

# Editorial

Mark M. Michalski

We commence the Summer/Fall issue of our *Business and Public Administration Studies Journal* with an article on entrepreneurial business in Brazil. The authors examine recent legislative policies aiming at reducing the red tape and bolstering the business environment. The article is titled *Medida Provisória 881 (MP 881): The Empowerment of Brazilian Entrepreneurship and The Hope for Less Bureaucracy in Business*. Brazilian government, led by President Jair Bolsonaro is working energetically to remove corrupt policies in the economy. Conservative thinkers, as Olavo de Carvalho, and a free-market experts, Paulo Guedes and Paulo Uebel, promulgate an executive medida provisória to stimulate business development in Brazil. Its overarching aim is to eradicate excessive costs and high bureaucracy of doing businesses in Brazil. The *Medida Provisória 881* is considered quintessential for the economy and the nation. This historic bill is often referred to as an “economic bill of rights”. The medidas provisórias clearly are not the same as American executive orders. They share a similarity though: with a strike of the president’s pen, they do become a “law of the land.” However, until the end of the law’s process in congress, the law is considered in full effect. That is why Bolsonaro’s administration chose to introduce those measures as a medida provisória so that small businesses and entrepreneurs may readily benefit from the new rules. The Bolsonaro administration expects that MP 881 results in the creation of 3 - 4 million new jobs.

Introducing a new Brazilian “Economic Liberty Law” will help startups and new businesses which are oriented to free-market and service economy. And slashing needless restrictions will be a great start to unleash the entrepreneurial spirit. Brazil has been fighting for the last few decades of tumultuous cyclical economic waves pushing for pragmatic reforms. The authors conclude with presenting a pair of perspectives. Pessimists view MP 881 as vague and not effective to deliver the expected results. Moreover, they see it as being obscure and redundant, contributing to greater uncertainty and higher transaction costs. The optimistic proponents of the MP 881 view it as a much needed pragmatic solution to encourage, foster and promote entrepreneurship. Obviously, there is a real trade-off where perfect solutions are hard (in not impossible) to find. Free market, as an imperfect mechanism or a tool does not create inequality per se, but it does not primarily focus, nor aim to reduce, or eliminate it. This is why we have interventions of (also imperfect) governments. One of the key role of the government is to maintain a plain level field (in form of regulations) and ameliorate market imperfections.

Next article is on *Regulatory Barriers to Women in Business*, by W. Mark Crain, of Lafayette College, National Defense University and Nicole V. Crain, of Eisenhower School for National Security and Resource Strategy. After decades of concerted efforts, female business owners are

still lagging behind. Recent studies point out to several factors women face, such as social expectations, access to funding, building a support network and perhaps the most challenging: balancing business and family life. The authors focus on the barriers first. Then they build on the earlier empirical studies which analyze the impact of business regulations on the entrepreneurship in general and a free entry into the market in particular. The thrust of the study lies in assessing whether the net result and a quality of business regulatory framework has some gender specific impact. Their concluding remarks confirm that “the regulatory constraints tend to place a disproportionate burden on female ownership of enterprises and on the share of females employed in non-agricultural sectors. The findings shed new light on the interconnections between business regulations, firm creation, women in the workforce, and aggregate economic performance. Gender inequality appears to be one of the channels through which business regulations adversely affect national economies.”

The study effectively investigates the impact of regulations on female participation in the private sector using panel data for a large sample of countries. The metrics examined include female ownership of businesses and female share of employment in non-agricultural sectors of the economy.

The third article titled *Employees’ Uniform on Company Image and Employees’ Self perceptions – A Study of Fine Dining Restaurants* is by Ronnie Yeh, and Teresa Chen, is a preliminary investigative research proposal for a larger forthcoming study. We await the final result of their investigation. The authors aim to examine how different styles of employee uniforms affect customers’ perceptions of the restaurant image and employees’ self-perceptions in terms of job performance. This ensuing study will show whether there is a significant relationship between uniforms and employee’s job performance. Then, whether there is a significant difference between employees’ job satisfaction and styles of uniforms. Finally, if there is a significant relationship between styles of uniforms and customers’ perception of employee performance.

Given many choices in the hospitality industry, customers can be more selective as to what they are paying for. While ambience and corporate image play an essential role in affecting customer satisfaction, employee uniforms are a significant factor in the overall impression of an establishment. Hospitality industry is both highly volatile, whimsical and demanding one at the same time. It relies on its employees to complete sales and provide services to customers. Besides the visual appeal of food (we tend to also “eat” with our eyes) and an overall room settings, many intangible services also depend on employees to deliver excellent service. Guests’ satisfaction depends on intangible qualities such as ambience and service attitude. These intangible services make up an important part of a guests’

experience while visiting an establishment. Customers judge intangible experiences to rate service quality and make a final judgment about a hospitality organization. The restaurant uniform is an important element in a customer's evaluation because the uniform is a part of the organization's image and an extension of hospitality service. The style of employee uniform not only generates external marketing effects such as customer satisfaction and customer perception, but also has a main influence on employees' job satisfaction, work enthusiasm and self-recognition in a restaurant business.

