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**Conference Paper**

## Recommendations, Experiences and Conclusions From Realized Aftercare Public Policies in Czech Republic

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# RECOMMENDATIONS, EXPERIENCES AND CONCLUSIONS FROM REALIZED AFTERCARE PUBLIC POLICIES IN CZECH REPUBLIC

Tana Karlikova, Jan Stejskal

## **Abstract:**

*Czech Republic has become one of leading destinations for production foreign investments in Europe in last ten years. This success has been influenced by several factors including history, geography, policy development, economic and social progress transformation and also from Czech Republic's entrance into NATO and the European Union. We must also take into account traditions, labour skills, price and labour productivity. The central and regional government initiatives (from municipalities and larger regions) can play active roles in foreign investment attraction.*

*Local and central government agencies of western countries are sources of such new and direct investments to Czech Republic. Because of higher economic standards in these countries, they are able to invest internationally with greater ease and comfort. National entrepreneurs are also sources for economic development and new business.*

*The goals of the public policies focused on the "aftercare" can be:*

- *Support with development and expansion,*
- *Assisting with problem solving during enterprise development,*
- *Training and help with restructuring,*
- *Support and assistance for multi-national corporations and investors with: research and development, design, setting up centres with a network of experts, mentors and shareable resources,*
- *Support and assistance with networking (and advertising?),*
- *Developing "clusters" which are centres concentrating on excellence within global competition and markets,*
- *Many more.*

*These specified activities can be realized with financial support from the Structural funds from the European budget and by current operating programmes already in place within the Czech Republic.*

*This paper focuses on the research analysis interpretation of entrepreneur environment. This case study (or research) was held in Czech Republic in May 2005. We would like to make some recommendations (in the form of "best practises") to inspire other countries (which solve similar problems) and provide information. Attention will be given to defining recommendations and offering conclusions to the compatibility with the new "learning regions" theory.*

**Key words:** *aftercare, investments, entrepreneur environment, CzechInvest agency, Czech Republic*

## **1. Introduction**

Entrepreneurs are the key source of work, innovations, economical dynamism in the area. They are very important players (participants) of Lisbon strategy (constitutes the long time plans of EU). One of them is shift to full employment which can be reached in the case of a developing market, that will create new work places, and that is possible through pleasant

business surroundings. Entrepreneurial atmosphere is the sum of factors and parts which influence the entrepreneur and his activities in specific areas. We suppose that only “pleasant business surroundings” can allow companies and entrepreneurs to reach their business objectives and it will be reached with the high level of efficiency and effectiveness.

The entrepreneurial surroundings are influenced by many various factors. The most of them are external (outward), entrepreneurs cannot affect them. They come from social-cultural, economical, tradition-social and other conditions. There are many ways for the state to establish a friendly business environment, it should pay attention to the following:

- education and training
- less costly and faster start-ups
- better legislature and regulation
- readily availability information
- increase of technology capability
- using successful e-models and progress of the best small business benefits
- better representation of companies on the state and European level

A very important way to offer benefits for the state economy is high level quality of modern investment systems on the state level – for example: investment encouragement, establishing industrial zones, technological parks, centres of excellency, using greenfields and brownfields and so on.

To follow above mentioned aims established the Ministry of Industry and Trade of the Czech Republic, the CzechInvest (in 1992). It is the investment and business development agency of the Czech Republic whose services and development programmes contribute to attracting foreign investment and to developing Czech companies. Their mission is to support investment activities to the highest level of competence not only through their information service and consultancy but also by linkage with structural funds of the EU.

CzechInvest provides the following services free-of-charge:

- Comprehensive services for investors - full information assistance, handling of investment incentives, business property identification, location of Czech suppliers, aftercare services
- Business infrastructure development
- Access to structural funds

In the beginning CzechInvest was divided into 2 agencies of ministry: the Agency for business development (ARP) and the Agency for industry development of the Czech Republic (CzechIndustry). These two incorporated in 2004 and CzechInvest was established.

The main objective of the new CzechInvest is the ability to offer support to compete in the Czech companies. Above all it is mostly about support of processing industry and innovations (incubate, science-technology parks) through the Operational Programme Industry and Enterprise (OPIE) of the Ministry of Industry and Trade of the Czech Republic.

CzechInvest contributes to the development of home companies and the creation of new companies through its services, development programmes and working on making better the business surrounding. Herewith this agency is the only one acceptant of the claims for invest encouragement support and their aim is still to gain direct foreign investment for the Czech Republic.

Within the frame of communication simplification between state, entrepreneurs and EU was established one place, where native and foreign companies will get good information about all forms of business supply in the Czech Republic and where the companies can ask about these benefits.

As mentioned above CzechInvest has, from the time of its establishment, attracted foreign investors to the Czech Republic. But one limiting problem appeared, it was the shortness of financial resources, missing direct supply system for foreign investments and low-class business surrounding.

The fundamental turn started after the Czech Republic became a member of the European Union. CzechInvest prepared itself for entry through its reforming and prepared new systems of supports and proposals, not only for foreign investors.

Throughout its existence CzechInvest has already taken part in 605 investment projects worth over 15 billion dollars in total. Owing to these investments almost 125 thousand direct jobs are to be gradually created.

Traditionally, the strongest investors into the industrial sector come from Germany (30%) and Japan (18%). Czech-based companies come in third at 11%. Aside from the traditional branches, such as the automotive industry (43%) and electrical engineering (15%), we experience an increasing number of investments into innovative and modern branches (microelectronics, biotechnology).

Presently there is a strong need to ensure the longest stay of the investor in the Czech area and to try to avoid the departure of the foreign company – collocation. There are many possibilities in use and instruments which we can all put in one compact group (access) called active policy of after care – “Aftercare”.

This idea is followed by the agency CzechInvest through establishing special workplace “Aftercare”. It is part of the Investment Project Division.

