24 October 2026; Published: 07 November 2026**

## ABSTRACT

This paper examines an overlooked persistence of economic fragility, challenging the collective consensus in the field that attributes fragility to dualism, which classical scholarship identifies as a difference in productivity, level of development, or culture. Existing frameworks, however, fail to account for the sustained coexistence of standardized and embedded institutional systems within the same economic space. This paper argues that fragility is a structural condition arising from the coexistence of systems governed by incompatible rules of legitimacy. To explain this condition, the paper introduces the Universality Constraint, which describes the necessity for standardized mechanisms of coordination as economic systems expand beyond relationally bounded space. While such mechanisms give rise to standardized institutional systems, they do not displace embedded systems already present. The result is institutional coexistence, dualism, plurality, or synthesis. The analysis advances a relational framework in which economic coordination is defined not by the existence of systems but by the subset of cross-system interactions that are recognised, enforceable, and sustainable. From this perspective, dualism reflects a constrained domain of valid relations across coexisting systems. Institutional synthesis is therefore reconceptualised as an emergent structure arising from the expansion of this domain, rather than the replacement or merger of systems. The Universality Constraint, the Dualistic Proposition, the Theory of Inter-System Relations, and the Synthesis Proposition that follow are original constructs developed in this paper. Five case studies illustrate the framework's application. The British South Africa Company (BSAC) and Zimbabwe's contemporary artisanal and small-scale gold mining sector demonstrate how the introduction of standardized systems, without mechanisms for validating cross-system relations, produces persistent fragmentation. Conversely, the transformation of Mitsubishi from a family-controlled zaibatsu into a modern keiretsu, and the regulatory integration of Zimbabwe's EcoCash mobile money platform into the national payment system, illustrate that interaction between systems does not always generate fragility. A fifth case, drawn from Zimbabwe's own remote communal lands, where customary governance operates without a second dominant system contesting the space, tests the boundary of the framework directly, showing that institutional systems can emerge and organize an economic space without competition or a second system present at all. The findings suggest that economic integration does not depend on the expansion of standardized institutions alone, but on the conditions under which relations between standardized and embedded institutional systems become valid.

**Keywords:** Economic space E(A), Systems (S), Actor, Institution, Organisation, Legitimacy, Dominance, Equivalent Economic Function, Organisation of Economic Space, Dimensional Perspective, Inter-System Relations, Dualism, Valid Inter-System Relations, Coherence, Synthesis, Falsifiability

## INTRODUCTION

This paper establishes the institutional foundations upon which subsequent research papers in this series develop a corporate governance framework for enduring enterprises in Zimbabwe and Africa. Many African economies remain fragile despite continued discourse, policy reforms, developmental agendas, and efforts to rebuild stronger institutions, organisations, and more specifically economic systems E(A) (Van de Walle, 2001; African Development Bank, 2013). Existing scholarship has attributed this persistent decline to colonial legacies (Acemoglu, Johnson and Robinson, 2001; Michalopoulos and Papaioannou, 2020), as well as to

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

weak governance and policy inconsistency more broadly (Van de Walle, 2001). While these explanations give insight into the landscape, they diagnose the outcome without fully explaining the structural conditions that continuously reproduce fragility. Among the most influential explanations of this persistence in Zimbabwe and Africa is the segmentation attributed to dualism or pluralism (Boeke, 1953; Furnivall, 1948; Lewis, 1954; Riggs, 1964). Scholarship looks at these conditions as a result of formal versus informal, modern versus traditional, and rural versus urban development differences. These outcomes provide interconnected insights into how competing systems emerge, interact, and generate structural contradiction within the same space E(A).

This paper therefore interrogates how these systems emerge within the Zimbabwean and African space, building on classical scholarship rather than setting it aside, but pushing past it to explain the emergence of dualism itself, rather than treating dualism as a settled attribute of colonial legacy, weak governance, or inadequate capital. What this paper offers instead is dualism as a condition of interacting systems, some attaining dominance while occupying the same economic space, with the outcome resolving either into coordination failure between them or into synthesis. By expanding dualism beyond its conventional explanation, this paper introduces a conceptual framework, developed originally for this study, for the emergence, interaction, and conflict or coherence of dominant systems, offering a broader explanation for persistent fragility in the context of Zimbabwe and Africa.

**Foundational Concepts**

This paper proposes that actors occupying different systems may perform equivalent economic functions despite differing institutional recognition. A street vendor operating within $S_2$ may exhibit characteristics commonly associated with a registered company in $S_1$, including profit orientation, stakeholder relationships, asset ownership, and market participation. The principal distinction lies not in economic function but in the legitimacy logic through which the actor is recognized, so the claim on offer here is a narrower one than it might first sound: not that a vendor is a company, but that the two can be functionally equivalent while remaining institutionally distinct.

The concepts below build on one another in sequence: an economic space contains systems, systems are populated by actors organized through institutions and organizations, those organizations draw on a basis of legitimacy, and legitimacy is what allows a system to attain dominance. Dominance in turn determines how a system organizes economic space, which is what ultimately produces dualism or pluralism; how coexisting dominant systems then relate, validly or invalidly, is what produces fragility, coherence, or synthesis. Where a concept is adapted from existing theory, that source is cited; the following constructs, notably dominance, equivalent economic function, the organisation of economic space, inter-system relations, dualism as redefined here, validity, coherence, and synthesis, are developed specifically for this paper. They are not derived from a single existing source, though several engage closely with adjacent literature, most directly the hybrid-political-order and legal-pluralism traditions.

**Economic Space E(A)**

Everything that follows takes place somewhere, and that somewhere needs a name before it needs a definition. Economic space, denoted E(A), is the total field of economic activity within a defined geographic or jurisdictional boundary, a country or region, say, within which one or more systems may operate. It has no institutions, legitimacy, or enforcement of its own; those belong to the systems that occupy it, not to the space itself. Formally, $E(A) = \{S_1, S_2, \ldots, S_n\}$, where each $S_n$ is a distinct system occupying that space. Zimbabwe, for the purposes of this paper, is one instance of E(A): a single economic space inside which, as the case studies in section 6 show, more than one system has organized activity at once.

**Systems (S)**

A system (S) is what actually organizes activity within that space. It is a complete institutional structure, its own actors, institutions, organizations, legitimacy basis, enforcement mechanisms, and outputs, built around one or more equivalent economic functions such as exchange, resource allocation, dispute resolution, or

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

production. Recognition by the state, or by another system, is not what makes a system exist; recognition only determines legitimacy and dominance. Two systems sharing the same economic space can coordinate exchange under entirely different rules, and how they relate to each other, absent, cooperative, competitive, or synthetic, is not settled by the fact of coexistence.

One question the definition above leaves open deserves to be named rather than quietly assumed away: what actually makes two actors members of the same system, rather than two systems that happen to look alike? A chief and a village headman clearly answer to the same system; a registered firm and a street vendor, just as clearly, do not. But plenty of real cases sit between those two obvious poles, and the paper needs some principled way of drawing the line rather than relying on intuition each time. The working answer adopted here is that systems are individuated by what enforces them, not by what they produce: two actors belong to the same system when they ultimately answer to the same enforcement mechanism, courts, regulators, communal sanction, and belong to different systems when they do not, however similar their function looks from the outside. Checkland (1981) is a useful reminder here that a system's boundary is never simply given by the world; it is drawn by whoever is doing the analysis, for a purpose, and defended on that basis. The enforcement criterion adopted in this paper is exactly that kind of principled, purpose-built boundary, not a discovery about some pre-existing fact of the matter. It resolves the clear cases cleanly, but it has not yet been tested against the harder, hybrid ones, actors who answer to more than one enforcement mechanism at once, or whose enforcement is itself borrowed from another system.

**Actor**

Systems are made up of actors: any individual, household, or entity engaging in economic activity within a system, a chief, a vendor, a registered company, a colonial administrator. What makes the actor concept useful here is that the same role, profit-seeking, say, or resource allocation, can be performed by actors that different systems classify in entirely incompatible ways.

**Institution**

An actor's conduct within a system is governed by that system's institutions. North (1990) defines institutions as the rules of the game that structure economic, political, and social interaction, and this paper follows that definition: an institution is a rule, norm, or codified requirement governing how actors within a system interact, customary land tenure, statutory company law, a religious code. What an institution ultimately does is draw the line between conduct that is permissible, obligatory, or prohibited within its system.

**Organisation**

Rules on their own do not act; organisations are how institutions get applied. North (1990) separates institutions, the rules, from organizations, the players operating under them, and this paper keeps that distinction. An organisation is a structured collective actor working within a system to pursue defined objectives under that system's institutions, a registered firm, a chiefdom's council, a colonial administrative office. Where an institution defines a rule, an organisation is what enforces it in practice.

**Legitimacy**

Why should anyone accept an institution's authority rather than simply comply under threat? Legitimacy is the paper's answer to that question: the basis on which actors and organizations are recognized as valid participants within a system, whatever makes a rule, actor, or organization authoritative rather than merely imposed. Weber's (1978) distinction between traditional, charismatic, and legal-rational grounds of authority is the starting point here, extended to economic systems more broadly, so that legitimacy might rest on custom and lineage, statutory law, religious authority, or negotiated consent, with different systems in the same economic space drawing on entirely different bases.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

**Dominance**

Legitimacy explains why a system's authority is accepted; dominance, an original construct of this paper, describes how far that acceptance has spread across E(A). Dominance is the degree to which an institutional system becomes the principal legitimacy framework governing a specified economic space. Deliberately, this is a neutral measure: attaining dominance does not require defeating, weakening, or eliminating any other system, and it says nothing yet about how a dominant system relates to others sharing its space. This paper proposes three observable indicators of dominance, none of which presuppose the fragility or coherence outcome the theory seeks to explain:

**Coverage**: The proportion of actors, transactions, or economic activity within E(A) that is coordinated under the system's institutions.

