

CONSIDERATIONS REGARDING THE PROBLEMATIC FACTORS IN DOING BUSINESS IN CENTRAL AND EAST EUROPEAN EU MEMBER COUNTRIES

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Abstract:

The study of the role of the entrepreneur in economic development over the years has shown that each researcher focuses on the specific characteristics of his business: business risks, innovative features, specific features or performance, which demonstrates that until now there is no single accepted definition of the entrepreneur and the entrepreneurial spirit.

In this research we aim to make a radiography of the European business environment, paying particular attention to the Central and Eastern European states. and identifying the main disturbing factors that manifest themselves in the business environment of these countries. We will identify and analyze the main disruptive factors that manifest in the business environment of these countries, making proposals to improve the situation.

Key words: *.entrepreneurial spirit/qualities, performance, problematic factors, doing business, European Union*

JEL Classification: O20, L26

1. Methods and forms of supporting entrepreneurship in the EU

The theoretical and practical problems regarding the development of entrepreneurship remain current over many years in countries with different levels of economic development. Most politicians and scientists are of the opinion that entrepreneurship is an important factor in the development and welfare of society. Under a favorable external environment, business people create jobs, products, implement innovations, increase competitiveness, and accelerate structural change in the economy. Thus, entrepreneurship is a catalyst for economic growth and national competitiveness. For this reason, state policy on entrepreneurship development should be focused on using all opportunities - trends, methods and forms of business support - for its free development.

Essentially, methods of supporting entrepreneurship are different ways or tools by which entrepreneurs are assisted in initiating or developing business. Classification of methods can be done depending on the subject of assistance and how it applies to business development. Typically, public institutions are primarily supportive of entrepreneurial activity, primarily public authorities.

Another type of support is self-supporting, initiated by enterprises as a result of their cooperation and association. This type of support is done, for example, by creating business associations that offer the services they need to their members; developing cluster initiatives; strengthening the business community in order to protect and promote their interests before public authorities, etc. Another classification of business support methods depends on how to apply to businesses; thus, direct or indirect methods are distinguished (Krueger N., Brazeal D.V., 1994)

✓ *Methods of direct influence* are carried out in accordance with the powers of public authorities through certain rules and regulations. As a rule, the government uses these methods in the fields of social policy, environmental protection, standardization and certification of commodities, as well as in natural monopolies. Governmental direct influence methods are effective in cases where market laws and indirect methods are unacceptable or ineffective.

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✓ *Indirect Influence Methods* are based on the economic interests of businesses, developing tax rates, interest rates on credit, charging conditions, depreciation rates and more for different business groups.

As a rule, in public policies, methods of direct and indirect influence are used in tandem. In recent years, in the West, state regulation of entrepreneurship is more indirect. Direct support methods can also be used in the private sector through various forms of cooperation and association. The best known group of government entrepreneurial support methods is their classification according to content, which can be administrative, economic and institutional methods (Menguc, B.; Auh, S.; Ozanne, L., 2010):

✓ *Administrative support methods* are based on the authority of government bodies. The implementation of these methods consists in adopting and updating legislation as well as monitoring their implementation. Administrative methods, depending on their impact on business, can be classified into: prohibitive, licensing and punitive. They are executed by issuing or denying any rights (authorizations, licenses, quotas, etc.) or as a tool for implementing state policy (price regulation, etc.). The role of administrative methods increases if market relations do not work, including in times of crisis.

✓ *Economic methods* are related to the influence of the state on the business environment through the economic mechanisms - credit, tax, pricing, depreciation, procurement and public investment. For example, financial and lending support for entrepreneurship is usually implemented by improving access to affordable loans, preferential subsidies, credit guarantees and preferential taxation.

✓ *Institutional public support methods* aim at improving the organization of business activity, based on institutional infrastructure or organizational-methodical tools (consultancy, information assistance or business recommendations).