Aftercare Department, whose mission is support for the trend where the investors that are already operating in the Czech Republic for some time expand further based on good experience, or even establish development centres. In 2004, the department was involved in identifying a total of eighteen new expansion projects (10 in production, 8 in shared services or development). Aftercare further helps investors solve problems, for instance, in the area of customs duty, VAT, labour law or environmental legislation. A great burden was the resolution of several complicated legal cases that arose from imperfect legislation in Czech Republic or incorrectly concluded contracts. The department submits the suggestions of investors to improve legislation to the competent places.

This paper focuses on the research analysis interpretation of entrepreneur environment. The case study was held in Czech Republic in May 2005. We would like to make some recommendations (in the form of “best practises”) to inspire other countries (which solve similar problems) and provide information. Attention will be given to defining recommendations and offering conclusions to the compatibility with the new “learning regions” theory.

### *Notice to aftercare theory*

Subject of concept: “policy of the after care – aftercare” was not defined at all yet. In literature we found some definitions. Some are here:

[2] Peck, Burdis, 1995:

The programs of aftercare are wide defined like the rendition of various services for the direct foreign investors. All services must be afforded after the firm starting up.

[3] Wint 1993 (from Young, Hood 1994):

Aftercare is analogy of marketing concept of aftersales services or programs which can be defined like the services after certify the investment project (he accents the time horizon).

Dunning, 1993:

Aftercare activities are the attempt to reduction of “unpleasant” costs of the business in host economy.

[3] Young a Hood (1994):

They extend the Wint definition. They say that the aftercare programs include all potential services which are offer to the firms by the central or regional government and their agencies. These agencies are established only to help a successful start and progressive phases for firms and business. These programs must ensure the maximum local economic development.

We try for our definition - it is the sum of partial access, instruments and services, which should contribute to stronger relations between investor and hosting region represented by the relevant office of the public administration. Relationships establishing process should have long-time character, must be at least two sides dealings and agreement and both of the sides should be interested in (cause is so-called “proper exacted”) the maximum of efficiency and profitable realization of this politic.

The aftercare can be taken as a “services box” which should contain for example:

- central or regional system of economical benefits or bonuses (decrease of tax burden for a temporary time and so on),
- good communication ways, mutual connected information systems of investor and public administration,
- possibility to get free areas for business (greenfields) or get support for brownfields regeneration (old industrial zones),
- offer of high quality employee force (educated and skilled) who are useful for the investing business (very important is speed and efficiency of workers adaptability) and so on.

The aftercare policy is possibly to realize on various level of administration. In the Czech Republic there are 3 levels: municipality point of view, region and state (central). The close point of view represents municipality supply and realization of this policy (or regions). Wider point of view belongs to the state. We have to mentioned that regions are “far away from” the incoming foreign investor and so it can establish problems in communication and with this connected in-time giving support (so the instruments have more information character, communication systems and financial encouragements). On the other side the municipalities use more of their “closely situated” potential, especially ownership to some property (land or buildings), influence on the local business surrounding and they can effect public administration to the investors and their needs through various administration processes.

## 2. Survey methodology

The Department of the Public Administration and Law of the Faculty of Economics and Administration at the University of Pardubice has been pursuing the research in the municipalities and regions in Czech Republic already for five years. In May 2005 the research team focused mainly on the aftercare policies of the Czech municipalities and regions.

Information from the municipalities and regions has been picked by the question form. This form was made by the research team and economic development agency - Berman group – with place of business in the capital (Prague). This agency makes for example strategic plans for municipalities of the Czech Republic.

Question forms have been taken to the respondents by the students of the Faculty of Economics and Administration of University of Pardubice. The students have been taken up with the sense and importance of this survey.

Among the respondents there were 61 civil servants of the municipalities and 10 clerks of the regional offices. The smallest town in target group has over 15 thousands resident, the biggest is city has 800 thousands. We have also filled forms from the 32 investor representatives. Questioned companies have been attracted into Czech Republic with CzechInvest help several years ago.

The Czech Republic has over 10.25 million inhabitants and over 6 240 municipalities. It has 14 regions, 89 town over 15 thousand inhabitants, only 22 over fifty thousand. Whole Czech Republic is one NUTS I which is divided into 8 regions of the cohesion (NUTS II – see picture 1). Next there are 14 regions (NUTS III), districts (NUTS IV) and municipalities (NUTS V). For details please see <http://epp.eurostat.ec.eu.int/portal/>.

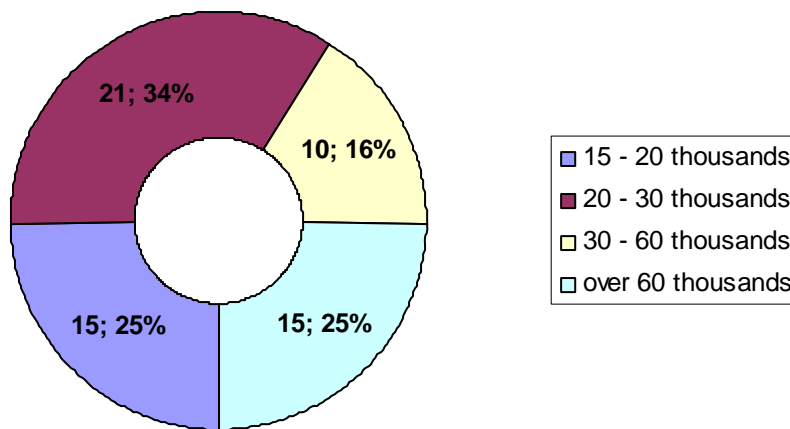
**Picture No. 1: NUTS II in the Czech Republic**



Source: Czech Statistic Office [www.czso.cz]

The list of the municipalities (towns and cities) in the target group is located in chart No. 1. The size of the municipalities is identified by the number of inhabitants.

**Chart No. 1: Municipalities in the target group**



Source: own research

The results of our research can fixed some problems of the entrepreneurs which are known for the municipality town halls, in next part you can see the summarized results of other parts of the research.