**Enforcement primacy**: The degree to which the system's enforcement mechanisms (courts, regulators, traditional authorities) are the ones actors turn to, or are compelled to turn to, when disputes arise between systems.

**External recognition**: The extent to which actors outside E(A), such as international markets, banks, or foreign states, recognize the system's institutions as the valid frame of reference for engaging with actors inside E(A). A system may score highly on one indicator and weakly on another; dominance is therefore a matter of degree rather than a binary condition, and it can be assessed independently of whether its interaction with other dominant systems later proves coherent or fragile. This separation of measurement (dominance) from outcome (coherence or fragility) is what allows the framework to explain fragility without presupposing it.

**Inter-System Relations**

Dominant systems sharing the same space inevitably come into contact, and this paper needs a term for that contact before it can say anything about what the contact produces. Inter-system relations are the interactions between actors, institutions, or organizations belonging to different systems occupying the same economic space, a vendor obtaining a bank loan, a customary ruling cited in a formal court. Two systems can generate a great deal of this contact while remaining, in every institutional sense, entirely distinct.

**Dualism**

The simplest configuration of multiple dominant systems is a pair. Dualism is the condition in which exactly two systems simultaneously attain dominance within the same economic space, each organizing a substantial share of activity, enforcement, or recognition, without either displacing the other.

**Valid Inter-System Relations**

Contact between systems is common; not all of it counts for much. A valid inter-system relation is an interaction between two or more systems that is recognized, enforceable, and sustainable across both, rather than being recognized only within one of them. This is the distinction that separates mere contact from productive interaction, and it matters because systems can interact constantly while only a small fraction of that interaction turns out to be valid in this sense.

**Coherence**

Institutional coherence is what emerges once validity stops being the exception. It is the condition in which the domain of valid inter-system relations is broad enough, relative to the total volume of inter-system interaction, that actors can move between systems, or transact across them, without systematically losing recognition, enforceability, or protection.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

### Synthesis

Coherence can deepen further over time, and synthesis is the name for where that leads. It is the emergent structure that arises once the domain of valid inter-system relations expands to the point where formerly distinct systems' institutions, legitimacy, and enforcement mechanisms start reinforcing one another rather than merely sitting side by side. Neither system needs to replace or absorb the other for this to happen; what synthesis actually requires is that their interaction becomes reliably valid across a growing share of activity.

### Equivalent Economic Function

None of the comparisons this paper draws across systems would mean anything without a way to say two systems are doing comparable work in the first place, and that is what equivalent economic function supplies. Two actors, institutions, or organizations perform an equivalent economic function where they accomplish the same underlying economic task, profit-seeking, resource allocation, dispute resolution, exchange facilitation, regardless of which system recognizes them. The vendor and the registered company introduced earlier in this section are a case in point: the function performed is the same, and what differs is only the legitimacy logic under which each is recognized.

### Organisation of Economic Space

The paper has already used the phrase "organizes E(A)" several times without pinning it down; this is where that gets fixed. The organisation of economic space is the process by which a dominant system's institutions, legitimacy, and enforcement mechanisms come to structure economic activity within E(A), through the coordination of actors, the ordering of institutions, the allocation of rights, the regulation of exchange, the recognition of legitimacy, and the governance of economic relationships. A system organizes economic space to the degree it performs these six functions under its own institutional logic rather than another system's, and when two systems each carry a substantial share of them, the result is the dualism defined in section 3.9.

### The Dimensional Perspective

One lens ties the fourteen concepts above together into something usable. The Dimensional Perspective is the analytical lens through which the systems occupying an economic space are identified and compared, by their actors, institutions, organizations, and legitimacy. This paper develops it fully and draws out its central methodological consequence: every proposition that follows is dimension-dependent, holding only within the specific dimension along which systems were identified, rather than standing as some universal claim about economic space in general.

## LITERATURE REVIEW

This section situates the paper's central claim, that fragility arises from the validity of relations between coexisting systems rather than from coexistence itself, against six bodies of scholarship. It begins with the broader systems tradition from which the vocabulary of this paper descends, before turning to the four literature excerpts that speak directly to dualism, pluralism, and institutional coexistence, and closes by weighing each against its principal critics rather than presenting it uncontested.

### Systems Scholarship: From General Systems Theory to Institutional Logics

The idea that social and economic life can be understood as an arrangement of systems did not originate with this paper, and it is worth tracing that lineage briefly before distinguishing this paper's place within it. Von Bertalanffy (1968) proposed general systems theory as a search for principles that hold across systems of any kind, biological, mechanical, or social, treating a system as a set of interrelated parts whose behaviour cannot be reduced to any single part in isolation. Parsons (1951) narrowed this ambition to society itself, modelling social order as a system of roles and norms oriented toward the maintenance of equilibrium. Checkland (1981) later broke from the assumption that social systems behave with the regularity of physical ones, arguing that social systems are constituted by the differing, often conflicting, purposes their participants attribute to them,

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

and proposing systems thinking as a method for working with that plurality of purpose rather than assuming it away.

Institutional economics narrowed the object of analysis further still. Where general and social systems theory ask what holds any system together, North (1990) asks specifically what holds economic exchange together, answering that institutions, the rules of the game, reduce the transaction costs and uncertainty that would otherwise limit exchange to relationally bounded circles. Institutional logics scholarship narrowed the question once more, Friedland and Alford (1991) argued that a society's major institutional orders each carry a distinct logic, a set of material practices and symbolic meanings, and Thornton and Ocasio (1999) operationalized this insight, showing empirically how a shift from one institutional logic to another restructures authority within a single industry.

This paper's debt to that lineage is real but partial. Like general and social systems theory, it treats a system as more than the sum of its parts and refuses to reduce economic order to a single institution. Like systems thinking, it takes seriously that different systems occupying the same space may pursue incompatible purposes rather than converging on one. Like institutional economics and institutional logics scholarship, it treats institutions as rule-based and legitimacy-dependent. What none of these traditions supplies is an account of what happens when two or more such systems, each internally coherent and each carrying its own institutional logic, come to occupy the same economic space at once and compete, cooperate, or coexist for the right to organize it. That is the specific gap this paper addresses, and the remainder of this section turns to the literatures that have approached it most directly.

**Classical Dualism and Development Economics**

The dual-economy tradition established by Boeke (1953) and Lewis (1954) treats dualism primarily as a productivity or development gap between an advanced, capital-intensive sector and a backward, labour-intensive one. Boeke's study of colonial Indonesia described a form of social dualism in which an imported Western capitalist economy and an indigenous pre-capitalist economy coexisted without merging. Lewis's dual-sector model similarly proposed that a modern capitalist sector absorbs surplus labour from a traditional subsistence sector, with development occurring as the modern sector expands.

This tradition has been strongly, and in this paper's view rightly, contested. Frank (1966), writing from within dependency theory, rejected the dualist premise outright, underdevelopment, he argued, is not the original or traditional condition of a backward sector patiently awaiting absorption, but is actively produced by the same historical process that generates development elsewhere. On his account there are not two sectors at all, only one unequal relationship wearing two faces. This is a serious problem for any dualist theory that treats the embedded sector as a residual category, and it applies with equal force to Boeke and Lewis. This paper departs from the dual-economy tradition for a related but distinct reason, it does not treat the embedded system as a shrinking remainder destined for absorption, nor as a mere by-product of the dominant system in the way Frank's critique implies, but as a system capable of independently sustaining, or even extending, its own dominance. Whether that independence is itself an artifact of unequal historical relations, as Frank would suggest, is a question this paper does not resolve and flags as an open one.

**Legitimacy and Legal Pluralism**

Furnivall (1948) described colonial Burma and the Netherlands Indies as plural societies in which distinct communities held to their own religion, culture, language, and ideas, meeting only in the marketplace. Griffiths (1986) later formalized this observation into the concept of legal pluralism, challenging the assumption, which he termed legal centralism, that a single state legal order necessarily monopolizes law within a territory. Merry (1988) extended legal pluralism beyond colonial and postcolonial settings, arguing that the coexistence of multiple normative orders is a feature of virtually all societies. Tamanaha (1993) delivered what remains the sharpest rebuttal to this literature, arguing that the concept of legal pluralism, once stretched to cover any normative order, collapses under its own breadth, if a workplace code of conduct and a state constitution are both called law simply because both regulate behaviour, the term loses the power to distinguish anything at all. This critique is not academic housekeeping; it identifies a real risk this paper must

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

guard against. Unless dominance and validity are given observable indicators, the concept of a system would be just as vulnerable to Tamanaha's charge as legal pluralism is, anything that organizes any activity could be called a system, and the term would explain nothing. Beyond that shared risk, legal pluralism remains narrower in scope than the present framework regardless, it is concerned specifically with competing sources of law, whereas the systems examined in this paper may be organized around economic, security, or kinship logics that need not be legal at all.

