

An evaluation of Visegrad group business environment

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Abstract

Evaluation of the business environment and enterprises is a key element of the economic success of countries. The Doing Business indicator issued by the World Bank is used to characterize the business environment and compare the economies of over 190 countries. The present paper is focusing to examine and compare the selected indicators of Visegrad 4 countries in order to obtain information about the position of the countries in relation to one another. The aim of this study is to assess the economic situation of the V4 countries (Slovakia, the Czech Republic, Hungary, Poland) based on the Doing Business research and examine the changes in the past five years. The chosen indicators to be examined and compared are the indicator starting a business, paying taxes, getting credit and resolving insolvency.

Keywords: SMEs, entrepreneurship, business environment, Visegrad countries

JEL: F18, L26, M16

Introduction

Based on the research conducted by the EU, small and medium-sized enterprises (SMEs) are one of the most important pillars of the economy with an increased opportunity for help by the state. SMEs contribute to regional job creation, have local economic influence and increase the gross GDP of the state (Jean Vasile et al 2021; Dudić et al., 2020). The aim of this paper is to compare the specific economic aspects of the V4 countries by using the analysis of the World Bank. Visegrad Four countries are an important part of the European economy. The SME sector is contributing to job creation by 67% in the Czech Republic, 72% in Slovakia, 68% in Poland and 69% in Hungary (Kotaskova et al., 2020; Zsigmond, Machova & Zsigmondova, 2021).

Governments play a key role in creating effective, transparent and accessible regulations that define the business environment (Fabus, Dudas & Cihelkova, 2021). Regulations have to be easy to implement in order to facilitate the establishment and expansion of enterprises. Doing Business project launched by the World Bank in 2002 (World Bank 2019) provides objective measurements about business regulations, economic interactions and the cost of resolving business disputes (Ruiz, Cabello & Gladish, 2017). The Doing Business indicators examine small and medium-sized enterprises in 190 countries as well as analyze the regulations of these countries during a lifecycle (World Bank 2019). Doing business is a project launched in 2002 that examines small and medium-sized enterprises in 190 countries and analyzes the regulations of these countries during a lifecycle. A country may show strong performance in one area of regulation, while weak performance on other field, while the average-based aggregation does not always reflect this fact. Although the World Bank database has been widely used by the governments and scholars (Kumar, 2012; Svobodová, Hedvicakova, 2015; Fabus, 2018), several authors have acknowledged several weaknesses of the Doing Business project of the World Bank e.g. the quality of information and the amount of information in rankings (Ruiz, Cabello & Gladish, 2017).

The analysis is comparing the achievement of V4 countries on the basis of four factors: starting new businesses, paying taxes, getting credit and resolving insolvency. According to the research results conducted by Svobodová, Hedvicakova (2015) before 2015, the best position in establishing new businesses was achieved by Hungary, followed by Poland, Slovakia and the Czech Republic. Poland achieved the best results in terms of tax payment, followed by Hungary, Slovakia and the Czech Republic. The compared four indicators of the countries have improved in the research period, but still have not reached the average level of the OECD countries (Svobodová, Hedvicakova, 2015). The international business environment is very important for business doing (Leonavičienė, Burinskienė, 2021).

Based on the research of Kotaskova et al. (2020), the countries of V4 address the financial risk correctly during their business activities. The research evaluated the financial performance of SMEs. The results were mainly positive. Hungarian entrepreneurs were the most positive about their business activity among the V4 countries (Kotaskova et al., 2020).

According to the study of Belas et al. (2020), the business conditions have improved in Slovakia and the Czech Republic in the past five years based on the report of entrepreneurs. The conditions for the transport sector are the most suitable in the Czech Republic, while Slovakia offers favourable business environment for companies in the transport sector. The production sector assessed the changes neutral (Belas et al., 2020).