### 3. Research results

In this chapter there we present summary results of our survey under topic “Aftercare policies in practice of Czech Republic”. Results will be divided into three parts:

- regions point of view and aftercare policies in regional practice
- municipalities point of view and aftercare policies in their practice
- investors point of view. (These investors came to Czech Republic with help of CzechInvest agency.) This view is very important, because can help to verify our conclusions. This view will be present in the short and larger meaning)

#### 3.1 Regions

We can define some partial interpretations of our research from the group of Czech regions (in the target group) to the businesses and potential investors:

- regions know the importance (strategic importance) of entrepreneurs and incoming investors for local economic development. They think about their regional policy of applying themselves. They also try to offer some various forms of the support;
- every region has a minimum of one (but in practise there has several), departments of the regional office responsible for the communication with the entrepreneurs and investors;
- several regions let us know the importance and meaning of the actual and sufficiency information which play a big role during the strategic planning of the regional economic development of the areas. Regions very often use information from the Czech Statistic Office; some of them use also information from the Trades Licensing Office and Employment Bureau;

- regions do not have first-rate information about foreign investors and their investments;
- the respondents want to have no less than 50% needed information about investors and also about local businesses (in actual form!). In our opinion rate of the required information is very low. We recommend them to find a new ways of increasing this rate;
- we identified problems presented in the structure of information about foreign investors and what regions they get in. As we know that their interest in details about companies is only for obligatory registration reasons (they register: basic facts about firms, national country, investor activity) the quality level of the information is not surprising. This information structure is not sufficient for any planning and discussions cases;
- the regions cooperating with the agency CzechInvest is very important for their improvement and development.

Only seven from ten region respondents have recognized the key problems which they have later solved. This fact is very interesting and we premise that they have their own development strategies. The problems of the region must be defined according to its actual problems and economic situation.

### **3.2 Municipalities**

It was already said that only municipalities with more than 15 thousands inhabitants were asked in our survey. Non-members of this municipality group can not be chosen by investors for location of their investments. The bigger municipalities (towns) can offer better quality of the investment environment and background, they have much more money, various forms of support and so on.

We fixed the biggest problems (which are identified for municipalities) according to the results of our research. They are briefly:

#### 1. The absence of the suitable immovables (estates) for business

The industrial zones do not exist in every municipality (this zone is not there at all or it is already full; there are no free lands for building in the municipalities; the municipalities have not any non-residential premises for business; the infrastructure deficiency of the production and administrative buildings).

The problem of the non-exist zones is more frequent in the smaller towns (bellow 30 thousands inhabitants). But we can find this problem also in the cities – in these cities where the industrial zone is already full.

We can compare this information with results from the entrepreneurs' answers (and with results from the other researches). It seems that the municipalities reflect this problem more often than the entrepreneur groups. One of the reasons is the fact that the research focused on the "established firms". These firms have solved these problems with the industrial zones.

The preparation of the industrial zones, business incubators and also regeneration of the brownfields were grouped in activities of the municipalities in the local economic development. The towns concerned in this research offer industrial zones in area 20 – 100 hectares. It can be consider impossible, but we know the towns without these zones in present



One quarter of the target group did not answer that they participated in regeneration of the brownfields (not urgently industrial brownfields; they were garrison houses) for business.

## 2. Problems with the labour force

The municipalities realize many problems within the labour forces. We can count:

- the availability of the qualified labour force
- the high rate of the unemployment in the town or region
- the limited mobility of the inhabitants
- disharmony in the qualification of the graduates with the employer needs
- the “laments” above the high labour costs
- non-existing high school or university in the region
- many others.

We meet these counted problems in all categories of the municipalities and regions in the target group (in the places with the 15% and more rate of unemployment too).

Absence of qualified labour forces seemed more important according to the answers for the entrepreneurs. These opinion results in barriers of development, which entrepreneurs identified (the list of the barrier: qualified labour force, local and foreign competition). The rate 72% of the investors mentioned the qualified labour force as the biggest barrier in their business. The respondents from municipalities have only registered this problem. The active response of the local government is rather confused. They do not feel to be competent for attraction (for example: university to the town).

## 3. The town and region traffic availability and traffic infrastructure

Among the problems we can add also problems with parking, non-existing highway, by-pass road, feeder road.

We have found these problems and themes only in some regions or towns. The firms in our research mentioned very often as the barrier also non-function public traffic. It can be pertinent in the absence of the labour force and in the necessary bring workers from the huge area.

The municipal office can offer solutions only in limited competences and improve the traffic infrastructure in their area of the region. The local political representation is making very often lobbying for the roads or highways finishing (or prolonging).

## 4. The business surrounding improvement and the small and middle business support

We can count to this group also elimination of the administrative barriers, better quality of the official relations is the traditional area where the entrepreneurs (especially small and middle) feel many problems direct in the contact with the public administration. We must remark, that the classification of the public administration is better and better in the last ten years. But the bureaucracy had not been reduced in this period.

Very often legislative changes and taxes risings cancel the positive influences from the local government decisions.

## 5. Total economic situation of the small entrepreneur

To this group we can count for example:

- limited financial sources for the small beginning firms (firms with less than 10 employees)
- difficult access to the bank loans or bank credits

- only a few types of bounties and grants

Only a few financial sources for small and medium firm development has been identified the biggest problem at 60 – 70% firms at the time of 3 – 5 years ago. The reducing meaning of this factor we can mark at the positive way. Unfortunately we know it is not ideal situation.

The local public administration does not want to share in the financial support of the entrepreneurs.

### **Municipalities research enclosures**

The respondents from the municipalities group have had the same questions. The results in short are:

- municipalities know the importance of incoming businesses and investors for their local economic development. They want to try to offer some forms of the support, but their financial sources are limited!
- every municipality has minimum of one (in practise a few) department responsible for the communication with the investors and entrepreneurs. The concern about local economic development is part of their responsibilities. This fact leads only from the hypothesis. The results of this survey are not so pleasant. The municipalities with more than 30 thousand inhabitants have specialized departments of strategy or development in their own office responsible for this activity. We have found that the smaller municipalities do not have these specialized departments. There are only Trades Licensing Office;
- only a few municipalities know the importance of the information about the business surroundings. They can find them in their own surveys, entrepreneurs' information and statistics and many others offices. We have evaluated negatively, that many municipalities have no information about the unemployment and free working places number and their development;
- most of the municipalities have enough information about the foreign investors. This fact is very interesting and for them very important. We have demonstrated the dependence of the quality and up-date these information and municipality size.