The category of "institutions" as a form of business support attracts in recent years the attention of researchers from different fields. In particular, the concept of formal and informal institutions developed by D. North has become popular, also used in entrepreneurship research (North D., 1990). In his theory, D. North highlights formal and informal institutions, treating them as factors that facilitate entrepreneurship or hinder it (North D., 1990)..

Formal institutions are the legislation and the financial system, as well as various types of organizations - public, entrepreneurial and public, which directly or indirectly represent and support the interests of businessmen. For example, formal business support institutions are business schools, microfinance organizations, venture funds, business incubators, clusters, etc. Informal institutions include pre-established behavioral rules, values and norms accepted in society that regulate people's behavior (Menguc, B.; Auh, S.; Ozanne, L., 2010).

Formal rules can be changed relatively quickly, especially under conditions of state-supported activity, while informal limitations are changing very slowly. Only formal support institutions for entrepreneurship will be examined in this paper.

Within the framework of the entrepreneurial development policy, a multitude of support institutions (forms) are used which ensure:

- *Financial support for businesses*, including the stock market, commercial banks, investment funds, credit guarantee funds, credit associations, microfinance organizations.
- *Staff support*. For this purpose, institutions for training, retraining and re-qualification of the personnel are serviced; state employment agencies; business schools; recruitment agencies.
- *Information and counseling support* - consultancy centers and news agencies, auditors, tax consultants, advertising agencies, etc.
- *Entrepreneurs training* - business centers and other institutions that provide training for entrepreneurs and potential entrepreneurs.

Entrepreneurship support forms can be grouped according to different criteria, in particular:

- depending on their scale (international, national, local);
- according to support topics (state, business associations or external donors)
- taking into account the particularities and needs of support objects - certain business groups (eg SMEs or innovation).

The following table summarizes the main forms of support for entrepreneurs

Tabel no.1: The main forms of support for entrepreneurs

<i>Classification Criterion</i>	<i>Main groups</i>	<i>Example of support form</i>
Support directions	Financial	Microfinance organizations, credit unions
	Personal	Recruitment services, employment agencies
	Information and consultation	Consultants, information centers
	Entrepreneurship training	Business schools
Implementation level	Interstatal	Organization for Economic Cooperation and Development (OECD)
	National	The Ministry of Economy
	Local	Regional / District / Local Authorities
Support institution	State	State agencies for attracting investments
	Business Associations	Business Associations, various forms of cooperation
	External donors	Development Program of the United Nations (UNDP)
Consideration of special needs of individual business groups	SMEs	Small Business Development Agents, Small Business Associations
	Innovative business	Innovative Incubators, Business angels
	Enterprises with export activity	Agency for export development, clusters
	Business done by unprotected social strata of the population	Association of Business Women, Association of Entrepreneurs with Disabilities

Entrepreneurship is mainly aimed at developing SMEs. However, for many years, the overwhelming attention of decision-makers towards the development of the SME sector, to the detriment of larger enterprises, is being discussed.

SME promotion policies are based on three main arguments:

(i) SMEs contribute to increasing the level of competition and development of entrepreneurship, thus influencing the efficiency, innovation and productivity of the economy as a whole;

(ii) SMEs are more productive than large firms, but financial markets and other institutional barriers hinder their development;

(iii) the development of small and medium-sized enterprises contributes to more employment growth than the growth of large enterprises, because SMEs absorb more labor force and are thus a tool to fight poverty (Manolescu G., 2005).

At the same time, small businesses have fewer resources. For example, large companies are able to partially create their own infrastructure: training centers, legal and marketing departments, communications infrastructure - access roads, engineering networks; open up their shows and shops, create their own banks and social facilities for their employees. A small enterprise is not able to act like this. Therefore, regulatory and regulatory norms in the market economy can not be the same for all. Thus, for a successful competition, small businesses need to be state-supported, in order to make it easier and cheaper to consult an experienced lawyer, conduct market research, come out on new outlets.