Extensive research has addressed the factors influencing the business start-ups and the government regulations that act as obstacles to establishing new businesses (Herrendorf, Teixeira, 2011; Hrivnak, Moritz, 2021; Klapper, Laeven & Rajan, 2006) or catalysts (Dreher, Gassebner, 2013; Poschke, 2010; Chowdhury, Terjesen & Audretsch, 2015). Tax payment and regulations associated to pay tax as a factor influencing business start-ups are being studied by an increasing number of researchers. Chowdhury, Terjesen &

Audretsch (2015) found that higher taxes can severely hinder businesses to enter the market. High taxes, complicated regulations and tax laws can discourage business start-ups (Bacher, Brühlhart, 2013). Tax administration burden has the most negative impact on businesses in early stage of their operation (Braunerhjelm, Eklund & Thulin, 2021).

The research results of Dreher, Gassebner (2013) show that the administrative burden necessary to establish a business and the high level of minimum capital requirements are harmful to entrepreneurship. Fonseca, Lopez-Garcia & Pissarides (2001) studied the impact of start-up costs on employment. According to the results, higher start-up costs discourage the entrepreneurs from establishing a business (Svobodová, Hedvicakova, 2015).

Maintaining viable businesses is one of the most important goals of insolvency schemes. A well-functioning insolvency scheme has to prevent the liquidation of sustainable businesses at an early stage of their functioning. It should also hinder the lenders from introducing high-risk loans, as well as prevent managers and shareholders to apply for high-risk loans and make disputable financial decisions (Djankov et al., 2008). The economy-specific research has shown that insolvency reforms that encourage debt rescheduling and debt restructuring reduce both the bankruptcy rate of small and medium-sized business as well as the liquidation of profitable businesses (World Bank, 2019).

Commercial credit is one of the traditional forms of financing SMEs (Kozubíková, Homolka & Kristalas, 2017). Commercial loans can affect the operation efficiency and cost increase. They can decrease the uncertainty of cash payments and provide higher flexibility for companies in case of demand changes on the market. According to Hambur, La Cava (2018), easing the lending standards result in low interest rates (for a certain company profile), which will initiate more investment. Based on the research of Rahman, Rozsa & Cepel (2018), the younger enterprises of V4 use the opportunities offered by commercial loans more frequently than the established ones. It can be explained by limited financial resources of these companies. Businesses with high ownership concentration also use these types of loans more frequently than the companies with scattered ownership pattern (Rahman, Rozsa & Cepel, 2018).

Methods and Data

The aim of this study is to assess the economic situation of the V4 countries (Slovakia, the Czech Republic, Hungary, Poland) based on the Doing Business research and examine the changes in the past five years. The world-renowned and extended Doing Business study by the World Bank has become a respected evaluation in the recent years, which provides an outline about the development of the business environment in different parts of the world for professionals, entrepreneurs and the public. Our study is focusing on getting insights into and evaluation of secondary empirical data about the Visegrad Four countries.

In this paper we used secondary sources and materials. The research is based on secondary data of the World Bank. We assessed and systematized the data of Doing Business studies. It was important to filter and organize the obtained data. The collected data were evaluated according to several indicators – indicators of the business environment. These indicators are concentrated in four areas, while each area assessing different sphere of the business environment. The first group of indicators is focusing on evaluation of facts, which are directly connected with establishing a business. These are often considered crucial when starting a business. The second group of indicators is focusing on the assessment of solvency, which can be a significant threat when conducting entrepreneurial activity. The third group is formed by indicators, which are focusing on tax payment. These are important in terms of maintaining competitiveness, and the share of the state drawing resources from generated volume of business. The fourth group of indicators is focusing on the assessment of insolvency solutions with a focus on time, costs and further facts related to solvency of the business. All sub-indicators grouped below are characterized in details. The data is presented in Microsoft Excel, and assessed based on years and countries considering the desired indicators. The evaluation is performed on the basis of calculated ratio indices and relative frequencies. Descriptive statistics and standard logical-cognitive methods were applied. The time interval of 2016-2020 was chosen to elaborate this article since complete data is available from the indicated period. Data for the year 2021 were not available at the time of drafting the article, which can be indicated as a limiting factor in terms of processing up-to-date data.

