Firm Performance and Multi-Scale Territorial Resources in Wallonia: Towards a Model using Business Accounting?

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PhD project and aim of this research

Why? In Europe (and in Wallonia), most public policies related to regional development and economic development aim to stimulate and reinforce the “territorial resources” in order to improve the competitiveness of the Wallonian, Belgian or European firms. For instance, in Wallonia, one of the key action of the Marshall Plan (i.e. the main regional strategy in the domain of economic development) aims at “mobilize the territory” (in French, “mobiliser le territoire”). In this perspective, our objective is to quantify and analyse the territorial resources that impact the performance of Wallonian or Belgian firms, with the final aim to advice the policy makers and to improve the related public policies. This topic is related to questions such as:

- Does a better accessibility of economic estates improve the performance of firms?
- Are cultural amenities (in order to attract talents) and land prices (in order to reduce their costs) strategic competitive advantages for firms?

Main goal of PhD project: highlighting the territorial resources influencing the performance of Wallonian (Belgian) firms in four steps:

1. Literature review
2. Analysis of business accounting coupled with indicators of territorial resources (the purpose of this poster)
3. Hedonic model of property prices for the Wallonian firms
4. Survey of the “territorial” needs of business owner

Multi-scale territorial resources?

Our definition: it means the specific features of the territories that affect the ability of companies to develop their business.

Towards indicators reflecting internal and territorial resources

<table>
<thead>
<tr>
<th>Internal resources</th>
<th>Location resources</th>
<th>Human resources</th>
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</thead>
<tbody>
<tr>
<td>1/ Turnover</td>
<td>1/ Local accessibility : time to reach the nearest highway</td>
<td>1/ Median income</td>
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<tr>
<td>2/ Assets and fixed assets</td>
<td>2/ Regional accessibility : ESPON accessibility index</td>
<td>2/ Activity rate</td>
</tr>
<tr>
<td>3/ Property : national or foreign ; public or private</td>
<td>3/ Time to reach the nearest metropolis or main city</td>
<td>3/ Highly educated share in the population</td>
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<td>4/ Cash-flow</td>
<td>4/ Location in a business park : yes or no</td>
<td>4/ Liberal vote share as a proxy of entrepreneurship</td>
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<td>5/ (Number of) jobs and staff costs</td>
<td>5/ Internet connectivity</td>
<td>5/ Number of Wallonian cluster’s members nearby</td>
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<tr>
<td>6/ Productivity (related to the NACE sector)</td>
<td>6/ Accessibility by public transport, bike or on foot</td>
<td>6/ Business creation related to the workforce</td>
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<tr>
<td>7/ Age</td>
<td>7/ Urban density close by the firm</td>
<td>7/ Over 65 years old share</td>
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<td>8/ Workforce share in large companies</td>
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We adopt a public authorities viewpoint

The main weaknesses related to the public viewpoint are:
- Shortage of enterprises in comparison with other regions
- Lack of enterprises with a medium competitiveness
- Firms do not produce enough added value

That is why added value is used to measure the performance.

Main references