Still, among scholars and politicians, there are plenty of skeptics that cast doubt on the need to support SMEs. Their arguments are as follows: First, large companies have advantages that condition large-scale economic effects, it is easier for them to invest in research and projects, which results in increased productivity (Pack H. and L. Westphal, 1986). In addition, large companies provide more quality employment than small businesses (Brown C., J. Medoff, and J. Hamilton 1990).

Secondly, some researchers question the ability of SMEs to absorb a great deal of workforce and to make a bigger contribution to employment than larger businesses (Manolescu G., 2005)

Third, there are scholars who believe that the sectoral structure of the economy and the optimal size of companies are determined by natural resources, technologies and policies. Therefore, in some countries, the available resources also determine the relative advantages of large production companies, and in other countries - on the contrary. Similarly, in more open economies for international trade, businesses will be on average higher than in less economies on international markets (Kelley D., N. Bosma and J. E , 2011).

Finally, another group of SME support opponents believes that for economic growth, it would be more important to create a favorable business environment for businesses of all sizes (BeckT., A. Demirguc-Kunt, and R. Levine, 2005).

Cooperation is possible not only between companies, but also between business and government, through Public Private Partnerships. Public-private partnership is not any interaction between the government and business. Its distinctive features are as follows: it aims to realize important social projects in a wide range of economic activities; is achieved in the conditions of the insufficiency of the public (state or municipal) financial resources and the collection of funds from the private sector; the risks are shared between the parties, the relationships between them being determined by the contract (Criado-Gomis A., Cervera-Taulet A., Iniesta-Bonillo M.A., 2017). The most common forms of public-private partnerships are: joint ventures, the transfer of municipal / public rental property, the concession with private investors.

2. International ratings for the assessment of entrepreneurship in the Central and East European member countries

One of the forms of business support, carried out at an international level involving dozens of countries, is the application and use of international ratings for the assessment of entrepreneurship. The results of these assessments influence not only the choice of investors but also the formation of state policies, especially in countries with emerging economies

To support national governmental policies for entrepreneurship promotion, following meanwhile the general goal to improve economic development and quality of life, several reports providing key data in that field are elaborated in the framework of the World Bank

and the World Economic Forum – “Doing Business 2018”, “The Global Competitiveness Report 2016-2017).

Worldwide, possibilities for doing business in every national economy are estimated through quantitative measurement of current regulations in 9 directions of enterprises' life cycle. The implementation of procedures in these 9 directions contributes to the increase or decrease of entrepreneurial activity, i.e. how easy or difficult it is for a local entrepreneur to start and manage a small or medium enterprise taking into consideration certain regulations (The Global Competitiveness Report 2016-2017).

Of the 190 countries surveyed by the World Bank in the "Doing Business 2018" report, first places are occupied by New Zealand (86.55 points), followed by Singapore, Denmark, South Korea, Hong Kong, the United States and the United Kingdom. The last places in the ranking are Venezuela (30.87 points), Eritrea (22.87 points) and Somalia (19.98 points).

The World Bank points out that a record number of 119 economies made 264 reforms last year to ease the start of a business, create jobs and attract investment.

The report of the international financial institution analyzes 190 economies based on 11 criteria, such as starting a business, obtaining credit, accessing the electricity grid and cross-border transactions.

Romania ranks 45th in the „Doing Business 2018” ranking by the World Bank, with a total score of 72.87 points, right under the Republic of Moldova (44th place).

Although Romania's overall score this year is 0.17 points higher than last year, our country has lost nine positions in this year's ranking which, based on criteria, analyzes the economies of 190 countries.

According to the World Bank report released on Tuesday, Romania has made progress in paying taxes, which is ranked 42th in the world, eight positions higher than last year.

The most significant decline was in the "obtaining building permits" indicator, where our country lost 55 positions, ranking the 150th position, compared to 95 last year.

At the starting point of the business, Romania lost two positions, being 64th against 62, last year. The average time to start a business is 12 days, similar to last year's level.

