



DEVELOPING A GOOD BUSINESS ENVIRONMENT

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UNDERSTANDING GROWTH IN DIFFERENT TYPES OF REGIONS

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BUSINESS ENVIRONMENT

- What is a business environment?
- What does business mean in the context of regional development?
- Who creates this environment?
- Who is in charge of keeping it in a good shape?

WHAT IS A BUSINESS ENVIRONMENT?

- Conditions:
 - supra-regional – external (systemic solutions, macroeconomic processes, cooperation networks),
 - regional - internal (assets and arrangements - policies, strategies, allocation of resources)
 - sub-regional – local (created through business practices - resources: human, financial, etc. + corporate culture)
- Factors: economic, political, social, technological – involvement and impact of different actors
- Good business environment – predictable, flexible, transparent, well-managed, deregulated, organized, **attractive**
- Evaluation: development visions and strategies and regional offer for business vs. expectations and needs articulated by business

INDICATORS

- starting a business
- employing workers
- registering property
- getting financing
- protecting investors
- paying taxes
- trading across borders
- enforcing contracts
- closing a business
- regional and sub-regional perspectives:
 - who do we want to come?
 - who wants to come?
 - how determined / desperate we are to bring different businesses?

WHAT DOES BUSINESS MEAN IN THE CONTEXT OF REGIONAL DEVELOPMENT?

- Business – economic activities, profit oriented, employers, tax payers
- Business from the perspective of regional development:
 - relationships between private and public sector
 - common and specific / contradictory goals,
 - position of actors – public authorities and entrepreneurs
- Doing business: planning, organizing, leading, controlling – facilitation *via* well established relationships
- Offers of private and public sector – efficient use *via* well established relationships
- Good business environment and stable base for economic development – specific tools and their efficiency (special economic zones, clusters vs. systemic solutions)

WHO CREATES THIS ENVIRONMENT?

- Recall what was on the previous slides 😊
- Regional and sub-regional dimensions of environment
 - strengths and weaknesses
 - threats and opportunities
- Team work with leadership, partnership and cooperation
- Goals and strategies of actors who are parts of / contribute to formation of business environment
- Policy making process – 3D:
 - design – principles, values, visions
 - development – types of governance, participation
 - delivery – management skills, instruments, implementation of programs and projects

WHO IS IN CHARGE OF KEEPING IT IN A GOOD SHAPE?

- Bottom-up approach: strengthening business environment *via* policy making process and management practices – regional and sub-regional level
- Issues to be considered:
 - Priorities – selection criteria – right place for this business?
 - Autonomy: blessing or curse? power, competences, and responsibilities
 - Attractiveness vs. competitiveness
 - Professional and innovative approach
 - Institutional capacity - impact of institutional and organizational framework on efficiency of governance processes
 - Region and neighboring regions – how much cooperation / how much competition?