## **3.3 Investors**

In the third part of our research report we asked investors who suffer from non-existing system of public aftercare policies. They have the best opportunity and knowledge realized steps and usability of various accesses of the municipalities and regions (in one group). 114 investors came to the Czech Republic, we asked 133 of them. But just 32 answered our questions, so it shows how interested they are in improvement in the area of non-existing active support aftercare policy.

### **3.3.1 Role of the public sector in business support providing**

#### **Investors opinions**

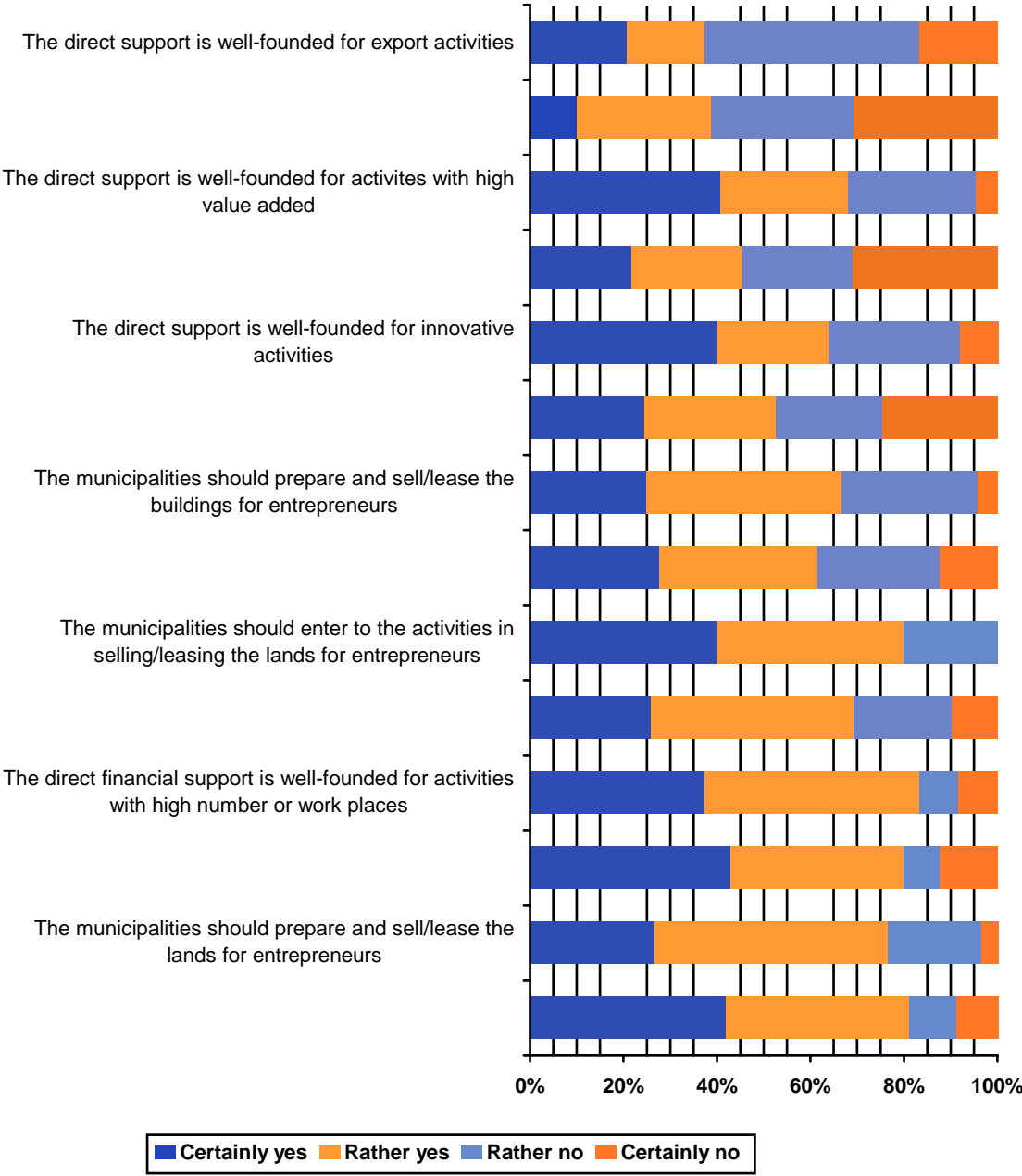
The opinions on the potential financial business support are in the best case neutral as shows results in the chart No. 2. In the first strip are mentioned answers of investors, in the bottom strip are answers of public administration representatives. Public administration agrees with its own activities in fields: immovable, direct financial support for the business activities can be (from their point of view) the best excuse investment to the establishing or protecting big amount of job spaces.

We can easily understand company ideas which moved closer to a bigger interest in support (the biggest difference in opinions are in case of “activity with high level of added value”, and who want to support 70 % of companies and just 45 % of public administration represents). There is a big question, why should supported activities with high level be of added value? These should be established and continue on themselves without given benefits under normal conditions.

It is interesting that there is only one case in which public administration has opened more than investors it's land preparation for business, and the truth is both groups are recommending this activity. We gave one particular question about this field to company representatives, they signed in 22 cases preparation of the industry zones as a very helpful and as a rather important more seven of them. The same interesting is fact that municipality representatives agree in this task with companies and on the contrary (but there are some exceptions between them too, mostly caused by long time hollowness in this zones).

