

СЕКЦИЯ «ЭЛЕКТРОННЫЙ БИЗНЕС И ЦИФРОВЫЕ ИННОВАЦИИ»

UDC 336.64

1. DOING BUSINESS IN SIERRA LEONE AND BELARUS

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Annotation. There are several internal and external factors that can influence a company's business decisions. Different combinations of these factors, like price, social changes and regulatory changes, can influence the overall environment where a business operates. Learning more about these ecosystems and how a business might navigate them can help to adapt to changes and keep a relative and positive reputation in market. In this paper the differences and similarities of a business environment in Sierra Leone and Belarus are shown.

Keywords. Business environment, business infrastructure, leadership, Sierra Leone.

A business environment is all the components that affect a business. These include both internal factors, like employees and resources, and external factors, like customers and markets. Each of these contributes to a company's working environment and can influence how the business functions [1].

Sierra Leone, located in West Africa, has undergone significant economic and political transformations in recent years. The country has made strides towards stability and development, attracting attention from investors and businesses seeking opportunities in emerging markets. The study of Sierra Leone's business environment involves examining the economic, political, legal, and social factors that shape the country's business landscape. The main perspectives are the following.

1. Economic growth and investment. Understanding Sierra Leone's business environment is crucial for fostering economic growth and attracting domestic and foreign investment. By examining factors such as market conditions, regulatory frameworks, and infrastructure, policymakers, investors, and businesses can identify opportunities, mitigate risks, and make informed decisions.

2. Market entry and expansion. Sierra Leone offers untapped markets and potential for expansion in various sectors. Analyzing the business environment provides insights into market entry strategies, consumer behavior, and competitive dynamics. This understanding enables businesses to tailor their products, services, and marketing strategies to effectively target the Sierra Leonean market.

3. Policy formulation and reform. A comprehensive study of Sierra Leone's business environment helps identify areas for policy reform and improvement. By assessing regulatory frameworks, bureaucratic hurdles, and legal systems, policymakers can develop business-friendly policies, streamline procedures, and create an enabling environment for entrepreneurship and investment.

4. Sustainable development. Analyzing Sierra Leone's business environment through the lens of sustainability considers environmental, social, and governance factors. It enables the identification of opportunities for sustainable business practices, responsible resource management, and inclusive growth. By promoting sustainable development, Sierra Leone can balance economic progress with environmental preservation and social well-being.

5. Knowledge sharing. The aims are to facilitate knowledge sharing among participants regarding the business environment in Sierra Leone. It seeks to disseminate insights, research findings, and best practices related to various aspects of the business landscape, including market conditions, regulatory frameworks, investment opportunities, and sector-specific challenges.

6. Capacity building. The aim is to enhance the capacity of participants, particularly SME owners, entrepreneurs, and professionals, through workshops, training sessions, and interactive discussions. It aims to provide them with practical skills, tools, and knowledge to navigate the business environment more effectively, overcome challenges, and seize opportunities for growth and development.

7. Networking and collaboration. The aim is to create a platform for networking and collaboration among participants, including SME owners, policymakers, investors, academia, and development organizations. It seeks to foster connections, partnerships, and collaborations that can contribute to the growth and success of businesses in Sierra Leone. There is a need in the opportunity to establish valuable relationships, exchange ideas, explore potential synergies, and forge mutually beneficial partnerships.

Sierra Leone's business environment is influenced by various factors such as its economic indicators and trends, political stability and governance, legal and regulatory frameworks, and infrastructure and logistics. Understanding the overview of these elements is crucial for businesses looking to operate in Sierra Leone. Here is an overview of Sierra Leone's business environment.

Economic indicators and trends. Sierra Leone's economy has shown gradual improvement in recent years. Key economic indicators include GDP growth rate, inflation rate, unemployment rate, and foreign direct investment (FDI) inflows. Understanding these indicators provides insights into the overall economic climate and potential opportunities for businesses.

Political stability and governance. Political stability is an essential factor for a conducive business environment. Sierra Leone has made significant progress in terms of political stability and democratic governance. An analysis of the political landscape, government policies, and stability levels helps businesses assess the risks and opportunities associated with operating in the country.

Legal and regulatory frameworks. A sound legal and regulatory framework is crucial for businesses to operate effectively. Sierra Leone has implemented laws and regulations governing various aspects of business operations, including company registration, intellectual property rights, labor laws, and taxation. Understanding these frameworks is essential for compliance and minimizing legal risks.