Romania lost 13 positions to the "getting credit" indicator, where it ranks 20th, compared to 7th place in 2016, and 13 positions went down to "getting the electricity", ranking 147th, compared to 134 last year.

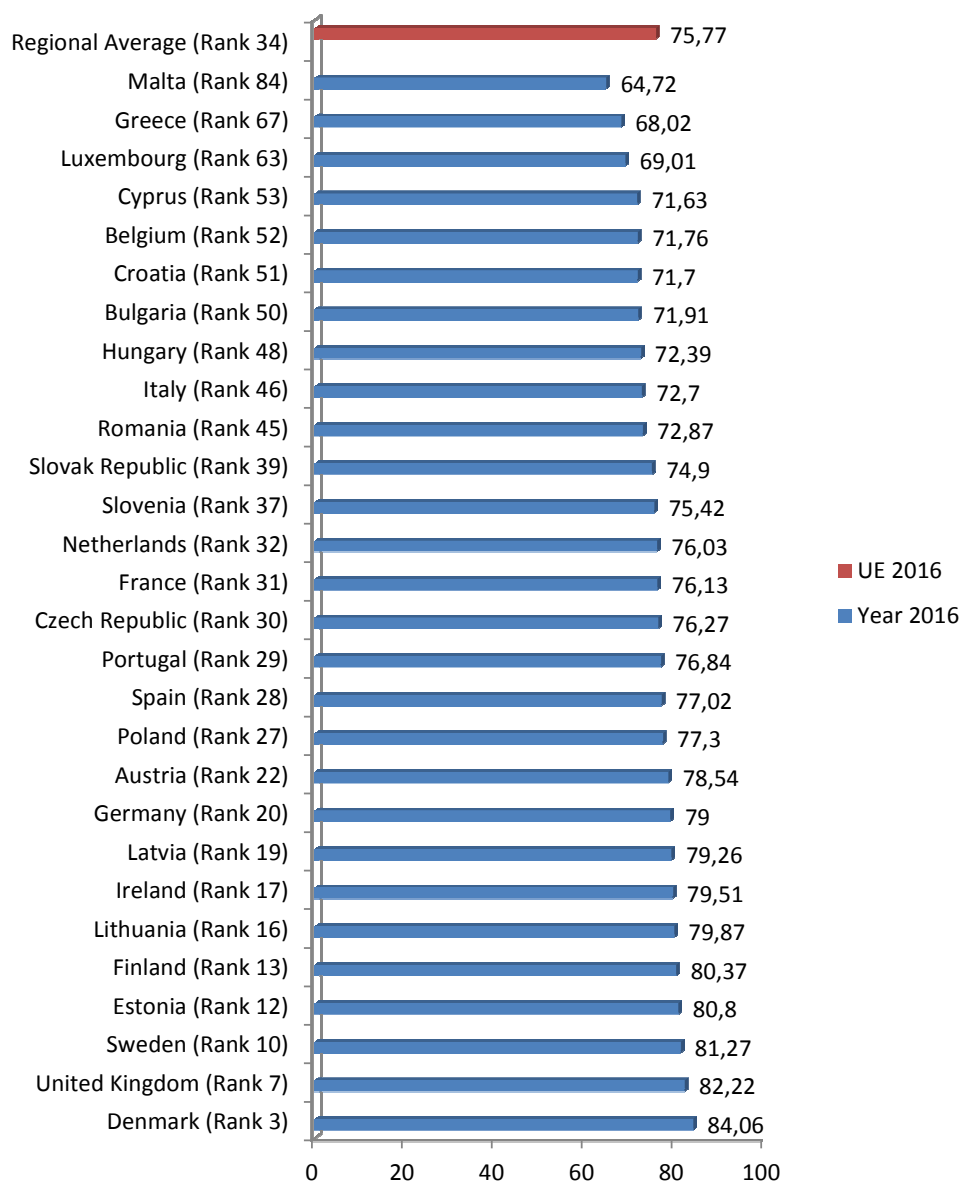


Figure 1: How economies in European Union (EU) rank on the ease of doing business
 Source: World Bank, Doing Business 2018: Reforming to Create Job, Countries Reports, http://www.doingbusiness.org/reports/globalreports/~/_/media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB18-Chapters/DB18-Country-Tables.pdf

