Both the development of the economy and the success of social institutions depend on the creation of the right environment for progress, an environment which enables both businesses and people to realise their full potential. This Enabling Environment is created by various things. Confidence in the future. Reliance on the rule of law and a system of laws which itself encourages enterprise and initiative. Democratic institutions. Protection of the rights of citizens. These are what encourage investment, encourage good managers to remain, encourage doctors and nurses and teachers to want to serve their country, rather than to emigrate as soon as they are skilled. The creation and extension to all areas of the nation’s life of this Enabling Environment is the single most important factor in Third World development. It is as critical to national growth as sunlight is to the growth of plants. Such an environment has been provided in the newly industrialised countries of South East Asia and in barely a generation those countries have successfully leapt across the development gap. [2]

[T]he concept of "The Enabling Environment" grew out of my impatience with overly simple myths about how development really works. The term "Enabling Environment" reminds us that the full context of interacting forces must be brought together if sustainable development is to be achieved. The term also recognises that even the right environment is still only an enabling condition, not a sufficient one. In the end, human progress must grow out of human inspiration and endeavour.... A sound enabling environment must create a favourable framework in which people’s energy and creativity can be motivated, mobilised and rewarded. This framework should embrace such conditions as political stability, safety and security, citizen rights and predictable democratic practices. A supportive environment should include transport systems which make cooperation possible, incentives which encourage broader trade, and a legal and administrative framework which is impartial, predictable, and efficient. [1]

Development is ultimately about people about enabling them to participate fully in the process and to make informed choices and decisions on their futures. I believe this requires a creative and supportive partnership between government, private enterprise, and the voluntary sector ... Government should provide the rules of the game for the Enabling Environment - the legislative and policy framework. It should also invest in people and infrastructure to the extent that resources permit. The business sector is the principal engine of growth to create those resources.... Good governance is likely to be achieved only by organisations nurtured by an Enabling Environment, where the laws of the state encourage private enterprise, diversity of initiatives, and voluntary not-for-profit organisations. [3]