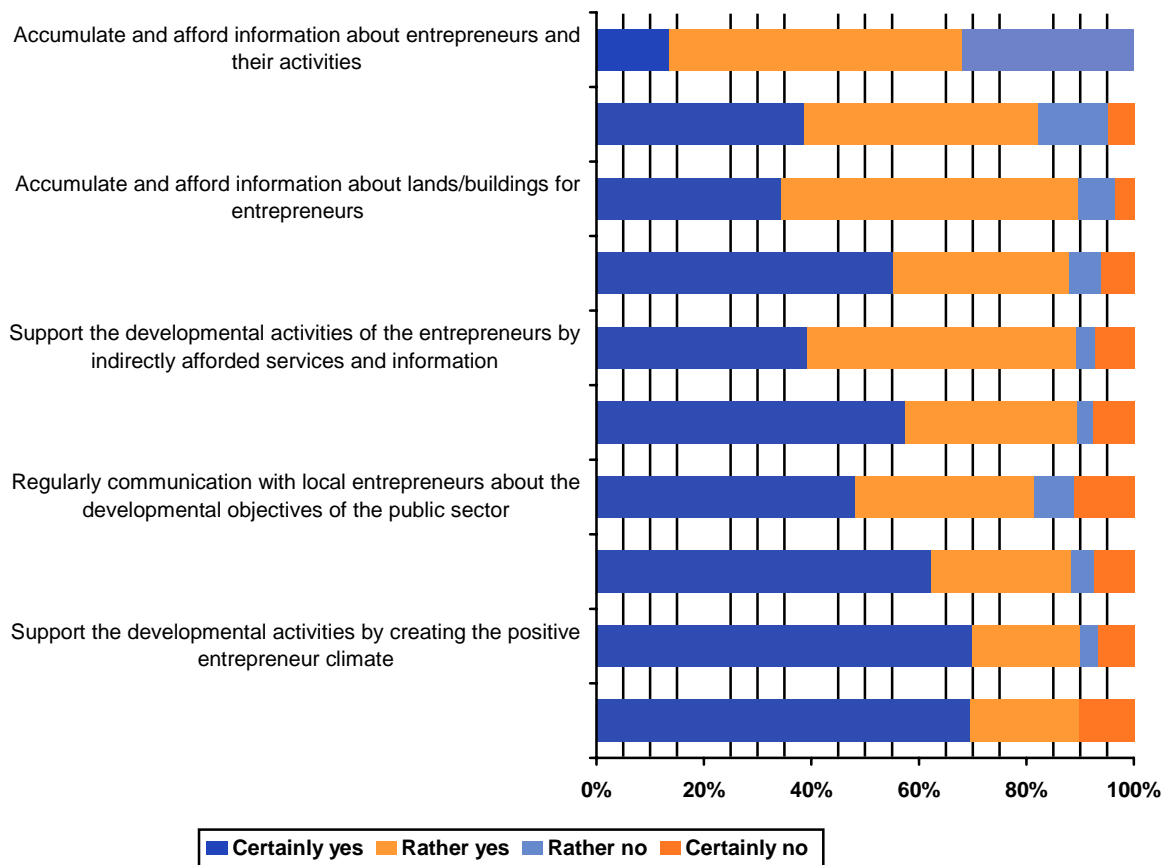
So-called soft (non-investment and non-financial) factors of the business support, which lead to improvements in business surrounding and are supported by both groups (more by municipalities than investors), differences between their ideas are at minimum level as we can see in chart No. 3. Just collecting and providing information about companies accept better municipal offices than business public.

**Chart No. 2: Opinions on the financial support of the business – „Municipalities should:“**



Source: own research

**Chart No. 3: Opinions on the non-financial support of the business – „Municipalities should:“**



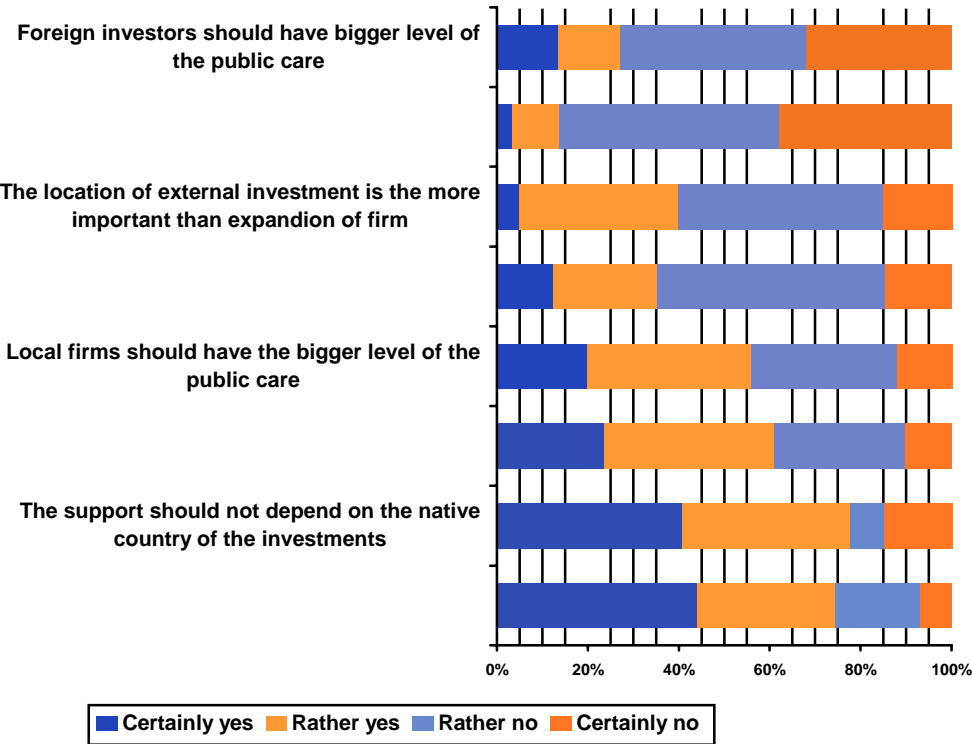
Source: own research

In the chart No. 4 is sum of opinions on the business support provided in accordance with the land where the owner came from. On the first sight is discoverable that there are not big differences in ideas of both groups. They mainly think that support should be independent on the land origin of the company owner. From two possibilities “Native companies deserve high level of the public care because their profits are taxed in the Czech Republic so they “pay it themselves” and “The foreign investors should get higher quality of public care than Czech companies, because foreign investors bring new sources into the Czech Republic”. The first possibility was evaluated better although questions answered investor representatives.