**State Fragility and Hybrid Political Orders**

Riggs (1964) described societies undergoing modernization as prismatic, exhibiting overlapping traditional and modern administrative structures at once, a condition he associated with administrative inefficiency and corruption arising from unresolved coexistence rather than simple backwardness. Boege, Brown and Clements (2009) advanced a related argument at the level of the state, contending that the mainstream discourse of fragile states measures non-Western polities against a Weberian ideal that rarely exists in practice. Where customary and state authority coexist and continually negotiate their respective domains, they argue, this hybridity may constitute a stable political order in its own right rather than a deficient stage on the way to a fully formed state.

Goodfellow and Lindemann (2013) complicate this picture with evidence rather than theory. Examining the Buganda Kingdom's relationship with the Ugandan state, they distinguish institutional hybridity from institutional multiplicity and show that not every form of institutional coexistence between traditional and state authority is stable, in Buganda, unresolved multiplicity over land and decentralization was directly implicated in violent conflict. Their finding is close enough to the present framework to require direct acknowledgment, their distinction between forms of institutional coexistence that hold together and forms that do not is, in substance, an early version of this paper's distinction between valid and invalid inter-system relations, applied specifically to a state and a traditional authority. This paper's framework is broader in the systems it admits, any two systems attaining dominance, not only a state and a customary authority, and more explicit about the mechanism, dominance and the validity of inter-system relations as defined in this paper, but Goodfellow and Lindemann's empirical finding that institutional coexistence can fail violently, not merely fragment administratively, is a caution this paper's more abstract treatment of fragility should not understate.

Meagher (2012) offers a further corrective, cautioning that hybrid governance can just as easily describe a vigilante militia or a warlord's checkpoint as a constructive customary institution, and that treating hybridity as inherently legitimate risks romanticizing coercive non-state orders while excusing states from building their own capacity. This is a caution the present framework takes seriously: dominance, is a descriptive measure of organizing influence and carries no assumption that a dominant system is thereby legitimate in a normative sense, or that its coexistence with another system is desirable. Whether a given synthesis outcome is one worth encouraging is a separate, evaluative question that this paper does not resolve.

**New Institutional Economics**

North (1990) explains institutions as devices that reduce transaction costs and uncertainty in exchange, with institutional change following a path-dependent trajectory shaped by prior rules. Critics writing from a more political-economy perspective have pushed back hard on the efficiency assumption buried in this account, arguing that institutional change is driven by distributional conflict and the interests of powerful actors rather than by a society-wide search for lower transaction costs; institutions that persist may do so because they serve entrenched interests, not because they are efficient (Knight, 1992; Acemoglu and Robinson, 2012). This paper does not adjudicate that debate, but it is exposed to the same criticism at exactly the point where it follows North most closely, the Universality Constraint explains why standardized institutions emerge, but, consistent with the critique above, it does not and should not be read to assume that their emergence is welfare-improving, contest-free, or equally beneficial to the actors operating under the systems that predate them.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

### Positioning This Study

Each of these literatures captures part of the puzzle this paper addresses, and each has real limits that this paper inherits some exposure to. Systems scholarship supplies the vocabulary of interrelated parts and competing purposes but stops short of theorizing what happens when whole systems compete for the same space. Dual-economy theory identifies the productivity gap between coexisting sectors but has been challenged for assuming a convergence that may never arrive. Legal pluralism identifies the coexistence of normative orders but has been challenged for definitional looseness this paper must actively guard against. Hybrid political order theory identifies the possibility that coexistence can be stable, and Goodfellow and Lindemann's evidence shows it can also fail violently, a possibility this paper's account of fragility should be read to include. New institutional economics explains why institutions emerge but has been challenged for underplaying power and conflict, a challenge that reaches the Universality Constraint directly.

None of these literatures, individually or together, specifies the mechanism by which coexistence becomes persistently fragile in one case and coherent in another. The Universality Constraint, the Dualistic Proposition, the Theory of Inter-System Relations, and the Synthesis Proposition set, together with the constructs of dominance, equivalent economic function, and validity on which they depend, are original contributions of this paper. They are not derivations of the frameworks reviewed above; those frameworks are engaged here as points of contrast and as sources of the critiques this paper must itself answer, not as sources from which its central mechanism is drawn. That mechanism shifts the unit of analysis from which sector, order, or institution exists to how valid the relation between coexisting systems is, making validity, rather than coexistence itself, the operative variable that determines whether dualism produces fragility or synthesis.

## CONCEPTUAL FRAMEWORK

The propositions developed in this section, the Universality Constraint, the Dualistic Proposition, the Theory of Inter-System Relations, and the Synthesis Proposition, are original to this paper, as are the constructs of dominance and validity that connect them. This paper situates them against existing literature; what follows is this paper's own contribution.

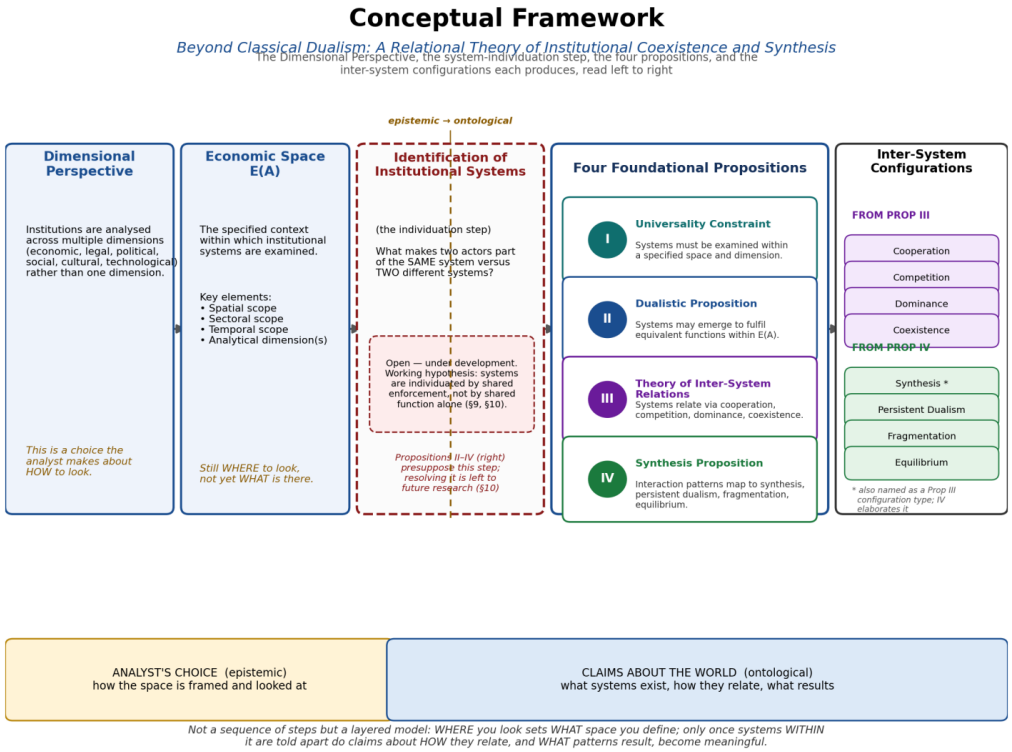



Figure 1: Conceptual Framework Overview — Beyond Classical Dualism: A Relational Theory of Institutional Coexistence and Synthesis

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

## The Dimensional Perspective: An Analytical Lens

Classical approaches to institutional analysis often examine economies through predefined categories such as formal versus informal, modern versus traditional, or urban versus rural. While these classifications have contributed significantly to the understanding of institutional diversity, they frequently assume the categories themselves rather than examining the underlying systems that produce them. This study introduces the Dimensional Perspective as an analytical lens for observing economic space. Rather than classifying actors according to conventional labels, the Dimensional Perspective identifies the systems within which actors operate and examines their respective institutions, organizations, legitimacy, enforcement mechanisms, and outputs. It shifts analysis from sector-based classification to system-based observation.

The Dimensional Perspective is the methodological foundation on which everything that follows depends, and its implications should be stated plainly before the propositions are introduced. Every application of this framework begins by specifying a dimension, a defined analytical basis, such as land tenure, currency, or dispute resolution, along which systems are to be identified and compared. The propositions that follow, the Universality Constraint, the Dualistic Proposition, the Theory of Inter-System Relations, and the Synthesis Proposition, hold only within the dimension along which systems have been identified. They are dimension-dependent claims about how systems organize a specified aspect of economic space, not universal claims about economic space taken as an undifferentiated whole. Two systems dominant along one dimension, land tenure for instance, need not be the same two systems dominant along another, such as currency. This qualification is what distinguishes the present framework from general systems theory, which seeks principles holding across systems irrespective of the dimension examined; this paper deliberately makes no such claim.

## The Dimensional Perspective

The Dimensional Perspective conceptualizes economic space (E(A)) as an environment occupied by multiple systems that may coexist simultaneously. Each system represents a distinct organizing logic comprising its own actors, institutions, organizations, legitimacy, enforcement mechanisms, and outputs. The purpose of the Dimensional Perspective is not to explain how these systems emerge or interact, but to identify and distinguish them as observable dimensions within the same economic space. For example, what is conventionally described as the formal economy and the informal economy, the urban and the rural, or the modern and the traditional, may instead be understood as two separate systems, each possessing its own legitimacy, institutions, organizations, and actors. Consequently, the labels formal and informal, urban and rural, or modern and traditional become descriptive outcomes of particular systems rather than the primary objects of analysis.