Romania is overtaking countries such as Italy, 46th place, Hungary, 48th place, Bulgaria – 50th place, Belgium - 52, but it is situated in countries such as Estonia, in position 12, Lithuania - 16, Latvia - 19, Poland - 27, Czech Republic - 30, Kazakhstan - 36, Slovenia - 37, Slovakia - 39, Serbia - 43, Republic of Moldova - 44.

Of the 190 countries surveyed by the World Bank in the "Doing Business 2018" report, first places are occupied by New Zealand (86.55 points), followed by Singapore, Denmark, South Korea, Hong Kong, the United States and the United Kingdom. The last places in the ranking are Venezuela (30.87 points), Eritrea (22.87 points) and Somalia (19.98 points).

Table 1. “Doing Business” Ranks of selected Central and East European member countries among 190 countries

<i>Economy</i>	<i>Year</i>	<i>Ease of Doing Business Rank</i>	<i>Starting a Business Rank</i>	<i>Dealing with Construction Permits Rank</i>	<i>Registering Property Rank</i>	<i>Getting Credit Rank</i>	<i>Protecting Investors Rank</i>	<i>Paying Taxes Rank</i>	<i>Trading Across Borders Rank</i>	<i>Enforcing Contracts Rank</i>	<i>Resolving Insolvency</i>
Bulgaria	2016	50	95	51	67	42	24	90	21	40	50
Croatia	2016	51	87	126	59	77	29	95	1	23	60
Czech Republic	2016	30	81	127	32	42	62	53	1	91	25
Estonia	2016	12	12	8	6	42	76	14	12	11	44
Greece	2016	67	37	58	145	90	43	65	29	131	57
Hungary	2016	48	79	90	29	29	108	93	1	13	62
Latvia	2016	19	48	62	22	12	43	13	25	20	53
Lithuania	2016	16	22	12	3	42	43	18	19	4	70
Poland	2016	27	120	41	38	29	51	51	1	55	22
Romania	2016	45	64	150	45	20	57	42	1	17	51
Slovak Republic	2016	39	91	7	43	55	89	49	1	84	42
Slovenia	2016	37	46	100	36	62	53	42	1	25	47
EU28	2016	34	56	58	51	68	50	45	14	49	34

Source: World Bank, Doing Business 2018: Reforming to Create Job, Countries Reports, <http://www.doingbusiness.org/reports/globalreports/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB18- Chapters/DB18-Country-Tables.pdf>

At first sight that really seems strange, but having a detailed look at the numbers it becomes obviously that the lower position of Czech Republic owes probably to stronger or aggravating regulations upon procedures related to new business registration, bank loan adoption, taxes paying, and less concessions for investors. The same trend is observed in the data set of Poland with one important notice comparing it with Romania – in both states there are almost equal ranks for procedures related to getting credit, protecting investors, and foreign trade. That prompts the existence of some common tendencies concerning their government policies in these fields. Greece is generally known with its conservative attitude to new entrants and foreign investors on the market. Together with Italy, probably due to the great size of their public debts, Greece imposes more restrictions on credits. But what is most confusing, as we would see further below, is that despite all the restrictions or strong regulations of business in Czech Republic, Poland and Greece, these countries are quite more competitive than Romania and Bulgaria.