Starting a business summarizes the factors listed below (Doing Business according to World Bank):

- **Score-Starting a business:** the value obtained as a sum of the indicators examining starting a business. It contains the number of procedures, costs and time of starting a business.
- **Procedures - (number):** the number of procedures necessary to start and operate a business. It takes into account all the procedures that take place between the entrepreneur and the second party.
- **Time - (days):** Calendar days that specify the length of time necessary to start and operate a business. It refers to a minimum amount of time necessary to complete the tasks.
- **Cost - (% of income per capita):** financial resources necessary to start the business. Calculated as a percentage per capita income. All the costs and fees associated with the procedures to start a business are involved.

The indicator of credit payment summarizes the following factors:

- **Score-Getting credit:** The score for obtaining credit is indicated on a scale from 0 to 100, where 0 refers to the worst regulation performance, while 100 presents the best regulation performance.

- **Strength of legal rights index (0-12):** The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. It also examines whether certain factors that facilitate lending exist in a particular country. The index ranges from 0 to 12.
- **Depth of credit information index (0-8):** The depth of credit information index measures the coverage, scope and availability of credit information offered by credit information providers e.g. credit bureaus or credit registers. The index ranges from 0 to 8.
- **Credit registry coverage (% of adults):** reports the number of individuals and companies listed in a credit registry's database as of January 1, 2015. The number is expressed as a percentage of the adult population.
- **Credit bureau coverage (% of adults):** reports the number of individuals or firms listed by a private credit bureau with current information on repayment history, unpaid debts or credit outstanding as of January 1, 2015. The number is expressed as a percentage of the adult population.

The indicator of tax paying summarized the following factors:

- **Score - Paying taxes:** The score of tax payment is the average of the scores of individual component metrics.
- **Payments (number per year):** Payments record the total number of taxes and contributions paid, frequency of payments and the frequency of filing tax. This includes the taxes withheld by the company, e.g. sales tax, VAT, employment tax paid by the employees.
- **Time (hours per year):** Time to comply with tax law (corporate tax, sales tax, labour taxes, including payroll taxes and the social security contribution).
- **Total tax and contribution rate (% of profit):** The total tax and contribution rate measures the amount of taxes and mandatory contributions paid by the company in the second year of its operation, expressed as a proportion of commercial profit.
- **Profits tax (% of profit):** Profits tax measures the amount of corporate income tax in the second year of company operation, expressed as a proportion of commercial profit.
- **Score-Postfiling index (0-100):** The postfiling index is based on four components—time to comply with VAT refund, time to obtain VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction. The score is indicated on a scale from 0 to 100, where 0 equals to the worst and 100 to the best regulation performance.

The resolving insolvency indicator involves the following factors:

- **Score-Resolving insolvency:** The score of resolving insolvency is an average of the scores for each component indicator.

- **Outcome (0 as piecemeal sale and 1 as going concern):** The result determines whether the company investigating the case study will be excluded from the proceedings as an operating business [1] or the company assets are sold in pieces (0).
- **Time (years):** The time of insolvency settlement refers to the time interval to settle the debt expressed in calendar years.
- **Cost (% of estate):** The cost of settling insolvency is a percentage of the debtor's assets.
- **Strength of insolvency framework index (0-16):** Strength of the insolvency framework index measures the legal framework of reorganization and liquidation proceedings. The index consists of four components: the commencement of insolvency proceedings, management of debtor's assets during the proceedings, reorganization proceedings and creditor participation.

Results and discussion

This part of presented paper deals with research results and we make a discussion. The Doing Business analyses several factors. The next chapter examines the four factors mentioned above, providing the analysis of the Czech Republic, Hungary, Slovakia and Poland. The analysis processes the data from 2016 to 2020. At the end of the chapter, the aggregate DB Index of the countries and their ranking is compared. Here is a text of your paper. Here is a text of your paper. Here is a text of your paper. Here is a text of your paper. Here is a text of your paper.