## Analytical Function

The Dimensional Perspective performs three analytical functions. First, it enables the identification of multiple systems occupying the same economic space. Second, it provides a common analytical structure through which systems may be compared according to their dimensions. Third, it establishes the observational foundation upon which the subsequent propositions of this study are developed. That is, the Universality Constraint, the Dualistic Proposition, the Theory of Inter-System Relations, and the Synthesis Proposition.

## Conceptual Representation

Each system may be observed according to the same analytical dimensions:

| Dimension | Description |
|---|---|
| Actors | Participants within the system. |
| Institutions | Rules governing interaction. |
| Organizations | Structured collective actors operating within the system. |
| Legitimacy | Basis upon which actors and organizations are recognized. |

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

**Role within the Theory**

The Dimensional Perspective does not itself explain dominance, dualism, or synthesis. It provides the observational vocabulary through which those propositions can be tested against particular systems, including the five case studies examined later in this paper.

Proposition I: The Universality Constraint — Institutions and the Emergence of Standardization

Douglas C. North explains the emergence of institutions as a response to increasing complexity in exchange (North, 1990). He further argues that as societies expand beyond localized interactions, transaction costs, uncertainty, and enforcement costs increase, creating demand for common rules of exchange that facilitate coordination.

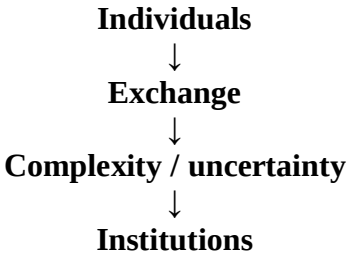



Figure 2: North's Institutional Emergence Sequence (North, 1990)

While this explanation has significantly advanced our understanding of institutions, it leaves an important theoretical question unanswered: what emerges after institutions themselves become increasingly complex?

This paper proposes the Universality Constraint, an original proposition, as an answer, as exchange expands beyond a relationally bounded space, in which trust, reputation, and personal familiarity are sufficient to coordinate activity, actors require standardized mechanisms that do not depend on personal relationships. These mechanisms produce a standardized system. Critically, the emergence of a standardized system does not eliminate the relationally bounded, embedded system from which it emerged; the two persist side by side within the same economic space. Figure 3 extends North's sequence to show where that extension begins.

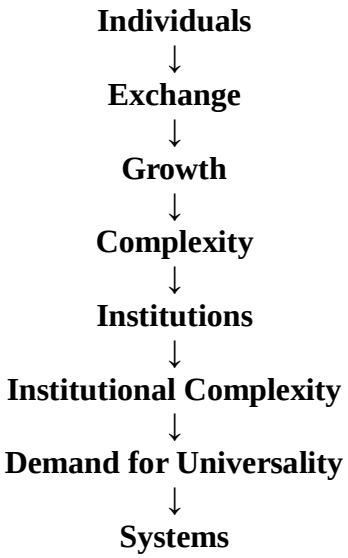



Figure 3: This Paper's Extension — From Institutional Complexity to the Universality Constraint

**Proposition II: The Dualistic Proposition**

The Universality Constraint established that systems emerge through successive demands for universality as institutions become increasingly complex. However, institutional evolution is not necessarily singular.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

Different societies, communities, or historical processes may generate distinct systems, each organized around one or more equivalent economic functions, such as exchange, resource allocation, or dispute resolution, and each possessing its own institutions, legitimacy, organizations, and enforcement mechanisms for performing those functions. Consequently, multiple systems may come to coexist within the same economic space (E(A)), each organized around functions the other also performs. This proposition examines the implications of such coexistence.

It does not assume that coexisting systems are thereby in competition, the relationship between them may be one of coexistence without contact, cooperation, accommodation, competition, synthesis, or the dominance of one over the other, and which of these forms of interaction obtains is an empirical question, not a conclusion this proposition presupposes. What this proposition does establish is that differences in organizing influence give rise to dominance regardless of which interaction form is ultimately observed. Where two systems each attain dominance within the same economic space along a given dimension, the condition is conceptualized as dualism. Where three or more systems attain dominance, the condition is referred to as pluralism, simplifying from Furnivall's explanation (Furnivall, 1948).

**Economic Space**

This study conceptualizes economic space as capable of accommodating multiple systems simultaneously. These systems need not share institutions, legitimacy, organizations, enforcement, or operating logic. Their coexistence alone does not imply any particular relationship between them; it simply establishes the structural conditions under which coexistence, cooperation, competition, accommodation, or synthesis may occur. The Universality Constraint explains how systems emerge independently. Economic space may therefore contain:

$E(A) = \{S_1, S_2, \ldots, S_n\}$

The existence of multiple systems does not imply equal influence. Systems differ in their capacity to organize economic space; some become more influential than others in structuring exchange, regulating behaviour, allocating resources, and defining legitimacy. Dominance is assessed through coverage, enforcement primacy, and external recognition, and does not require the elimination, or even the active contestation, of other systems. Multiple dominant systems may coexist, and, a system may also organize economic space without any other dominant system present against which to compete.

**Dualism**

This study departs from Lewis, Boeke, Furnivall and Riggs, who define dualism primarily as the coexistence of formal and informal sectors (Lewis, 1954; Boeke, 1953; Furnivall, 1948; Riggs, 1964). Instead, it proposes that dualism exists where two systems simultaneously attain dominance within the same economic space. The defining characteristic of dualism is therefore not formality or informality, and not competition, but the coexistence of two dominant organizing logics, whatever relationship, cooperative, competitive, accommodating, or otherwise, ultimately connects them. This proposition deliberately refrains from explaining the consequences of dualism; those consequences depend upon the nature of inter-system relations and are examined in the subsequent proposition.

**Pluralism**

Pluralism extends the same logic. Where three or more systems simultaneously attain dominance within an economic space, the condition is conceptualized as pluralism. Pluralism therefore represents an extension of dualism rather than a distinct theoretical phenomenon; its complexity arises from the increased number of dominant organizing logics. The Dualistic Proposition proposes that economic spaces may contain multiple independently evolved systems that differ in organizing capacity. Where two systems simultaneously attain dominance, the economic space is characterized by dualism; where three or more systems attain dominance, the condition becomes pluralism. The Dualistic Proposition establishes the structural coexistence of multiple dominant systems. It does not explain how those systems relate to one another. The following proposition

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

develops a Theory of Inter-System Relations, examining how systems interact and under what conditions those interactions become valid.

**Proposition III: Theory of Inter-System Relations**

Where the Dualistic Proposition deliberately left open what relationship connects two dominant systems, this proposition takes up that question directly. Interaction between coexisting dominant systems is not confined to competition; it may take the form of coexistence without meaningful contact, cooperation toward shared ends, accommodation in which one system adjusts to the other without merging, competition over the same actors or resources, or the dominance of one system's terms over the other's. Which of these forms is observed in a given case depends on the legitimacy relationship between the systems, the compatibility of their institutions, and the historical process through which they came to occupy the same space, and it is an empirical, case-by-case question rather than something this proposition determines in advance.

**Inter-System Relations**

Where two or more dominant systems coexist within the same economic space, interactions of some kind between them are common, though not guaranteed. Actors, institutions, and organizations belonging to different systems may come into contact through trade, employment, taxation, regulation, and dispute resolution. This proposition formalizes those interactions:

$E(A) = \{S_1, S_2, \ldots, S_n\}$

where $S_1$ and $S_2$ represent two dominant systems, and $S_n$ represents other systems that may also be present. Inter-system relations are the observable interactions, of whatever form, occurring between actors, institutions, and organizations across these systems.

**Validity of Inter-System Relations**

Not all inter-system relations carry equal weight. A relation is valid where it is recognized, enforceable, and sustainable across both systems involved. Validity, not mere frequency of contact, is what determines whether an inter-system relation contributes to coherence.

**Invalid Inter-System Relations**

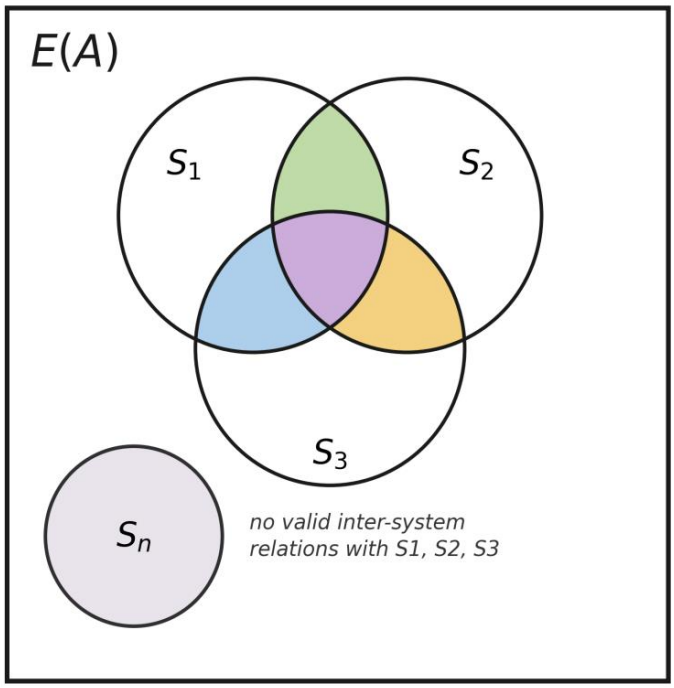
A relation is invalid where it is recognized within only one of the two systems, unenforceable across the boundary between them, or unsustainable over time. Invalid relations may still occur frequently; their frequency does not convert them into valid ones.