Table 2. Indicators used for determining the “Doing Business” Rank

<i>Starting a business</i>	<p><i>This topic measures the paid-in minimum capital requirement, number of procedures, time and cost for a small- to medium-sized limited liability company to start up and formally operate in economy’s largest business city. To make the data comparable across 190 economies, Doing Business uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The distance to frontier score for each indicator is the average of the scores obtained for each of the component indicators.</i></p>
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<i>Dealing with Construction Permits</i>	<i>This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements.</i>
<i>Getting Credit</i>	<i>This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending.</i>
<i>Getting credits</i>	<i>This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights.</i>
<i>Protecting Minority Investors</i>	<i>This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse.</i>
<i>Paying Taxes</i>	<i>This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as measures the administrative burden in paying taxes and contributions.</i>
<i>Trading across Borders</i>	<i>This indicator records the time and cost associated with the logistical process of exporting and importing goods. Measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods.</i>
<i>Enforcing Contracts</i>	<i>The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system.</i>
<i>Resolving Insolvency</i>	<i>Its studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings.</i>

Ranks are estimated for every element (direction) of the final (aggregate) rank on the base of specific, for each country, quantitative values of variables, such as:

- ✓ “time” (the time needed, according to current national legislative norms, for institutions to process a certain documentation, to verify its content and to issue certificates necessary for particular business activity),
- ✓ „number of operations“ (the quantity of operations, different in type and essence, which should be implemented in order to finish a particular procedure successfully, e.g. initial provision of certificates, blanks filling, concordance of documents with other authorities, fares payment, processing of the final documentary portfolio, etc.),
- ✓ „expenses“ (expenses that need to be made for institutional fares and other services provided by authorities, calculated as percentage of GDP per capita), as well as presence of public registries, depth of credit information, legislative power of rights, size of tax rates (estimated as percentage of profit), etc. The evaluation of current regulations in each country in the directions mentioned above is provided from the point of view of local enterprises, primarily small in size, based on the significance that these 9 regulations have in enterprises’ life cycles.

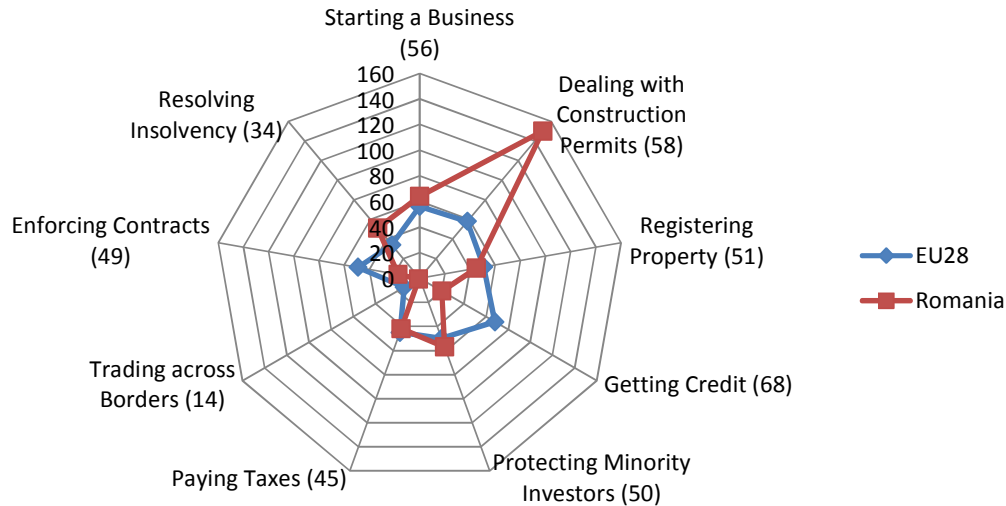


Figure 2: The comparison of “Doing Business” Ranks in Romania and EU28

Source: World Bank, Doing Business 2018: Reforming to Create Job, Countries Reports,

http://www.doingbusiness.org/reports/globalreports/~/_media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB18-Chapters/DB18-Country-Tables.pdf