Analysis of the situation in the Czech Republic

Tab. 1: Starting business and getting credit

Year	Starting a business				Getting credit				
	Score-Starting a business	Procedures	Time	Cost	Score-Getting credit	Strength of legal rights index	Depth of credit information index	Credit registry coverage	Credit bureau coverage
DB2016	81,34	8	30.5	6.7	70	7	7	6.7	78.7
DB2017	82,96	8	24.5	5.7	70	7	7	6.8	79.2
DB2018	83,55	8	24.5	1	70	7	7	7	79.5
DB2019	82,09	9	24.5	1	70	7	7	7.2	80.5
DB2020	82,06	9	24.5	1.1	70	7	7	7.3	81.1

Source: own processing based on data from <http://www.doingbusiness.org/>

Starting business in the Czech Republic was simplified in 2018. The financial investment required to start a business accounted for 5.7% per capita income fell to 1% in 2018. However, the number of proceedings to start a business increased to 9 in 2019. The OECD average of proceedings required to start a business was 4.9 in 2020. In the case of applying for credit, there has been a steady increase in the number of individuals and businesses applying for loan since 2016 until 2020. The OECD average was 24.4 in 2020. The coverage of credit bureaus is 81.1, while the OECD average is 66.7.

Tab. 2: Tax payment in the Czech Republic

Year	Paying taxes					Score-Postfiling index
	Score-Paying taxes	Payments	Time	Total tax and contribution rate	Profit tax	
DB2016	81,57	8	222	46.5	5.6	90.75
DB2017	81,75	8	222	46.1	5.1	90.75
DB2018	81,21	8	236	46.1	5.1	90.75
DB2019	81,42	8	230	46.1	5.2	90.75
DB2020	81,35	8	230	46.1	5.2	90.50

Source: own processing based on data <http://www.doingbusiness.org/>

In terms of tax payment, the worst performance of the Czech Republic was recorded in 2018. The time required to comply with the tax law was 236 hours a year, while the corporate income tax accounted for 5.1% of the revenue. The number of payments in the reviewed period remained 8, while the OECD average was 10,3. It means that the country performed better than the OECD average. The time required to comply with the tax law decreased to 230 hours in 2019. The total score for post-processes was 90,5 in 2020, while the OECD average is 86.7%.

Tab. 3: Resolving insolvency in the Czech Republic

Year	Resolving insolvency				
	Score-Resolving insolvency	Outcome	Time	Cost	Strength of insolvency framework index
DB2016	79,29	1	2.1	17	14
DB2017	79,55	1	2.1	17	14
DB2018	79,82	1	2.1	17	14
DB2019	80,05	1	2.1	17	14
DB2020	80,08	1	2.1	17	14

Source: own processing based on data <http://www.doingbusiness.org/>

The score related to resolving insolvency increased in the period under review. While the score resolving insolvency was 79,29 in 2016, it reached the value of 80,08 in 2020. The cost of resolving insolvency is expressed as a percentage value of the debtor's assets. This value is 17, while the OECD average is 9,3.

Analysis of the situation in Hungary

Tab. 4: Starting a business and getting credit in Hungary

Year	Starting a business				Getting a credit				
	Score-Starting a business	Proce-dures	Time	Cost	Score-Getting credit	Strength of legal rights index	Depth of credit informat-ion index	Credit registry coverage	Credit bureau coverage
DB2016	87,10	6	7	7.5	70	9	5	0	88.6
DB2017	87,28	6	7	7.1	70	9	5	0	89.8
DB2018	87,60	6	7	5.4	75	9	6	0	89.8
DB2019	87,89	6	7	4.9	75	9	6	0	91.2
DB2020	88,19	6	7	4.5	75	9	6	0	91.1

Source: own processing based on data from <http://www.doingbusiness.org/>

The score related to starting business in Hungary was increasing during the reviewed period, while the financial costs to start business were decreasing. It accounted for 7.5% per capita income in 2016. This value decreased to 4.5% in 2020. The OECD average was 3% in 2020. The number of proceedings necessary to start business was 6, which did not change during the period considered. 7 calendar days are required to complete the proceedings to start a business. The OECD average is 9,2.