**Illustration of Multi-System Relations**

Consider an economic space containing a standardized system ($S_1$) and an embedded system ($S_2$). An actor in $S_2$ selling goods to an actor in $S_1$ engages in an inter-system relation. Where that transaction is recognized by both systems' institutions, enforceable through mechanisms both systems accept, and sustainable over repeated interactions, it is valid. Where the transaction is recognized only informally within $S_2$ and carries no standing within $S_1$'s courts, contracts, or regulatory apparatus, it remains an interaction, but not a valid one.

Figure 4 illustrates two of the possibilities this proposition and the Dualistic Proposition together allow within a single economic space E(A): systems $S_1$, $S_2$, and $S_3$ interacting, with the shaded regions marking their pairwise and triple overlaps, alongside a further system $S_n$ that coexists within the same square without holding any valid or invalid relation to the other three.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026




$$E(A) = \{S_1,\ S_2,\ S_3,\ \ldots,\ S_n\}$$

Figure 4: E(A) as a Universal Set Populated by Systems, Interacting and Non-Interacting

**Proposition IV: The Synthesis Proposition**

Different interaction patterns produce different institutional outcomes. Where inter-system relations are largely absent, the likely outcome is simple, unconnected coexistence. Where relations are frequent but remain narrowly valid, the likely outcome is persistent dualism, two systems continuing to operate side by side without either fragmenting or merging. Where one system's terms come to govern the relation entirely, the outcome is a shift toward the dominance of that system over the space the other previously organized. Where the domain of valid relations is narrow relative to the volume of contact, the outcome is fragility. Where that domain expands, the outcome moves toward equilibrium and, at its fullest extent, synthesis. This paper's four case studies, together with the boundary case, span this outcome space without exhausting it; the fragility and synthesis poles are given the most developed treatment here because they are the most consequential for the persistent institutional conditions in Zimbabwe and Africa this paper set out to explain, but persistent dualism, equilibrium, and shifts toward one system's dominance remain live outcomes the framework recognizes and future work, should examine on their own terms.

**Synthesis**

Synthesis is the condition in which the domain of valid inter-system relations expands sufficiently that the systems involved, while remaining institutionally distinct, function as a mutually reinforcing whole.

**Characteristics of Synthesis**

Synthesis is characterized by an expanding, rather than static or contracting, domain of valid relations; by recognition that runs in both directions between the systems involved, rather than being imposed unilaterally by the dominant system; and by enforceability that does not depend on the continuous exercise of coercive power.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

### Institutional Coherence

Institutional coherence, is the state in which actors can transact across systems without systematic loss of recognition, enforceability, or protection. Coherence is therefore an outcome of an adequately broad domain of valid inter-system relations, not a property of any single system in isolation.

### Institutional Fragility

Institutional fragility is the condition that results when relationships between dominant systems lack sufficient validity. Where the domain of valid inter-system relations remains narrow relative to the volume of interaction between systems, actors experience unpredictable recognition, unenforceable claims, and unsustainable arrangements, producing the persistent fragmentation this paper set out to explain.

### Integrated Model

Taken together, the four propositions describe a sequence: standardization pressures produce new systems without eliminating embedded ones (Universality Constraint); the coexistence of two or more dominant systems constitutes dualism or pluralism (Dualistic Proposition); the interactions between those systems may be valid or invalid (Theory of Inter-System Relations); and the aggregate validity of those interactions determines whether the outcome is institutional fragility or institutional coherence and synthesis (Synthesis Proposition). Figure 5 summarizes this sequence as it plays out within a single economic space.

| **Sequence of Institutional Organization within E(A)** |
|---|
| Institutional Terrain |
| Multiple Systems |
| Interaction (Coexistence, Cooperation, Competition, Accommodation, or Synthesis) |
| Dominance |
| Dominant System Determines Legitimacy Logic |
| Organization of Economic Space |
| Classification of Actors |
| Dualism, or Synthesis if Another Dominant System Emerges |

Figure 5: Sequence of Institutional Organization within E(A)

The five case studies that follow apply this sequence to two historical and two contemporary settings, spanning both an outcome of fragility and an outcome of synthesis, plus a fifth, boundary case in which no second dominant system is ever present.

## CASE STUDIES

This section applies the Dimensional Perspective and the four propositions to five cases. The first two, the British South Africa Company and Zimbabwe's contemporary artisanal mining sector, illustrate the fragility outcome that arises when the domain of valid inter-system relations remains narrow. The next two, the transformation of Mitsubishi and the regulatory integration of Zimbabwe's EcoCash platform, illustrate the synthesis outcome that arises when that domain expands. The fifth case departs from the first four deliberately: it examines a space in which only one dominant system is present at all, testing the boundary at which the framework's propositions stop applying rather than testing their outcomes. Together the five cases test whether the framework's mechanism holds across different historical periods, sectors, and institutional settings, and where its limits lie.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

Case Study I: The British South Africa Company (BSAC)

**Historical Context**

Prior to colonization, indigenous communities operated under established systems characterized by customary institutions, traditional authorities, communal land tenure, and localized mechanisms of legitimacy and dispute resolution. Rather than entering an institutional vacuum, BSAC introduced an alternative organizing system into an already organized economic space (Galbraith, 1974). Beyond territorial occupation, BSAC introduced new legal institutions, property rights, taxation systems, administrative organizations, and mechanisms of enforcement derived from British governance (Phimister, 1988).

**Analysis Using the Dimensional Perspective**

The Dimensional Perspective identifies two distinct systems occupying the same economic space.

| Dimension | Indigenous System ($S_2$) | Colonial System ($S_1$) |
|---|---|---|
| Actors | Chiefs, households, traders | Chartered company, settlers, colonial administrators |
| Institutions | Customary law, communal land tenure | British law, private property, taxation |
| Organizations | Traditional leadership structures | BSAC, colonial administration, courts |
| Legitimacy | Custom and traditional authority | Royal Charter and colonial legislation |
| Enforcement | Community sanctions and traditional courts | Police, military, colonial courts |
| Outputs | Local exchange and social coordination | Colonial administration and capitalist production |

The analysis demonstrates that both systems possessed complete institutional structures capable of organizing economic activity.

**Analysis Through the Four Propositions**

Both indigenous and colonial systems satisfy the Universality Constraint, each emerged independently through its own historical process and developed institutions capable of coordinating increasingly complex exchange within its own context, long before the two came into contact.

Their contact is where the Dualistic Proposition becomes relevant. BSAC's arrival introduced a second organizing system into a space the first already organized, rather than eliminating the indigenous systems it encountered. The colonial administration pursued exchange through codified law, formal property rights, and centralized governance, while indigenous communities continued operating according to customary institutions and traditional legitimacy. What this case illustrates, in other words, is dualism as the coexistence of two dominant organizing systems, a stronger claim than the coexistence of a formal and an informal sector.

Whether that coexistence amounted to fragility or something else depends on the Theory of Inter-System Relations. Interactions between the two systems were frequent rather than absent, indigenous labour entered colonial mines, tax payments compelled participation in the colonial monetary economy, indigenous producers traded with colonial firms, and certain customary authorities were recognized, selectively, by the colonial administration. Contact, in other words, was constant; what mattered was whether that contact was valid.

Largely, it was not. Many of these relationships remained only partially recognized across both systems, customary legitimacy was rarely honoured within colonial legal institutions, and colonial authority was, in turn, contested within indigenous systems. The Synthesis Proposition predicts the consequence of that pattern,

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

and BSAC bears it out: institutional coherence stayed limited, and the persistent fragility this paper set out to explain took hold.

**Findings**

The BSAC case supports the proposition that institutional fragility cannot be understood solely through the distinction between formal and informal sectors. Rather, it emerged from the coexistence of two dominant organizing systems possessing different institutions, legitimacy structures, and enforcement mechanisms, whose relations were never made broadly valid.

Case Study II: Contemporary Fragility - Artisanal and Small-Scale Gold Mining in Zimbabwe

**Contemporary Context**

Zimbabwe's artisanal and small-scale gold mining sector illustrates that the coexistence of two dominant systems is not confined to the colonial period. The Mines and Minerals Act [Chapter 21:05] of 1961, still substantially in force, does not recognize artisanal mining as a legitimate category of production, and in its original form effectively criminalizes much of the sector (Government of Zimbabwe, 1961; Zimbabwe Environmental Law Association, 2021). Alongside this formal legal system, artisanal miners, often organizing through customary claims, community-sanctioned pegging arrangements, and informal financing and trading networks, coordinate a substantial share of national gold production through their own institutions of access, labour, and dispute resolution (Mawowa, 2013). Government policy toward the sector has oscillated between formalization drives, such as the 1990s district-licensing regime, and recentralization that later stripped Rural District Councils of licensing authority, deepening the sector's institutional ambiguity (Hlungwani, Yingi and Chitongo, 2021).

**Analysis Using the Dimensional Perspective**

| Dimension | Customary / Artisanal System ($S_2$) | Formal Regulatory System ($S_1$) |
|---|---|---|
| Actors | Artisanal miners, local financiers, community leaders | Ministry of Mines, EMA, ZRP, registered mining companies |
| Institutions | Customary claims, community pegging norms, informal credit and trading arrangements | Mines and Minerals Act, environmental regulations, licensing statutes |
| Organizations | Informal mining syndicates, local trading networks | Ministry of Mines and Mining Development, Environmental Management Agency, Zimbabwe Republic Police |
| Legitimacy | Community recognition, precedence of occupation | Statutory licensing, state regulatory authority |
| Enforcement | Community sanction, negotiated local dispute resolution | Police enforcement, EMA compliance orders, courts |
| Outputs | Livelihood income, local gold trade, informal capital accumulation | Registered mineral output, export receipts, tax revenue |

**Analysis Through the Four Propositions**

As in the BSAC case, both systems here satisfy the Universality Constraint independently: coordinating institutions developed on each side as gold extraction grew from individual, subsistence-level panning into an activity involving large numbers of participants, financiers, and buyers, each needing rules for allocating claims and resolving disputes.

