The bigger picture: drivers of aggregate productivity growth
Inter-sectoral reallocation

Productivity increases

Intermediation mechanisms

Intra-sectoral reallocation

Intra-firm productivity enhancement

Driving or enabling factors

Endowments

Natural resources and endowments
Infrastructure
Human capital
Technology

Macro

Political stability
Fair competition
Trade relations
Governance
Regulatory environment
Macro-economic stability

Micro-meso level

Intercompany dynamics
Firm sophistication and capacities

Policies

Framework policies, e.g.
Macroeconomic policy
Competition and Trade
Infrastructure
Labour
Education and Skills

Private sector development policies, e.g.
Industrial and sectoral policies
Exports promotion and VCD
Innovation
Investment
Regulatory and institutional reforms

SMEs policies, e.g.
Business development services
Access to finance
Market access
Cluster development
Entrepreneurship

Growth
Inter-sectoral reallocation

Productivity increases

Inclusive Growth?

Other factors

Intra-sectoral reallocation

Inter-sectoral reallocation

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Intermediation mechanisms

- Inter-sectoral reallocation
- Intra-sectoral reallocation
- Intra-firm productivity enhancement

Endowments
- Micro-meso level
- Macro
- Macro-economic policy
- Competition and Trade
- Infrastructure
- Labour
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Policies
- SMEs policies, e.g.
  - Business devt services
  - Access to finance
  - Cluster development
  - Entrepreneurship

- Private sector devt policies, e.g.
  - Industrial and sectoral policies
  - Export promotion and VCD
  - Innovation
  - Investment
  - Regulatory and institutional reforms

- Framework policies, e.g.
  - Macroeconomic policy
  - Competition and Trade
  - Infrastructure
  - Labour
  - Education and Skills

Other factors
- Better working conditions
- Inclusive Growth
- Other factors
• What do you think are the most serious constraints for SMEs according to business owners?

• What do you think are the most serious constraints according to workers?

(10 mins)
% of SMEs with Major Obstacle by Type of Business Environment Factor

Figures are weighted.
% of SMEs with Major Obstacle by Type of Business Environment Factor

- Competition with informal Sector: 12.5%
- Tax Rate: 11.4%
- Corruption: 11.1%
- Electricity: 8.5%
- Access to Finance: 8.4%
- Access to Land: 7.6%
- Political Instability: 7.6%
- Tax Administration: 7.4%
- Transportation: 6.9%
- Inadequately Educated Workforce: 6.1%
- Licensing and Permits: 5.2%
- Customs & Trade Regulations: 5.1%
- Labor Regulations: 4.9%
- Crime, Theft & Disorder: 4.5%
- Courts: 4.3%