The availability of information about applying for a loan increased in 2018. Credit record data were not available for analysis, so this score is not assigned to the research results. The percentage of individuals in the database of credit bureaus had steadily increased during the reviewed period. While the percentage of the adult population registered in a credit bureau database was 88,6% in 2016, this ratio in 2020 increased to 91,1%. The OECD average was 66.7%.

Tab. 5: Tax payment in Hungary

Paying taxes						
YEAR	Score-Paying taxes	Payments	Time	Total tax and contribution rate	Profit tax	Score-Postfiling index
DB2016	70,84	11	277	48.2	11.8	63.94
DB2017	71,56	11	277	46.3	9.9	63.94
DB2018	76,97	11	277	46.4	9.9	85.58
DB2019	79,22	11	277	40.3	9.1	85.58
DB2020	80,57	11	277	37.9	9.4	87.51

Source: own processing based on <http://www.doingbusiness.org/>

The number of taxes paid in Hungary did not change during the reviewed period (11 occasions annually), while the OECD average was 10,3. The time to comply with tax law remained unchanged in a 5 years period (277hours/year), which is higher than the OECD average. The OECD average was 158,8. The total amount of tax paid and the contribution rate expressed as a percentage of profit had steadily decreased in the examined period. It was 37,9% of the profit in 2020, when the OECD average was 39,9. The profit tax had become favourable for businesses. It accounted for 9,4% of the profit in 2020. The total score of the post-processes was 63,94 in 2016, while it reached 87,51 in 2020. The OECD average was 86,7.

Tab. 6: Resolving insolvency in Hungary

Resolving insolvency					
Year	Score-Resolving insolvency	Outcome	Time	Cost	Strength of insolvency framework index
DB2016	53,70	0	2	14.5	10
DB2017	54,38	0	2	14.5	10
DB2018	54,75	0	2	14.5	10
DB2019	55,03	0	2	14.5	10
DB2020	55,03	0	2	14.5	10

Source: own processing based on <http://www.doingbusiness.org/>

The value related to resolving insolvency increased from 53,70 to 55,03 in the period between 2016 and 2020. The strength of the Insolvency Framework Index was 10 in the reviewed period. The OECD average was 11,9.

Analysis of the situation in Poland

Tab.7: Starting a business and getting a credit in Poland

Year	Starting a business					Getting a credit			
	Score-Starting a business	Procedures	Time	Cost	Score-Getting credit	Strength of legal rights index	Depth of credit information index	Credit registry coverage	Credit bureau coverage
DB2016	82,71	5	37	12.2	75	7	8	0	91
DB2017	82,75	5	37	12.1	75	7	8	0	92.5
DB2018	82,78	5	37	12	75	7	8	0	85.7
DB2019	82,85	5	37	11.8	75	7	8	0	98.1
DB2020	82,91	5	37	11.6	75	7	8	0	100

Source: own processing based on <http://www.doingbusiness.org/>

The Starting a Business Index had steadily increased in Poland in the reviewed period. The index stood at 82,71 in 2016 then reached the value of 82,91 in 2020. The number of proceedings was 5 that had not changed during the reviewed period. This value is lower than the values detected in the Czech Republic and Hungary. This value is close to the OECD average, which stood at 4,9. The number of days necessary to complete these proceedings is 37. The financial costs required to start a business had decreased. It accounted for 11,6% income per capita in 2020.

The score of applying for credit had not changed in the reviewed period (75). The strength of legal rights index was 7, which is higher than the OECD average (6,1). The Credit Information Index was 8 in the examined period. The value is over the OECD average (6,8). The credit bureau coverage in 2020 was the highest among the examined countries (100%).