Neither system has displaced the other since, which is exactly what the Dualistic Proposition would predict of two systems that have each independently attained dominance. Formal regulation has not eliminated artisanal mining, which continues to account for a substantial share of national gold output, and statutory licensing

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

continues to govern large-scale operations in parallel. Two dominant organizing logics coexist within the same mineral economic space, neither absorbing the other.

Their relationship, examined through the Theory of Inter-System Relations, is one of frequent but unstable contact. Artisanal miners sell gold through channels connected to formal buyers, some operate under quasi-formal registration, and large mining companies subcontract to artisanal operators. What is missing is not interaction but consistency: recognition between the two systems has repeatedly been extended and then withdrawn as policy shifted (Hlungwani, Yingi and Chitongo, 2021).

That inconsistency is precisely what the Synthesis Proposition identifies as the mechanism of fragility: because recognition between the two systems has never settled, the domain of valid inter-system relations has stayed narrow, and the result is visible in gold smuggling, revenue leakage, contestation over claims, and environmental harm (Ncube-Phiri et al., 2015; Mawowa, 2013).

**Findings**

This case demonstrates that institutional fragility rooted in unresolved dualism is not a colonial-era artifact; it recurs wherever a formal system attains statutory dominance without validating its relationship with an already-dominant embedded system. This reinforces the argument that fragility is a structural condition of invalid inter-system relations, rather than a phase Zimbabwe or Africa is simply expected to outgrow.

Case Study III: Institutional Synthesis — From Zaibatsu to Keiretsu

**Historical Context**

Prior to the Second World War, Mitsubishi operated as a zaibatsu, a family-controlled industrial and financial conglomerate whose internal coordination rested on kinship ties, personal trust, and centralized holding-company control rather than codified corporate law (Gerlach, 1992). Following Japan's defeat, the Allied Occupation dissolved the zaibatsu structure between 1945 and 1947, seeking to replace relational, family-centred control with a Western-style formal corporate and antitrust framework.

**Analysis Using the Dimensional Perspective**

| **Dimension** | **Relational System ($S_2$, pre-war logic)** | **Formal Corporate System ($S_1$, post-war)** |
|---|---|---|
| Actors | Family holding company, affiliated firm executives, main bank | Independent shareholders, regulators, courts |
| Institutions | Kinship-based control, informal trust, centralized directives | Antitrust law, corporate governance codes, securities regulation |
| Organizations | Zaibatsu holding company and subsidiaries | Newly independent, formally listed firms |
| Legitimacy | Family lineage and internal loyalty | Legal incorporation, shareholder rights, state licensing |
| Enforcement | Internal family and holding-company authority | Courts, financial regulators, stock exchange rules |
| Outputs | Centrally coordinated industrial production | Formally reported, market-traded corporate output |

**Analysis Through the Four Propositions**

The Universality Constraint applies here just as directly as in the two fragility cases, though the pressure came from outside rather than emerging locally: post-war Japan needed standardized mechanisms, securities law, accounting standards, antitrust rules, to coordinate an economy re-entering international trade and capital markets.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

What the Dualistic Proposition predicts held true even against deliberate policy intent: formal dissolution of the zaibatsu did not eliminate the relational logic underneath it. The modern descendants of the prewar zaibatsu, including the Mitsubishi group, reconstituted as horizontal keiretsu, and relational coordination among affiliated firms persisted alongside, rather than instead of, formal corporate law (Gerlach, 1992).

This is where the case diverges from BSAC and artisanal mining, and the Theory of Inter-System Relations explains why. Cross-shareholding, a coordinating main bank, and regular presidents' council meetings became mechanisms through which the relational logic operated inside the formal corporate shell, an institutionalized bridge rather than an occasional point of contact (Gerlach, 1992; Ahmadjian and Lincoln, 2001).

Because those mechanisms were legally permissible, commercially reinforced, and mutually recognized by banks and regulators alike, the domain of valid inter-system relations expanded rather than stayed narrow, exactly the condition the Synthesis Proposition identifies as producing coherence. The result was a form of alliance capitalism credited with facilitating Japan's rapid post-war growth and internationalization (Gerlach, 1992), even as the keiretsu form later drifted under new competitive pressures (Ahmadjian and Lincoln, 2001).

**Findings**

The Mitsubishi case demonstrates this paper's central claim in its positive form. The coexistence of a formal, imposed system and an embedded, relational system does not inevitably produce fragility. Where mechanisms exist through which the two systems' relations are legally valid, commercially enforceable, and mutually recognized, coexistence can instead produce institutional synthesis.

Case Study IV: Contemporary Synthesis — Mobile Money Interoperability in Zimbabwe

**Contemporary Context**

EcoCash, launched by Econet Wireless in 2011, extended financial services to Zimbabweans largely excluded from formal banking, reaching close to ninety percent of the adult population within a decade. Operating through mobile network agents rather than bank branches, EcoCash organized transactions, savings, and credit through a system of agent trust networks and telecommunications infrastructure distinct from the institutions of formal banking. In 2014, the Bankers Association of Zimbabwe complained to the Competition and Tariff Commission that EcoCash was refusing to share its USSD payment infrastructure with banks, or granting access only on discriminatory terms (Ncube, 2023).

**Analysis Using the Dimensional Perspective**

| Dimension | Mobile Money System ($S_2$) | Formal Banking System ($S_1$) |
|---|---|---|
| Actors | Mobile network operators, agents, unbanked and underbanked users | Registered commercial banks, RBZ, POTRAZ |
| Institutions | Agent-based trust networks, USSD transaction protocols | Banking Act, National Payment Systems Act |
| Organizations | Econet/EcoCash, OneMoney, Telecash | Commercial banks, Reserve Bank of Zimbabwe |
| Legitimacy | Convenience, accessibility, network reach | Statutory licensing, prudential regulation |
| Enforcement | Platform-level account controls, telecom regulation | RBZ supervision, court enforcement of banking law |
| Outputs | Mobile remittances, informal savings, retail payments | Formal deposits, loans, cross-border settlement |

**Analysis Through the Four Propositions**

The Universality Constraint operated on both sides of this case at once: as mobile money transaction volumes

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

grew to rival formal banking, both the Reserve Bank of Zimbabwe and mobile network operators needed standardized rules for settlement, reserve-backing, and cross-platform transfer to keep confidence in the payment system intact. Neither side absorbed the other, which is what the Dualistic Proposition would predict of two systems each attaining dominance over its own share of the payments space: mobile money did not replace formal banking, and the banking sector did not absorb mobile money.

Initially, however, the Theory of Inter-System Relations would have predicted trouble, and it arrived: relations were largely invalid, since EcoCash's refusal to interoperate with banks meant transactions were locked within its own network and unenforceable across systems (Ncube, 2023).What changed the outcome was regulatory action, and the Synthesis Proposition explains why it worked. The Reserve Bank of Zimbabwe's Statutory Instrument 80 of 2020 required all mobile money and banking platforms to connect to the Zimswitch national payment switch, making bank-to-wallet and wallet-to-wallet transactions valid and enforceable across both systems. Neither system was eliminated; the domain of valid inter-system relations was simply expanded, moving the national payments space toward greater coherence, though full interoperability remained incomplete at the time of writing (Ncube, 2023).

**Findings**

This case, like the Mitsubishi case, illustrates synthesis, and demonstrates that the mechanism generalizes beyond a single historical or national context. Where a regulator or coordinating authority actively constructs enforceable, recognized channels between an embedded system and a standardized one, institutional coherence can emerge even from an initially adversarial coexistence.

Case Study V: An Uncontested Institutional System — Customary Governance in Zimbabwe's Remote Communal Lands

**Context**

The four cases above all involve two dominant systems occupying the same economic space. This case deliberately does not. It is included not to suggest that such settings are representative of institutional systems generally, but to test the framework at its boundary, and to demonstrate that competition between systems is a possible outcome of coexistence, not a necessary condition of institutional existence in the first place.

In substantial parts of rural Zimbabwe, particularly remote communal areas, the postcolonial state retains formal legal sovereignty and nominal administrative jurisdiction, while day-to-day coordination, land allocation, dispute resolution, and social organization continue to run almost entirely through customary institutions under traditional leaders (Chigwata, 2016). This is not unique to Zimbabwe; it reflects a pattern documented across the continent in which formal state institutions hold legal authority over a territory without exercising the practical coverage, enforcement, or recognition that would constitute dominance in the sense (Risse, 2011; Logan, 2013).

**Analysis Using the Dimensional Perspective**

As in the other cases, $S_2$, the customary system, is fully formed: its actors are households, headmen, and chiefs; its institutions are customary law governing land tenure, marriage, and succession; its organisations are chiefly councils and village courts; its legitimacy rests on custom, lineage, and continuity, consistent with the definition of a system set out in previous sections.