In the task of business problems we found many times opinion that small Czech companies protest against favouring big foreign investors. These claims should not be so often after the Czech companies will learn how to use advantages flowing from incoming foreign investors.

On the other hand, foreign companies complain on not elastic and not trustful local companies, so they can not cooperate with them. They complain mostly on: lower quality of deliveries, unwillingness with the aftersale services.

**Chart No. 4: Opinion on the land origin of the company**



Source: own research

**3.3.2 Impacting quality in the business surrounding – experience and opinions**

**Components of friendly business surrounding**

In the last part of the question-form we asked both groups what they think which components should be incorporated into business surrounding on all 3 levels (state, regional, local). Respondents should to mark the importance for them of each factor on the 10 points scale (10 is maximum, 1 minimum). Charts No. 5-1 and 5-2 give a answers summary of the municipality representatives and charts No. 6-1 and 6-2 give summary of investor answers. They had one more question included: Evaluate your experiences from the Czech Republic.

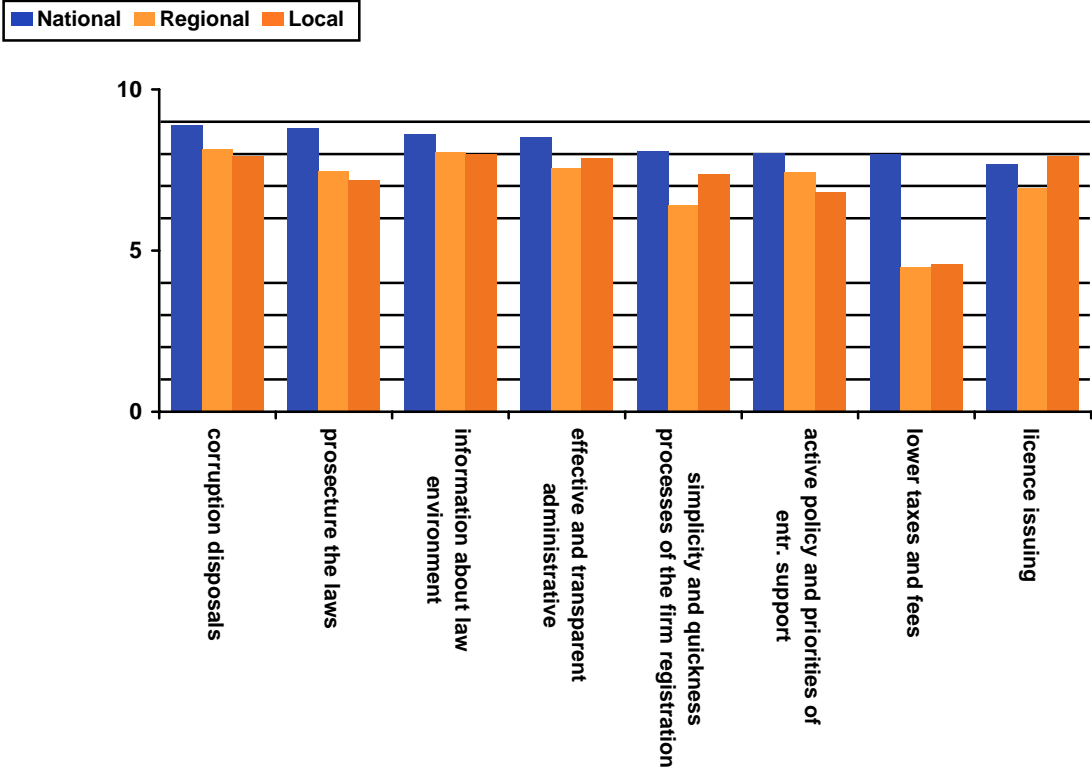
It is easy to understand that the major part of factors has to be provided mainly on the state level. There were 17 suggestion possibilities and just in 3 cases was added higher importance to the local government (communication with companies, preparation investment opportunities and according permissions and licences). Regional government was elected as the most important in the case of support of entrepreneur proceedings and associations. There are differences in evaluation between the instruments, specially: taxes, fees, investment encouragements. The respondents are aware of small competences on all governmental levels (except state level) in this field.

The biggest problem seems to be corruption, just 3 of all participants did not evaluate this problem to the first place. Also the other factors on the top places are connected with the juridical surrounding – law claimability, information about law settlements and well arranged administration. These factors are on the same place in the investors scale. As we can see in

charters No. 6-1 and 6-2 the reality in the Czech Republic is different, they show size of difference between wish and reality. Law claimability and solving corruption, high taxes and fees show in the evaluating the biggest differences.