Infrastructure and logistics. Infrastructure, including transportation, energy, telecommunications, and logistics networks, plays a vital role in business operations. Sierra Leone has been investing in infrastructure development to improve connectivity and facilitate trade. Evaluating the state of infrastructure and logistics helps businesses assess the efficiency and cost-effectiveness of operating in the country.

Sierra Leone offers several opportunities for investment and growth across various sectors. The most important are the following:

- mining and natural resources: Sierra Leone is rich in mineral resources, including diamonds, gold, bauxite, rutile, and iron ore. The mining sector offers opportunities for exploration, extraction, and processing of these minerals. The government has implemented reforms to attract investment and ensure transparency in the sector;

- agriculture and agribusiness: with fertile land and favorable climatic conditions, Sierra Leone has significant potential in agriculture. Opportunities exist in commercial farming, crop cultivation (e.g., rice, cocoa, palm oil), livestock and fisheries, processing and packaging, and agricultural technology. The government has prioritized agricultural development and is implementing initiatives to enhance productivity and value addition;

- energy and renewable resources: Sierra Leone aims to expand access to electricity and reduce dependency on expensive fossil fuel imports. Investment opportunities exist in renewable energy sources such as hydroelectric, solar, and wind power generation. There is also potential for investment in energy infrastructure, transmission, and distribution;

- infrastructure development: Sierra Leone requires significant investment in infrastructure, including roads, ports, airports, railways, and telecommunications networks. The government is actively seeking public-private partnerships and foreign investment to develop and upgrade infrastructure, particularly in the transportation sector;

- tourism and hospitality: Sierra Leone's beautiful beaches, wildlife reserves, cultural heritage, and historical landmarks offer potential for tourism development. Investment opportunities exist in hotel and resort development, eco-tourism initiatives, recreational activities, and hospitality services. The government is promoting tourism as a key sector for economic growth;

- Information and Communication Technology (ICT): Sierra Leone has seen growth in mobile and internet penetration. Opportunities exist in ICT infrastructure development, software development, e-commerce, mobile payment solutions, and digital services. The government is working to improve connectivity and create an enabling environment for ICT investments;

- financial services: Sierra Leone's financial sector is growing, with opportunities in banking, microfinance, insurance, and investment services. There is a need for innovative financial products and services to cater to the unbanked population and support entrepreneurship and small business development;

- education and skills development: Investments in education and skills development are crucial for human capital development. Opportunities exist in establishing private schools, vocational training centers, and higher education institutions. Partnerships with local organizations can help address the skills gap and provide quality education and training;

- healthcare and pharmaceuticals: Sierra Leone has ongoing healthcare infrastructure development projects. Investment opportunities exist in private healthcare facilities, medical equipment and supplies, pharmaceutical manufacturing, and health technology solutions. The government is working to improve healthcare access and quality;

- manufacturing and industrialization: Sierra Leone aims to promote industrialization and value addition to raw materials. Investment opportunities exist in manufacturing sectors such as food processing, textiles, construction materials, and packaging.

The Republic of Belarus has a number of potential competitive advantages in terms of attractiveness for investment.

First of all, this is an advantageous economic-geographical and geopolitical position: to the west of the country there is a huge single EU market of 450 million people. In the east there is the market of the Common Economic Space consisting of Belarus, Russia and Kazakhstan with a total population of 170 million people.

Belarus is undergoing extensive reforms aimed at radically liberalizing the economy and increasing the country's investment attractiveness.

The necessary legal conditions have been created for foreign investors to operate on the territory of Belarus. They are guaranteed equal, without discrimination, protection of rights and legitimate interests, regardless of their form of ownership and national status. Guarantees to foreign investors are provided both at the national level and within the framework of bilateral agreements of the Republic of Belarus with other countries. Belarus has developed infrastructure: roads and transport, logistics, telecommunications, banking and financial institutions, etc.; qualified and inexpensive labor resources; a variety of benefits for investors in free economic zones and the Hi-Tech Park, small towns and rural areas, a simplified tax system for small businesses, special benefits for foreign investors, etc.; guarantees of investor protection are provided by national legislation, bilateral and multilateral agreements, the possibility of concluding investment agreement with the state, as well as a developed judicial system [2, 3].