Unlike the four preceding cases, this space does not admit a symmetrical two-column comparison, because $S_1$, the state system, is present only as a legal claim rather than as a functioning competitor. The state's institutions, statutory law, the organs of local government, the formal courts, exist and are in principle available, but their coverage of daily economic and social life in these areas is minimal, their enforcement primacy is regularly deferred to traditional leaders even where statute nominally controls (Chigwata, 2016), and external recognition of the state's ordering role in these specific localities remains thin relative to its recognition of customary authority (Logan, 2013).

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

**Analysis Through the Four Propositions**

The Universality Constraint does not activate strongly here. Exchange within these communities has largely remained at a scale where customary, relationally bounded coordination continues to suffice, without generating strong internal pressure toward standardized, impersonal coordination mechanisms.

The Dualistic Proposition, in turn, finds only one system attaining the threshold of dominance. The state is not absent as a system; its statutes and administrative structures exist on paper and are cited here. But it has not attained dominance in this specific space: its coverage, enforcement primacy, and practical recognition remain low relative to the customary system's. What is absent is not a second system, but a second system that has attained dominance, a distinction this paper's own construct of dominance exists precisely to draw.

The Theory of Inter-System Relations and the Synthesis Proposition are, for the same reason, inapplicable, since there is no second dominant system with which the customary system could hold valid or invalid relations.

**Findings**

What this case does is bound the framework rather than extend it. It shows that an institutional system can emerge and successfully organize an economic space without a second dominant system ever being present, consistent with the Dualistic Proposition's recognition, that coexistence is not a necessary condition of institutional existence, and competition not a necessary feature of it. Where the first four cases showed how dominant systems relate once more than one is present, this case shows that the propositions governing dualism, inter-system relations, and synthesis are conditional on that plurality existing at all: they describe what happens once two or more systems attain dominance over the same space, and, correctly, they have nothing to say about a space in which only one ever has. This is the boundary condition anticipated, given empirical form, and it is visible within Zimbabwe itself rather than requiring a case drawn from outside the region the paper is otherwise built around.

## DISCUSSION

This study demonstrates that institutional fragility is not simply an inherent attribute of dualism. Classical scholarship frequently reduces dualism to a static division between formal and informal structures. In contrast, this paper presents fragility as a dynamic, structural condition. It emerges when coexisting systems operate under incompatible validation frameworks. The Dimensional Perspective exposes this hidden terrain. Multiple systems, both historically embedded and structurally imported—coexist within a single economic space, (E(A)). Each system actively competes to organize that space using its own rules and institutional criteria. In this analytical context, to organize (E(A)) means to govern the space through a specific legitimacy logic.

This paper extends North’s (1990) sequence of institutional emergence to uncover a critical inflection point. As economic networks grow beyond localized boundaries, personal trust and reputational mechanisms become insufficient. Escalating transaction costs create an urgent demand for universality. This pressure generates standardized systems characterized by uniform metrics, currencies, and tracking procedures. Crucially, the emergence of these standardized systems does not erase the pre-existing, embedded frameworks. Both paths continue to operate simultaneously. When two or more systems achieve widespread dominance along the same analytical dimension, structural dualism or pluralism is produced. Consequently, the operational validation channels within that space multiply. As the synthesis cases show, coexisting systems interact constantly. These intersections can either trigger coordination failure or evolve into widely accepted institutional arrangements.

These findings challenge core economic definitions long taken as settled. They force a rigorous re-examination of two foundational concepts:

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

**Reconceptualising the 'Company'**

What defines a corporate entity? Standard economic definitions rely heavily on legal registration and formalized state recognition. Yet, observing an unregistered vendor at Mbare Musika reveals an unmistakable functional equivalence. This actor secures stock, manages inventory, sets profit-oriented margins, navigates supplier networks, and directly absorbs financial risk. Stripped of formal legal classifications, her daily operation matches the functional logic of a registered firm. She lacks status, not utility. She possesses no independent legal personality, has no standing before statutory courts, and operates outside state enforcement mechanisms. In the vocabulary of the Dimensional Perspective, both systems contain actors executing the exact same economic function. They merely apply different institutional names based on their internal rules. The term 'company' is therefore not an objective description of behavior. It is a credential issued by the prevailing dominant system. Altering or withholding this designation changes nothing about the baseline utility of the work itself.

**Deconstructing Formality and Informality**

A parallel distortion affects how economic spaces are categorized. Conventional development paradigms treat formality and informality as intrinsic, fixed traits of a market or actor. This study proves that these categories are relational classifications. The operating logic of whichever system secures dominance within (E(A) automatically dictates the baseline parameters for what is considered formal. For instance, if a standardized system $S_1$ establishes dominance, its core pillars, codified law, regulatory bodies, and judicial courts, become the explicit standard for formality. Any actor operating outside this perimeter is labeled informal. Informality is not an objective state of being. It is an analytical byproduct of asymmetric system dominance.

To clarify these boundaries, Table 1 compares the properties of a standardized corporate system against two alternative institutional setups common across African economic spaces.

Table 1: Classification of Coexisting Systems within (E(A)

| Core Component | $S_1$: Standardized System | $S_2$: Relationally Embedded System | $S_3$: Coercive Syndicate System |
|---|---|---|---|
| **Primary Actor** | Registered corporations | Embedded native communities | Territorial syndicates and cartels |
| **Institutions Rules** | Codified legislation | Social norms and relational contracts | Internal codes and territorial rules |
| **Legitimacy Axis** | Statutory law and state licensing | Shared social recognition and lineage | Force, loyalty, and protection rackets |
| **Enforcement Axis** | Courts and state regulators | Interpersonal reputation and sanctions | Direct violence and exclusion |
| **Systemic Output** | Scalable capital coordination | Localized trust and mutual support | Monopolized territorial access |

**Theoretical Implications**

Institutions do not function as neutral, detached administrative tools. Instead, they actively reproduce the operational logic of the dominant system to which they belong. This insight reframes the mechanics of institutional change. Governance interventions that treat institutions as isolated, modular units will routinely fail if they ignore the alternative dominant networks already organizing that space. Structural coherence cannot be achieved through unilateral state decrees. It depends entirely on widening the valid relational space between coexisting systems.

**Practical Implications**

- **Exhaustive Terrain Mapping:** Regulatory interventions must avoid generic institutional blueprints.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

- Policymakers should begin every reform by mapping the active, pre-existing legitimacy logics that already govern the target economic space.

- **Separating Incompatibility from Defiance:** Apparent non-compliance with statutory frameworks is rarely a simple case of behavioral rule-breaking. It is typically a symptom of structural system incompatibility, where state rules conflict directly with the survival mechanics of embedded networks.

- **Polycentric Governance Structures:** Corporate boards and executives operating within volatile African markets must reject monistic oversight models. They need to construct resilient, polycentric governance strategies that can safely interpret and cross multiple legitimacy frameworks simultaneously.

- **System-Centred Leadership Curricula:** Public administration and corporate training sectors must update their instructional methodologies. Management programs must shift away from narrow compliance checklists toward sophisticated, system-centred strategic analysis.

When applied to the cases in Section 6, these practical insights become concrete. In the artisanal gold mining sector, terrain mapping demands that a regulator look past statutory language. The state must evaluate its actual coverage, enforcement primacy, and external recognition in a mining district before passing new legislation. Assuming text equals field capacity is an administrative error. Similarly, for corporate boards handling digital platforms, a regulatory mandate like Statutory Instrument 80 of 2020 should not be dismissed as a routine compliance hurdle. It represents a vital structural bridge. Much like the cross-shareholding networks and presidents' councils of the Japanese keiretsu, these regulatory switches provide the essential infrastructure needed to turn fragmented dualism into a stable, lasting synthesis.

**Falsifiability and Boundary Conditions**

A conceptual framework earns scrutiny by specifying what would count as evidence against it, not only evidence consistent with it. This paper's central claim, that fragility results from the domain of valid inter-system relations remaining narrow, while coherence and synthesis result from its expansion, implies the following falsifiable expectations.

If two dominant systems coexist within an economic space and the domain of valid inter-system relations between them is observed to be narrow, yet the economic space nonetheless exhibits low fragility, the framework's central mechanism would be undermined.

If the domain of valid inter-system relations is observed to expand, through regulation, legal recognition, or negotiated protocols, as in the Mitsubishi and EcoCash cases, but fragility persists or worsens, this would also count against the framework.

The framework predicts that fragility should track the validity of inter-system relations more closely than it tracks the mere frequency of interaction between systems. Evidence that interaction frequency alone, independent of validity, best predicts fragility would favour a rival explanation over this one.

Both synthesis cases reach coherence through deliberate regulatory or commercial construction of valid channels, the Allied Occupation's antitrust framework and subsequent keiretsu practice in one, the Reserve Bank of Zimbabwe's Statutory Instrument 80 of 2020 in the other. If a wider case set were to show that state or market capacity to construct interoperability predicts coherence equally well without reference to the validity of the resulting relations, this would favour a state-capacity or regulatory-capacity account over the mechanism proposed here, and is a comparison future empirical work, should make directly.

It is worth being precise about what the case studies in this paper can and cannot establish. None of the five was selected, or could have been selected, to decisively rule the framework out. What they do is something narrower but still useful: they show how the four propositions operate across genuinely different institutional configurations, colonial and contemporary, fragile and coherent, contested and uncontested, and in doing so

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

they surface the specific observations, set out in the bullets above, that would put the framework under strain. A state-capacity account of the same five cases would, in most instances, arrive at a similar verdict, which means the cases confirm the framework's internal consistency without yet discriminating it from that rival. Settling that question is left to future work - what a genuinely discriminating case would need to show.