Next, Hannah P. Friedman, of Georgetown University Mccourt School of Public Policy asks: What Does Automation Really Mean for the Future of Work? This article demonstrates how existing research regarding automation and the future of work employs analytical techniques, which are far too vague or biased to lead to a meaningful scholarly debate. She begins by reviewing and analyzing existing literature regarding automation and the future of work, dividing this literature into three categories: the optimistic literature, the pessimistic literature and the nuanced literature. The study then discusses how these categories of literature have resulted from biases held by existing scholars and from a lack of data regarding ongoing developments in the technology space as it relates to the workforce. The author concludes by recommending that in order to clarify the debate around automation and the future of work, scholars engage in more widespread empirical analysis going forward. In recent years, a loud and lively debate regarding the effects of automation on the future of work has emerged among many scholars. The conclusions reached by these scholars generally fall in different buckets along a spectrum of how disastrous the researchers think automation will be for the future of work (on a scale of "not at all" to "entirely"), based on their personal world views. As the emerging pattern of evidence seems to demonstrate, this scholarly landscape has led to a debate about the topics at hand, causing various positions to become virtually meaningless in the absence of empirical evidence.

She concludes that as the literature review shows with ensuing discussion, the effect of automation on the future of work is notoriously difficult to study. It is due to the competing intrinsic views held by different scholars studying this relationship and the lack of data regarding the ever-evolving prevalence of technology in the workplace. The best way to remedy the extant information gap which, if filled, would allow for much more robust analysis of the relationship between automation and workforce development, would be to replicate studies like Shestakofsky's on a much larger scale on a longer-term basis, putting the appropriate controls in place. Only then researchers might be able to reach viable results and translate them into meaningful conclusions about what automation means for the future of work.

Professor Frederic Sautet shares his research on the nexus of entrepreneurial activities that bring about innovative, desired effects and their implications for development policy. The study was originally carried out at the George Mason University, where he taught. But now Frederic serves as a Professor of Entrepreneurship and Economics at the Catholic University of America in Washington DC. He sums up the last fifty years of development aid as not

really rewarded with success. Part of the reason for this failure has been the focus on macro approaches and policies, which did not emphasize the local institutional context faced by economic agents. In the recent years, the notion of institutions has come to the forefront of policy advice. At the same time however, the role of institutions in economic development seems unclear. That is in spite of the powerful arguments of William Easterly, who argues that institutions play a pivotal role in economic development. As a result, it is being challenged by those who think that institutions are just the fad of the moment. This Policy Primer explains how institutions are vital to the expansion of entrepreneurial activity, which is at the heart of the process of development and economic growth. What is generally missing in countries with lackluster economic performance is not entrepreneurship as such but the right institutional context for entrepreneurship to take place and to be socially beneficial. What matters for development are the rules that individuals follow and how these rules are defined and enforced.

In a successful economy, formal rules are aligned with informal norms and foster entrepreneurial activity by defining and enforcing property rights. The aim of economic policy and social reform must be to re-establish an institutional framework that allows for socially productive entrepreneurial activity to flourish by reducing the cost of engaging in productive activities. This Policy Primer offers three policy implications: define a starting point for reform; build institutional capacity; prepare an environment that favors productive entrepreneurship. In spite of the uncertainty surrounding the path to reform, it is important to keep in mind that the quality of the formal and informal institutions is the main determinant of productive entrepreneurship.

After half a century of efforts in development aid, Professor Sautet states that "institutions" have come, to the forefront of policy advice. Many organizations involved in fostering development and helping transition economies have adopted the view that institutions matter, and mainstream economics pays more and more attention to the notion of institutions. At the same time however, the role of institutions in economic development remains unclear for many, and as a result it is being challenged by those who think that institutions are just the fad of the moment. The Policy Primer explains how institutions are vital to the expansion of entrepreneurial activity, which is at the heart of the process of development and economic growth and that the concept of institution is, when given real content and not merely used as a buzzword, not just another fad in economics but a crucial component of successful policymaking.

Sergio Martinez asks in his article, whether we can Link the Institutional Design of Public-Private Partnerships (PPPs) to International Policy Instruments lead to PPPs external effectiveness. His article is an examination of the Global Alliance for Trade Facilitation (GATF). The study examines whether linking the institutional design of public-private partnerships (PPPs) to international policy instruments lead to PPPs external effectiveness. To answer this question, the author selected the Global Alliance for Trade Facilitation (GATF) as a study case. GATF is an emerging PPP aimed at making international trade simple, fast and

cost-effective while creating new business opportunities, enabling greater economic and social development and reducing poverty across developing and least developed countries.

While GATF's projects are in progress, it has reported results aligned with the partnership's institutional design comprising a roadmap of outcomes. By analyzing GATF's institutional design features according to conceptualization perspectives on PPPs effectiveness, the author found that GATF offers a suitable institutional design model to attain both external and policy implementation effectiveness. While publicly available information on GATF's structure and progress up to date supports the findings, there is a need for more empirical assessments on GATF's performance after its delivery process.

Overall, GATF offers a good institutional design model for PPPs aimed at enabling enticing business environments for harnessing trade and investment strategies to advance sustainable development projects across the world. The Global Alliance for Trade Facilitation—known as GATF—is a public-private partnership (PPP) launched in 2015 to support governments in developing and least developed countries implement the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA).

Concluding his research Sergio states that, it is apparent that the Global Alliance for Trade Facilitation (GATF) offers an institutional design model suitable to PPPs envisioning achieving external effectiveness. By analyzing key institutional features pertaining GATF according to mainstreaming literature on PPPs effectiveness, it is safe to suggest that PPPs institutional design linked to international policy instruments may lead to impact 'outside' the partnership. GATF is grounded in a theory of change guiding outcomes and impact measures aimed at advancing progress regarding the World Trade Organization's Trade Facilitation Agreement and the overall United Nations' 2030 Agenda.