The “Global Competitiveness Report 2016-2017 provides confirmation to a certain extent of the doing business ranks. Compiled in the framework of the World Economic Forum, the competitiveness report provides the opinion of managers and executive officers in 138 countries, including Romania, upon the most problematic factors that hinder doing business in their country in greatest extent. Tabel no.3 shown below represents an extract of data collected in Bulgaria, Romania, Slovenia and Hungary, Czech Republic, Slovak Republic and Poland, Lithuania, Latvia and Estonia. The choice of these economies is on purpose – all of them are emerging economies which requires additional efforts to be made by entrepreneurs to overcome the common inherited disadvantages in behavioral models and managerial practices, as well as efforts to reduce the great gap in competitiveness of their small and medium enterprises in comparison with those ones in developed west European countries. In addition, the states chosen are grouped according to the stage of their current economic development. Among all the EU member states only Bulgaria and Romania are classified as economies in the second stage of economic progress, i.e. economies driven by production efficiency. Poland, Hungary, Slovak and Baltic Republics are economies in transition, i.e. economies which have already achieved efficiency of their production processes and endeavor to become innovation-driven economies. Czech Republic and Slovenia are in the third stage of economic development, namely innovation – driven economies.

Table no.3.1: The most problematic factors in doing business according to executives in Central and East European EU member countries

	<i>Bulgaria</i>	<i>Croatia</i>	<i>Czech Republic</i>	<i>Estonia</i>	<i>Greece</i>	<i>Hungary</i>
<i>Access to financing</i>	8	6,2	3,7	8	14	5
<i>Corruption</i>	12,9	9,4	11,3	1,8	3,6	20,5
<i>Crime and theft</i>	3,2	1,1	0,6	0,7	0	0,8
<i>Foreign currency regulations</i>	0,9	0	0,6	0	1	0,4
<i>Government instability</i>	5,9	0,9	0,2	0,7	9,3	0
<i>Inadequate supply of infrastructure</i>	9,4	1,4	4,4	5	3,8	3,8
<i>Inadequately educated workforce</i>	10,9	3,7	7,3	17,3	0,6	8,8
<i>Inefficient government bureaucracy</i>	6,5	20,8	19,7	9,9	15,6	8,3
<i>Inflation</i>	3,6	0	0	1,7	0,1	0,1
<i>Insufficient capacity to innovate</i>	3,9	5,4	5,3	10,2	0,9	7,8
<i>Policy instability</i>	4,7	14,2	10,6	3,9	17,6	21
<i>Poor public health</i>	1,5	0,5	0,4	1,4	0,1	3,4
<i>Poor work ethic in national labor force</i>	9,9	3,5	2,9	8,3	0,9	3,6
<i>Restrictive labor regulations</i>	5,6	5,9	7	8,5	3,5	1,5
<i>Tax rates</i>	8,9	15,3	10	18,2	17,1	5,4
<i>Tax regulations</i>	4,2	11,7	16	4,4	12,1	9,7

Table no.3.2. The most problematic factors in doing business according to executives in Central and East European EU member countries

	<i>Latvia</i>	<i>Lithuania</i>	<i>Poland</i>	<i>Romania</i>	<i>Slovak Republic</i>	<i>Slovenia</i>
<i>Access to financing</i>	9	4,6	5	16,6	1,6	5,4
<i>Corruption</i>	7,8	5,3	1,5	10,1	19,2	7
<i>Crime and theft</i>	1,1	0,8	0,5	0,8	0,6	0
<i>Foreign currency regulations</i>	0,5	0	0,3	0,3	0,5	0
<i>Government instability</i>	2,7	3,9	2,3	1,5	0,3	2,1
<i>Inadequate supply of infrastructure</i>	3,3	9	5	7,3	5,3	2,5
<i>Inadequately educated workforce</i>	6,6	9	8,7	10,4	7,4	3
<i>Inefficient government bureaucracy</i>	15,3	3,3	6,2	15,9	14,8	18,9
<i>Inflation</i>	2	0,8		1,1	0,3	0,2
<i>Insufficient capacity to innovate</i>	4,9	4,6	4,6	2,4	4,7	3,8
<i>Policy instability</i>	8,1	4,9	12,5	0,6	5,6	9,6
<i>Poor public health</i>	1,6	14,3		0,6	0,7	0,4
<i>Poor work ethic in national labor force</i>	4,4	3,6	2,5	4,7	2,2	4,5
<i>Restrictive labor regulations</i>	2,4	14,3	14,1	2,6	8,9	12,3
<i>Tax rates</i>	17,6	17,6	12,3	14,7	17,2	18,9
<i>Tax regulations</i>	12,9	11,6	20,6	7,4	10,8	11,2

Source: World Economic Forum. The Global Competitiveness Report 2016-2017.