Tab. 8: Tax payment in Poland

Year	Paying taxes					
	Score-Paying taxes	Payments	Time	Total tax and contribution rate	Profit tax	Score-Postfiling index
DB2016	79,14	7	269	40.3	14.5	77.36
DB2017	79,11	7	269	40.4	14.5	77.36
DB2018	79,50	7	258	40.5	14.5	77.36
DB2019	76,49	7	334	40.7	14.5	77.36
DB2020	76,43	7	334	40.8	14.5	77.36

Source: own processing based on <http://www.doingbusiness.org/>

Tax payment in Poland involved 7 procedures in the examined period, while the time required to spend with these procedures increased. The time to comply with tax law was 269 days in 2016. It reached 334 days in 2020, which is higher than the OECD average (158,8). The total tax and contribution rate increased during the examined period. This

rate was 40,3 in 2016, which has reached 40,8 in 2020. The total score for post-processes is 77,36, which is lower than the OECD average (86,7).

Tab. 9: Resolving insolvency in Poland

Year	Resolving insolvency				
	Score-Resolving insolvency	Outcome	Time	Cost	Strength of insolvency framework index
DB2016	70,43	1	3	15	12.5
DB2017	76,37	1	3	15	14
DB2018	77,71	1	3	15	14
DB2019	76,48	1	3	15	14
DB2020	76,53	1	3	15	14

Source: own processing based on <http://www.doingbusiness.org/>

The number of insolvency proceedings in Poland increased from 70,43 to 76,5 in the examined period. The highest score in Poland was achieved in 2018. The number of years to settle insolvency was 3 years in the reviewed period. The cost of settling insolvency accounts for 15% of the debtor's assets in Poland. The strength of the Insolvency Framework Index increased to 14 in 2017. The OECD average in the reviewed period was 11,9.

Analysis of the situation in Slovakia

Tab.10: Starting a business and applying for loan in Slovakia

Year	Starting a business				Getting a credit				
	Score-Starting a business	Procedures	Time	Cost	Score-Getting credit	Strength of legal rights index	Depth of credit information index	Credit registry coverage	Credit bureau coverage
DB2016	81,83	8	26.5	1.5	70	7	7	3.2	67.3
DB2017	81,92	8	26.5	1.1	70	7	7	3.1	76.4
DB2018	81,96	8	26.5	1.1	70	7	7	3.2	79.4
DB2019	82,02	8	26.5	1	70	7	7	3.3	80.7
DB2020	84,81	7	21.5	1	70	7	7	2	85.4

Source: own processing based on <http://www.doingbusiness.org/>

The score of starting a business in Slovakia increased from 81,83 to 84,1 during the examined period. The number of necessary proceedings in 2020 decreased from 8 to 7. The number of days spent on completing procedures decreased from 26,5 to 21,5 in 2020. The financial costs to start business were the highest in 2016, which accounted for 1,5% of the income per capita. This amount decreased to 1,1% in 2017, and further decrease was detected to 1% in 2019. The OECD average was 3%.

Getting a credit score had not change during the reviewed period. Slovakia reached 70 points by assessing the various indicators. The information index necessary to get a credit reached a score of 7, which is higher than the OECD average (6,8). The percentage of the adult population registered in a credit bureau database was 3,2% in 2016. This value decreased to 2% in 2020. The OECD average was 24,4 in the examined period. The coverage of credit institutions increased from 67,3% in 2016 to 85,4% in 2020.