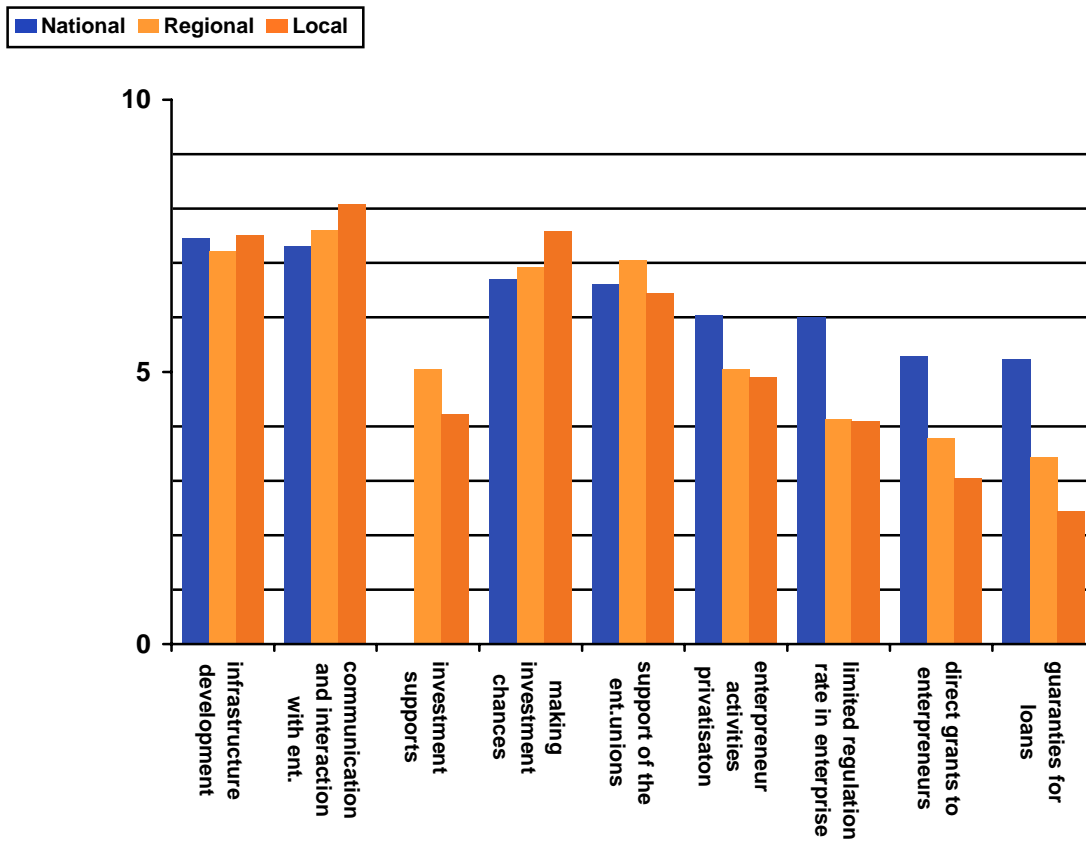
The smallest differences were between wishes and reality in the case of investment support (we suppose that most of them have got some of them).

**Chart No. 5-1: Factors impressing business surrounding**



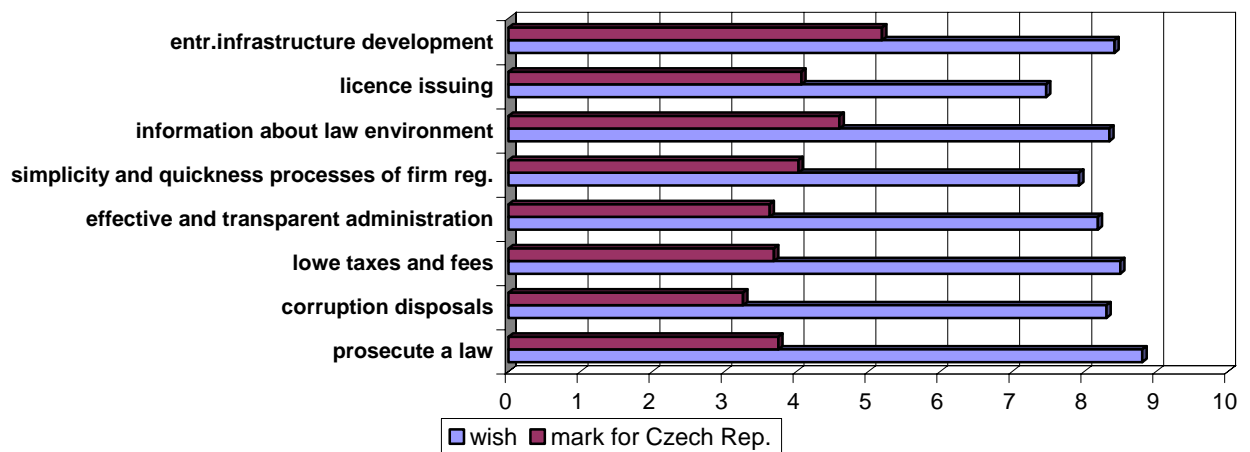
Source: own research

**Chart No. 5-2: Factors impressing business surrounding – second part**



Source: own research

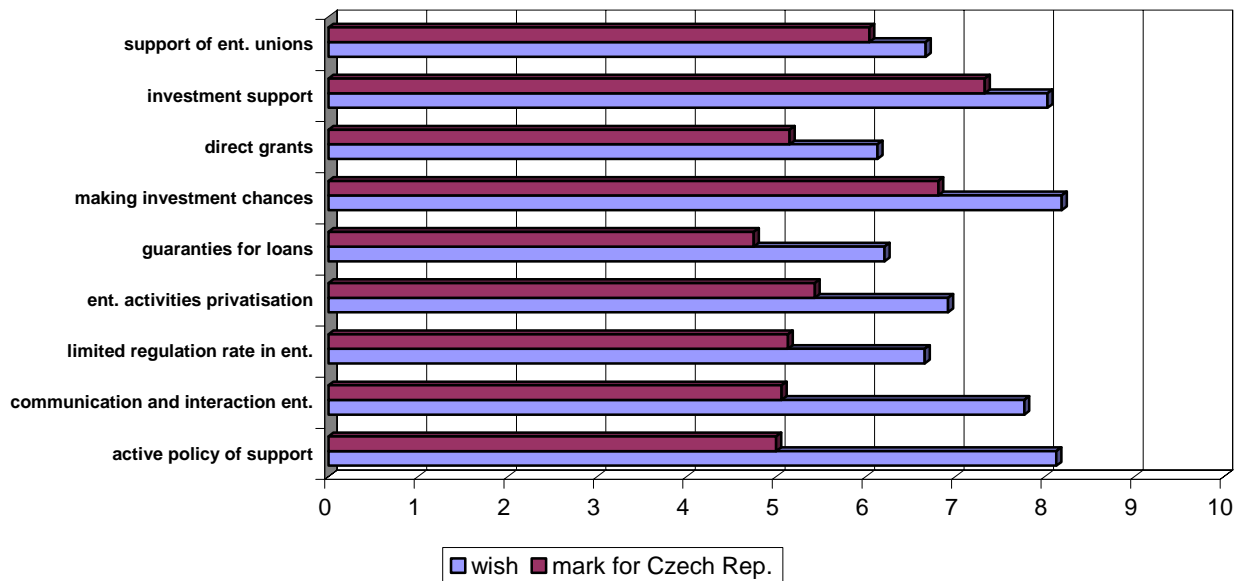
**Chart No. 6-1 – Factors impressing business surrounding –entrepreneurs evaluation**



Source: own research



**Chart No. 6-2 – Factors impressing business surrounding – entrepreneurs evaluation**



Source: own research

### 3.3.3 Agency CzechInvest as known in the investor public

In the basic group, there are just 19 (it represents 61%) companies that know that there is an Aftercare department in the agency CzechInvest. This result is not favourable. The main reason can be not right chosen objective and work methods of this department. Another reason is suitable forms of marketing. We can recommend better work methods for the Aftercare department and personal injection, which can help to reach better P.R. and clearly show round the public importance of this department existence.

