

REIMAGINING EASE OF DOING BUSINESS IN EMERGING ECONOMIES THROUGH PROCESS RE-ENGINEERING

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Abstract

Emerging economies continue to face structural barriers to entrepreneurship and investment due to bureaucratic inefficiencies embedded within regulatory and administrative systems. This paper examines how business process re-engineering (BPR) and administrative simplification can significantly improve the ease of doing business while promoting inclusive and sustainable economic growth.

Drawing on international governance frameworks and comparative institutional analysis, the study argues that regulatory efficiency is a core determinant of competitiveness, productivity, and investor confidence.

Introduction

Ease of doing business extends beyond regulatory rankings and performance indices; it reflects the quality of interactions between economic actors and state institutions.

In many emerging economies, complex approval processes, manual documentation, and fragmented agency mandates impose significant transaction costs on firms, undermining productivity and discouraging formal enterprise development.

Conceptual Framework: Ease of Doing Business as Institutional Performance

From an institutional economics perspective, regulatory systems function as economic infrastructure that shapes incentives, cost structures, and market participation.

Efficient administrative processes reduce uncertainty, lower compliance costs, and enable firms to focus resources on innovation and value creation rather than procedural navigation.

Literature Review

World Bank Doing Business reports consistently demonstrate strong correlations between regulatory efficiency and firm productivity, investment inflows, and employment growth.

OECD studies emphasize administrative simplification, interoperability, and performance management as essential components of effective regulatory governance, particularly in developing and transition economies.

Problem Analysis in Emerging Economies

Key structural constraints to business operations in emerging economies include redundant regulatory processes, paper-based documentation systems, limited inter-agency data sharing, and weak service accountability mechanisms.

These inefficiencies disproportionately affect small and medium enterprises, which often lack the financial and administrative capacity to navigate complex regulatory environments.

Methodology

This study employs a qualitative analytical methodology supported by policy analysis and comparative institutional review.

Secondary data from international development organizations, regulatory reform case studies, and public administration literature were synthesized to identify recurring bottlenecks and reform outcomes.

Business Process Re-Engineering (BPR) Innovation Framework

The proposed Business Process Re-Engineering framework is built on four core pillars: end-to-end process mapping, elimination of non-value-adding approval stages, digitization of regulatory workflows, and performance-based service delivery metrics.

By redesigning regulatory processes around user journeys rather than agency silos, governments can significantly reduce processing times and administrative friction.

Economic Impact and Productivity Implications

Empirical simulations and reform case studies indicate that reducing administrative processing times by 30–40 percent can substantially improve SME survival rates and formal sector participation.

Improved regulatory efficiency enhances tax compliance, broadens the revenue base, and increases the attractiveness of economies to domestic and foreign investors.

Governance, Transparency, and Accountability

Process re-engineering strengthens governance by reducing discretionary decision-making and increasing transparency.

Digitized workflows and service-level benchmarks enhance accountability while limiting opportunities for rent-seeking and corruption.

Policy Recommendations

Governments should institutionalize business process re-engineering as a continuous reform mechanism rather than a one-time initiative.

Whole-of-government interoperability, legal backing for digital records, and performance-linked incentives for public agencies are critical to sustaining reform outcomes.

Alignment with Global Development Goals

Administrative simplification and process re-engineering directly support Sustainable Development Goal 8 by enabling productive employment, entrepreneurship, and economic growth.

They also advance Sustainable Development Goal 16 by strengthening institutional effectiveness, transparency, and accountability.

Discussion

While process re-engineering offers significant economic benefits, implementation challenges include political resistance, capacity constraints, and change management risks.

Successful reforms require strong leadership, stakeholder engagement, and continuous monitoring and adaptation.

Conclusion

Administrative innovation remains an underutilized economic lever in emerging economies.

Governments that reconceptualize regulatory systems as service platforms rather than control mechanisms will gain durable competitive advantages in the global economy.

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