Tab. 11: Tax payment in Slovakia

Year	Paying taxes					
	Score-Paying taxes	Payments	Time	Total tax and contribution rate	Profit tax	Score-Postfiling index
DB2016	79,25	11	188	50.4	9.4	87.17
DB2017	80,46	8	192	50.1	9.5	87.17
DB2018	80,46	8	192	50.1	9.5	87.17
DB2019	80,62	8	192	49.7	9.1	87.17
DB2020	80,62	8	192	49.7	9.1	87.17

Source: own processing based on <http://www.doingbusiness.org/>

The number of tax payments realized were 11 in 2016. This number decreased to 8 in 2017. The time to comply with tax law increased from 188 to 192 days in 2017. The total tax and contribution rate was 50,4 in 2016, which was modified to 50,1 in 2017. A further decrease was detected in 2109, which accounted for 49,7% of the profit. The profits tax had also increased in the country. In 2016 it accounted for 9,4% of the profit, in 2017 this ratio was 9,5% and fell to 9,1% in 2019. The total score of post-processes in the reviewed period was 87,17, which is higher than the OECD average (86,7%).

Tab. 12: Resolving insolvency in Slovakia

Year	Resolving insolvency				
	Score-Resolving insolvency	Outcome	Time	Cost	Strength of insolvency framework index
DB2016	70,04	1	4	18	13
DB2017	70,53	1	4	18	13
DB2018	66,08	1	4	18	13
DB2019	66,90	1	4	18	13
DB2020	65,45	1	4	18	13

Source: own processing based on <http://www.doingbusiness.org/>

Table 12 presents resolving the insolvency in Slovakia from 2016 to 2020. The score of resolving insolvency had been gradually falling in the reviewed period. The score of resolving insolvency was 70,4 in 2016. This value was 65,45 in 2020. The time required to resolve insolvency in Slovakia was 4 years in the reviewed period. The OECD average was 1,7 years. The cost of resolving insolvency remained unchanged from 2016 to 2020.

This accounted for 18% of the debtor's wealth. The maximum achievable value of the Insolvency Framework Index was 16. The Slovak Insolvency Framework Index was 13, while the OECD average was 11,9.

Analysis of aggregate data

Tab. 13: Analysis of aggregate data 1.

	DB Year	Ease of doing business rank	Ease of doing business score	Rank-Starting a business	Score-Starting a business	Rank-Getting credit	Score-Getting credit
Czech Republic	2020	41	76,34	134	82,06	48	70
	2019	35	76,32	115	82,09	44	70
	2018	30	76,42	81	83,55	42	70
	2017	27	76,39	81	82,96	32	70
	2016	36	76,11	93	81,34	28	70
Hungary	2020	52	73,42	87	88,19	37	75
	2019	53	73,24	82	87,89	32	75
	2018	48	72,68	79	87,60	29	75
	2017	41	71,38	75	87,28	20	70
	2016	42	71,07	55	87,10	19	70
Poland	2020	40	76,38	128	82,91	37	75
	2019	33	76,93	121	82,85	32	75
	2018	27	77,86	120	82,78	29	75
	2017	24	77,68	107	82,75	20	75
	2016	25	76,93	85	82,71	19	75
Slovak Republic	2020	45	75,59	118	84,81	48	70
	2019	42	75,45	127	82,02	44	70
	2018	39	75,15	83	81,96	55	70
	2017	33	75,03	68	81,92	44	70
	2016	29	74,84	68	81,83	42	70

Source: own processing based on <http://www.doingbusiness.org/>

Table 13 shows the ranking of the countries during the period under review. The ranking is presenting the position of countries in terms of key indicators during the examined period of 2016-2020. The table above presents the rankings achieved in analysis starting a business and the rankings associated with getting a credit.

While a few years ago Slovakia was considered a tiger in improvement of business environment, currently a worsening situation and worsening conditions for entrepreneurship can be detected. On the contrary, the situation in the northern neighbouring country is improving. In terms of all the examined indicators, Poland achieved the best score as a V4 country in 2020. In terms of removing barriers and simplifying the conditions for entrepreneurship, the southern neighbour is at the forefront. However, Hungarian entrepreneurs are the best in starting a new business. The Czech Republic provides the least favourable conditions for business start-ups. This finding is not positive, as it would be in the interest of the state to optimize the economic

policy in order to incentivise and support the entrepreneurial activity. Getting a credit score was similar for Hungary and Poland. Slovakia proved to be the most unfavourable country for getting credit among the V4 countries.