At present moment Belarus faces sectoral and personal sanctions against Belarus launched by EU. Belarus considers these actions to be contrary to generally accepted principles and norms of international law. The possibility of supplying Belarusian goods to the EU has been stopped: certain petroleum products and potash fertilizers; a ban has been introduced on the supply of tires, the entire group of timber, ferrous metals, and cement products. From the EU to Belarus, supplies of a wide range of equipment, machines and mechanisms, and certain goods for the production of tobacco products are limited. Restrictions are also applied in the financial sector, which may also affect goods that are not directly subject to sanctions. All these factors influence the business climate of Belarus. But there is a strong believe that the country will overcome sanctions and become stronger.

Based on the World Bank Enterprise Surveys [4] let's compare business climate of Belarus and Sierra Leone. The different years are because of restrictions of raw data.

Table 1 presents the data on "regulation and taxes' perspective.

Table 1 – The data on "regulation and taxes' perspective

Country	Year	Senior management time spent dealing with the requirements of government regulation (%)	Days to obtain an operating license	Days to obtain a construction-related permit
Belarus, manufacturing	2018	14,1	52,7	76,9
Belarus, services	2018	12,9	35,2	46,6
Sierra Leone, manufacturing	2023	7,3	14,4	12
Sierra Leone, services	2023	6,2	19,4	13,2

Data from Table 1 shows that in Sierra Leone it takes less time to start a business and to communicate with the regulator. In Table 2 there is some information about management practices.

Table 2 – The data on 'management practices' perspective

Country	Year	Score on number of performance indicators monitored	Score on time focus of production/service provision targets	Score on achievability of production/service provision targets	Score on basis of managers' performance bonuses
Belarus, manufacturing	2018	60,7	53,9	50,6	39,3
Belarus, services	2018	59,2	51	44	43,6
Sierra Leone, manufacturing	2023	39,7	50,6	74,3	31,4
Sierra Leone, services	2023	41,6	75,8	69,5	52,9

Data from Table 2 shows that in Belarus managers are more obsessed with monitoring of performance indicators than in Sierra Leone, but managers in Sierra Leone usually are more focused on time, achievability of production/service provision targets as well as on basis of managers' performance bonuses.

In Table 3 there is some information about female participation in labor market.

Table 3 – The data on 'gender equality' perspective

Country	Year	Percent of firms with majority female ownership	Percent of firms with a female top manager	Proportion of permanent full-time workers that are female (%)
1	2	3	4	5
Belarus, manufacturing	2018	18,9	17,8	45,6
1	2	3	4	5
Belarus, services	2018	19,3	22,4	49,4
Sierra Leone, manufacturing	2023	6,6	5	35,9
Sierra Leone, services	2023	17,6	17,7	25,1

Data from Table 3 shows that in Sierra Leone women actually do not own and do not manage manufacturing companies. But in the services the figures in Sierra Leone and in Belarus are very similar. In Belarus the percentage of working women in manufacturing as well as in services is higher than in Sierra Leone.

In Table 4 there is some information about 'innovation and technology' perspective.

Table 4 – The data on 'innovation and technology' perspective

Country	Year	Percent of firms using technology licensed from foreign companies	Percent of firms with an internationally-recognized quality certification	Percent of firms having their own Web site	Percent of firms that introduced a new product/service	Percent of firms that introduced a process innovation	Percent of firms that spend on R&D
Belarus, manufacturing	2018	9,1	36,8	88,6	57,5	28,8	24,7
Belarus, services	2018	n/a	14,3	67,6	33,1	25,8	20
Sierra Leone, manufacturing	2023	2,7	0,9	11,1	41,2	41,3	4,5
Sierra Leone, services	2023	n/a	0,9	18,3	30,7	26,2	36,5

Data from Table 4 shows that in Belarus managers pay more attention to quality certification and to usage technology licensed from foreign companies. There is also a huge difference in percentage of firms having their own Web site. In Sierra Leone managers pay great attention to introduction of a new product/service, to process innovations. And the spending in services on R&D is higher than in Belarus (and lower in manufacturing).

Sierra Leone it takes less time to start a business and to communicate with the regulator. In Table 2 there is some information about management practices

The countries being compared, Belarus and Sierra Leone, are very different. They are located on different continents, they have different historical paths, different socio-economic conditions. The GDP per capita in Sierra Leone is ten times less than GDP per capita in Belarus (629,9 constant 2015 US\$ vs 6204,1 constant 2015 US\$). Of course, these countries have different conditions for business development. But the analysis showed that our countries also have a lot in common, which can be used, for example, to strengthen fruitful cooperation.

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