Interesting relations could be observed in the statements of executives in these countries independently of the divergence in their stage of economic progress. The three most often mentioned among first five problematic factors are inefficient government bureaucracy, access to financing and corruption although they have different rankings in each particular economy. Moreover, the corruption and bureaucracy goes hand-by-hand in Bulgaria, Czech and Slovak Republics. The greatest difficulties in access to financing are faced by the executives in Hungary and Slovenia, followed by Estonia and Latvia, Bulgaria and Romania, Czech Republic and Lithuania. The rankings given to “Tax rates” and “Restrictive labor policy” factors are similarly close in between, probably due to the common tendencies in East and Central European countries, as Romania, Poland, Estonia and Latvia have the most sensitive reaction to the size of tax rates and regulations.

Inadequately educated workforce is involved as well in the list of problematic factors for doing business but not among the first five places which could be interpreted that having unskilled employees is not such a significant hindrance to starting and managing business.

Nevertheless, while upon Doing Business Rank Poland and Czech Republic follow Bulgaria and Romania, according to Global Competitiveness Rank Poland and Czech Republic takes far advanced position. Hence, the success of enterprises does not depend only on business environment defined by local institutions, infrastructure and macroeconomic features.

The indexes of higher education and training, technical competences, innovation and business refinement seem to be considerable points of divergence which makes them objects of greater future impact on the way to successful entrepreneurship and higher competitiveness. Politica de stat de susținere a antreprenoriatului variază considerabil de la o țară la alta și depinde de nivelul de dezvoltare a economiei de piață, de experiența anterioară și de tradiții.

Conclusions

Countries with emerging economies have lower growth rates for entrepreneurship compared to those with developed market economies [49]. Scientists regard these differences as consequences of the planned economy, which has been replaced by formal market institutes. But for effective business development, it is necessary not only for changes in the activities of formal institutions but also in informal ones, especially the establishment of trust relationships between the business environment and the authorities. Changes in informal institutes may require more time and actually take place not earlier than a generational shift.

In recent years, environmental factors influencing the creation and development of new business in Central and Eastern Europe are being extensively researched. The economic climate can stimulate or, on the contrary, have an inhibiting influence on entrepreneurs. However, not only the objective state of the economy of a country, but also the subjective perception of the problems and opportunities of entrepreneurs can influence their decision to set up or develop business.

The objective conditions for business development in emerging countries to a market economy tend to be less favorable and obstacles to entrepreneurship are more significant due to less developed entrepreneurial support infrastructure. The subjective perception of entrepreneurs on external conditions in the countries under review can also be far more negative than other countries, possibly because they have encountered more economic difficulties.

Analyzing business development in transition and developing countries, researchers' attention is drawn to questions about: dubious affairs; the use of informal networks; bribery and corruption.

Within state borders, the listed business practices are considered negative. However, the extent of dubious operations depends to a large extent on state policy on business development (tax system, regulators' activity) and, in general, the business environment (level of corruption, court activity, political stability, etc.). Researchers do not always evaluate the informal economy negatively. According to D. Kaufmann, the high level of informal (dubious) business in emerging economies demonstrates entrepreneurship, creativity and the ability of the population to adapt to external conditions.

For the governments of these countries, the problems of training and development of the business sector include the following: privatization; the formation of the legal framework for the establishment and development of private entrepreneurship; reform of basic institutions; creating a competitive environment; implementing tax legislation; the use of state support mechanisms for SMEs; attracting foreign sources to stimulate private sector development.

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