The framework also has boundary conditions beyond which it is not intended to apply. It presupposes at least two systems that have each independently attained a measurable degree of dominance, it does not describe economic spaces organized by a single uncontested system, nor interactions between systems too small or transient to meet that threshold. Nor does it claim to explain fragility arising from causes unrelated to inter-system validity, such as macroeconomic shocks, natural disasters, or armed conflict, although these may interact with institutional fragility in ways future research should examine.

**Summary**

The study examined the persistent institutional and economic fragility observed in the Zimbabwean and African space, and argued that this fragility cannot be fully explained by the classical account of dualism that separates formal and informal, rural and urban, or traditional and modern. While these perspectives have contributed significantly, they describe the outcome rather than the emergence.

The study proposed a further perspective. Where classical scholarship attributes fragility to colonial legacies, weak governance, and related factors that in turn produce dualism, this study challenged that simplicity through the example of a vendor. A vendor satisfies the functional requirements of a formal company, yet remains viewed as informal rather than as a company; the legitimacy logic, not the function, is what draws the line. This reveals two parallel systems, one treated as formal and the other as informal.

The study found that the legitimacy logic of the dominant system organizes the economic space, and that where two or more such logics attain dominance simultaneously, the resulting condition is dualism or pluralism rather than simple informality. Extending this argument through five case studies, the British South Africa Company, Zimbabwe's artisanal mining sector, the transformation of Mitsubishi, the regulatory integration of EcoCash, and the boundary case of customary governance in Zimbabwe's remote communal lands, the study showed that coexistence between dominant systems produces persistent fragility where relations between them remain unrecognized and unenforceable, produces coherence or synthesis where those relations become valid, and simply does not arise as a question where only one dominant system is present at all. Institutional fragility, on this account, is not an inevitable by-product of coexistence itself, still less of competition, but a structural condition that can, in principle, be addressed by expanding the domain of valid relations between coexisting systems.

## LIMITATIONS

The framework is conceptual, not empirical, and its propositions have not yet been tested against quantitative data.

Constructs such as dominance and validity, while given observable indicators, require further operationalization and measurement before they can support formal hypothesis-testing.

The discussion is centred on Zimbabwe and inferred to Africa more broadly. The Mitsubishi and mobile-money interoperability cases were included specifically to test whether the framework travels beyond that context, but broader comparative validation remains future work.

**Future Research**

This study establishes a conceptual foundation for understanding how systems organize economic space and how their interactions influence institutional coherence and fragility. The four case studies examined here span more than a century and two continents, which suggests the framework's core mechanism is not narrowly

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026

bound to a single historical period or region. However, this range also means each case was analyzed at a level of depth that a focused, single-country empirical study could refine considerably. Several aspects of the framework therefore require further theoretical development and empirical validation, spanning seven broad areas.

The first concerns Inter-System Relations, Valid Inter-System Relations, and Synthesis, where future work should develop coding schemes that allow researchers to classify observed interactions as valid or invalid using documentary, survey, or transactional data. A second concerns the Emergence of Dominance, where the three indicators proposed in section 3.7, coverage, enforcement primacy, and external recognition, require testing against real cases to establish whether they move together or diverge. A third concerns the Formation of Legitimacy, tracing how legitimacy bases shift over time within a single system, particularly during periods of contested dominance.

## REFERENCES


1. Acemoglu, D., Johnson, S. and Robinson, J.A. (2001) 'The colonial origins of comparative development: An empirical investigation', American Economic Review, 91(5), pp. 1369–1401.
2. Acemoglu, D. and Robinson, J.A. (2012) Why Nations Fail: The Origins of Power, Prosperity, and Poverty. New York: Crown Business.
3. African Development Bank (2013) Economic Brief: Drivers and Dynamics of Fragility in Africa. Tunis: African Development Bank Group.
4. Ahmadjian, C.L. and Lincoln, J.R. (2001) 'Keiretsu, governance, and learning: Case studies in change from the Japanese automotive industry', Organization Science, 12(6), pp. 683–701.
5. Boege, V., Brown, M.A. and Clements, K.P. (2009) 'Hybrid political orders, not fragile states', Peace Review, 21(1), pp. 13–21.
6. Boeke, J.H. (1953) Economics and Economic Policy of Dual Societies, as Exemplified by Indonesia. New York: Institute of Pacific Relations.
7. Checkland, P. (1981) Systems Thinking, Systems Practice. Chichester: John Wiley & Sons.
8. Chigwata, T.C. (2016) 'The role of traditional leaders in Zimbabwe: are they still relevant?', Law, Democracy & Development, 20, pp. 69–90.
9. Frank, A.G. (1966) 'The development of underdevelopment', Monthly Review, 18(4), pp. 17–31.
10. Friedland, R. and Alford, R.R. (1991) 'Bringing society back in: Symbols, practices, and institutional contradictions', in Powell, W.W. and DiMaggio, P.J. (eds) The New Institutionalism in Organizational Analysis. Chicago: University of Chicago Press, pp. 232–263.
11. Furnivall, J.S. (1948) Colonial Policy and Practice: A Comparative Study of Burma and Netherlands India. Cambridge: Cambridge University Press.
12. Galbraith, J.S. (1974) Crown and Charter: The Early Years of the British South Africa Company. Berkeley: University of California Press.
13. Gerlach, M.L. (1992) Alliance Capitalism: The Social Organization of Japanese Business. Berkeley: University of California Press.
14. Goodfellow, T. and Lindemann, S. (2013) 'The clash of institutions: Traditional authority, conflict and the failure of "hybridity" in Buganda', Commonwealth & Comparative Politics, 51(1), pp. 3–26.
15. Government of Zimbabwe (1961) Mines and Minerals Act [Chapter 21:05]. Harare: Government Printer.
16. Griffiths, J. (1986) 'What is legal pluralism?', Journal of Legal Pluralism and Unofficial Law, 18(24), pp. 1–55.
17. Hlungwani, P.M., Yingi, E. and Chitongo, L. (2021) 'Governance and politics of small-scale artisanal gold mining in Zimbabwe', Journal of Public Administration and Development Alternatives, 6(1), pp. 42–55.
18. Knight, J. (1992) Institutions and Social Conflict. Cambridge: Cambridge University Press.
19. Lewis, W.A. (1954) 'Economic development with unlimited supplies of labour', The Manchester School, 22(2), pp. 139–191.

ISSN 2278-2540 | DOI: 10.51583/IJLTEMAS | Volume XV, Issue X, October 2026


20. Logan, C. (2013) 'The roots of resilience: exploring popular support for African traditional authorities', African Affairs, 112(448), pp. 353–376.
21. Mawowa, S. (2013) 'The political economy of artisanal and small-scale gold mining in Central Zimbabwe', Journal of Southern African Studies, 39(4), pp. 921–936.
22. Meagher, K. (2012) 'The strength of weak states? Non-state security forces and hybrid governance in Africa', Development and Change, 43(5), pp. 1073–1101.
23. Merry, S.E. (1988) 'Legal pluralism', Law & Society Review, 22(5), pp. 869–896.
24. Michalopoulos, S. and Papaioannou, E. (2020) 'Historical legacies and African development', Journal of Economic Literature, 58(1), pp. 53–128.
25. Ncube, S. (2023) 'Complexities of competition regulation in Zimbabwe's mobile money sector', The African Journal of Information and Communication, 32, pp. 1–13.
26. Ncube-Phiri, S., Ncube, A., Mucherera, B. and Ncube, K. (2015) 'Artisanal small-scale mining: Potential ecological disaster in Mzingwane District, Zimbabwe', Jàmbá: Journal of Disaster Risk Studies, 7(1), a158.
27. North, D.C. (1990) Institutions, Institutional Change and Economic Performance. Cambridge: Cambridge University Press.
28. Parsons, T. (1951) The Social System. Glencoe, IL: Free Press.
29. Phimister, I. (1988) An Economic and Social History of Zimbabwe, 1890–1948: Capital Accumulation and Class Struggle. Harlow: Longman.
30. Reserve Bank of Zimbabwe (2020) Banking (Money Transmission, Mobile Banking and Mobile Money Interoperability) Regulations, Statutory Instrument 80 of 2020. Harare: Government of Zimbabwe.
31. Riggs, F.W. (1964) Administration in Developing Countries: The Theory of Prismatic Society. Boston: Houghton Mifflin.
32. Risse, T. (ed.) (2011) Governance Without a State? Policies and Politics in Areas of Limited Statehood. New York: Columbia University Press.
33. Tamanaha, B.Z. (1993) 'The folly of the "social scientific" concept of legal pluralism', Journal of Law and Society, 20(2), pp. 192–217.
34. Thornton, P.H. and Ocasio, W. (1999) 'Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958–1990', American Journal of Sociology, 105(3), pp. 801–843.
35. Van de Walle, N. (2001) African Economies and the Politics of Permanent Crisis, 1979–1999. Cambridge: Cambridge University Press.
36. Von Bertalanffy, L. (1968) General System Theory: Foundations, Development, Applications. New York: George Braziller.
37. Weber, M. (1978) Economy and Society: An Outline of Interpretive Sociology. Edited by G. Roth and C. Wittich. Berkeley: University of California Press.
38. Zimbabwe Environmental Law Association (2021) Formalization of the Artisanal and Small-Scale Mining Sector is the Way to Go. Harare: ZELA.