Much worse results we can see in the question: Have you ever been in touch with Aftercare department? Just 23 % (it means 10 companies) were in touch. Other 9 companies who know about exist of Aftercare but they were not in touch. So it supports our results.

Subject of our research were information about workload of this department. This part answered 4 companies and we can find those answers:

- Education support
- Consultations

These answers do not correspondent with the official workload of the Aftercare department as it is presented. Another question on other services which should this department provided followed. In the time of building the question-form we supposed that the consciousness about services will be better. We expected wider answers. Companies inform us about:

- Evaluating business surrounding and impressing law and rule preparation
- Consultations – European Union Funds
- Searching sources for financial investment, other company development
- Help with clusters establishing.

From the answers we can see that companies of the basic group do not understand what job should the Aftercare department does. So it is no surprise for us that just 7 companies (23%) wish to be visited by the Aftercare department representatives, specially project manager from the Aftercare department.

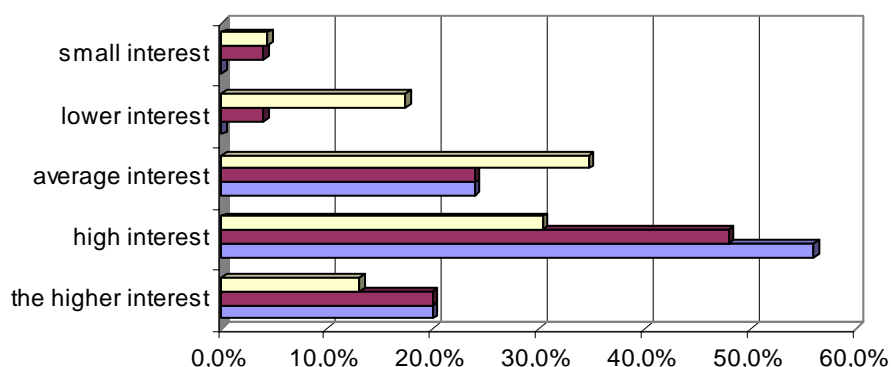
In the end of this part we have to say that information written above is relevant just for the Aftercare Department, the whole agency CzechInvest – as the research showed us – has positive effect into business surrounding in the Czech Republic.

### 3.3.4 Overall assessment of the public sector aftercare

The last question deals with overall assessment of public aftercare (how public sector cares about the investors or firms). The results are showed in chart No. 10. We asked about two basic periods:

- a) before the investment realization (in making decision phase or get ready the investment phase)
- b) during investment realization and starting up the firm
- c) in next periods (if it is relevant)

**Chart No. 7 – Overall assessment of aftercare by public sector**



Source: own research

You can see, that the interest before the investment realization is the most positive assessed. The lower, but still high evaluation is showed for the support during investment realization and starting up the firm.

The results showed in this paper hold up the result of all our survey – the aftercare policy realized by public sector was assessed only **average**. It holds up our opinion about the small interest about the aftercare policy from public sector or municipal offices views.

The overall assessment (value “5” is the worst, value “1” is the best) is this:

- a) 2,04 for phase: before the investment realization (in making decision phase or get ready the investment phase)
- b) 2,24 for phase: during investment realization and starting up the firm
- c) 2,7 for phase: in next periods (if it is relevant)

#### 4. Conclusions

The investment economic asset is indisputable. Its defensibility is not so obvious and the same trends, what could motivate foreign investors in the past to dislocate their enterprises from west European countries to the Czech Republic, can contribute their dislocation more to the East. The high economics of many western countries are the sources of the new (direct) investments. In these countries there the local and central governments care about the investors to the more extent. Nationality of the investment is not so important, because also the national entrepreneurs can be source of the economic development and many working places.

We can end with a summarisation of the Czech experience as recommendations, which can inspire others.

- public aftercare policy of the Czech Republic is in the beginning, it is important for particular regions (and municipalities) to realise necessity of care about investors public and not to sleep after they attract them into the region
- one of the obstructions is non-existing competence system in the offices of public administration
- there is no problem in competence in the regions, they are localized more on attracting investors and they still do not provide the aftercare
- on the other hand, problems of how to keep investors in the area, how to make friendly surroundings, how to care about them and provide support for their stay in the region (some investors went away, others shorten their production) showed up
- our companies and firms are not able to use supported opportunities which brings incoming investors (they are not flexible, do not know foreign languages, they have old technologies and so on).

Thanks to knowledge from the research and experience we can see that in the Czech Republic starts strong tendency to establish active care about investors. To the new point of view contribute factors of out coming foreign investors (they mostly leave to the east) or shorting productions.

On the state level is the first good sign establishing special workplace in the agency CzechInvest – Aftercare Department. Regions we can evaluate good, they mostly have special department or group of employers who has knowledge from the field of attracting foreign investors and they are a bit moving (increasing their work) to the aftercare. There is a big disadvantage of communication and reaction distance regions from the particular area and inside it attracted investors. So there is a question in which way are municipalities able to satisfy these needs. Municipalities are closer as the best providers and partners in the area of the public administration and providing care, not just attracting new investors.

As we mentioned many times above, there are still gaps in providing aftercare and it is time to ask why is not working “investor - public administration” feedback as we found from the research.

## 5. Reference

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