Tab. 14: Analysis of aggregate data 2.

	DB Year	Rank-Paying taxes	Score-Paying taxes	Rank-Resolving insolvency	Score-Resolving insolvency
Czech Republic	2020	53	81,35	16	80,08
	2019	45	81,42	15	80,05
	2018	53	81,21	25	79,82
	2017	53	81,75	26	79,55
	2016	122	81,57	22	79,29
Hungary	2020	56	80,57	66	55,03
	2019	86	79,22	65	55,03
	2018	93	76,97	62	54,75
	2017	77	71,56	63	54,38
	2016	95	70,84	65	53,70
Poland	2020	77	76,43	25	76,53
	2019	69	76,49	25	76,48
	2018	51	79,50	22	77,71
	2017	47	79,11	27	76,37
	2016	58	79,14	32	70,43
Slovak Republic	2020	55	80,62	46	65,45
	2019	48	80,62	42	66,90
	2018	49	80,46	42	66,08
	2017	56	80,46	35	70,53
	2016	73	79,25	33	70,04

Source: own processing based on <http://www.doingbusiness.org/>

In the second aggregated group of indicators, we focused on presentation of results for individual countries in terms of tax indicators, tax payment and insolvency as a crucial issue. Table 14 presents a thematic comparison of the countries between 2016 and 2020. The table shows the conditions of paying tax and analysis of resolving insolvency in the examined countries. Taxes are considered by businesses and entrepreneurs as a negative aspect of entrepreneurship, especially in terms of drawing resources in favour of the state. Therefore, entrepreneurs are very sensitive to any change regarding tax liability, tax rates and further conditions. Based on the data provided, Poland has the most favourable tax environment among the V4 countries. The lowest score was achieved by the Czech Republic. Economic downturn and bankruptcy, as an unpleasant situation is perceived very sensitively by the entrepreneurial sector. Companies that have to undergo these procedures, it is important to ensure the least complicated and financially acceptable conditions. It turned out that in terms of handling bankruptcy, the most successful were the Czech businesses. The most favourable conditions for resolving insolvency were

detected in the Czech Republic, while the lowest score in this category was achieved by Hungary taking into account the factors provided in the analysis.

Conclusion

The economic situation and the business environment of the Visegrad Four (V4) countries has an impact on the development of the region, so analysis of their economic development is important. The article compared the countries along the selected indicators in order to get a more accurate and transparent overview about the similarities and differences of the countries. The article is based on an internationally recognized analysis.

The research revealed that starting a business in the Czech Republic was simplified in 2018, based on the Doing Business evaluation of the Visegrad Four Group. Starting a new business is the easiest in Hungary, where the shortest time is required to complete the procedures to start a business. According to the overall analysis, applying for credit is the easiest in Hungary and Poland, since the mentioned countries have the highest credit information index and the credit bureau coverage indicator. The Czech Republic offers the most favourable tax payment conditions, with the highest total number of post-processing scores. The least favourable conditions are offered by Poland, despite having the lowest number of payment procedures related to tax payment. The Czech Republic performed the best among the Visegrad Four countries in terms of insolvency resolution index.

Based on the overall ranking, Poland performed the best in the analysis of the Visegrad Four Group, followed closely by the Czech Republic. Taking into consideration the examined factors, the only factor where Poland provided the best performance was applying for business credit. Based on the overall analysis, Hungary ranked the lowest among the Visegrad Four countries.

The small and medium-sized enterprises have significant impact on the economic success of the country. The development within each of the examined factors contributes to the success starting a business, thereby improving the performance of the economy. These comparisons support the awareness of the countries in which areas it is necessary to determine new directions.

It is necessary to deal with the improvement of business environment on a regular basis in order to point out the limits and opportunities for improvement. Quality business environment generates innovative and competitive businesses. In order to make a continuous contribution to GDP, employment and regional development, the regional economic policies of the Visegrad Four countries should focus on proactive incentives to encourage the entrepreneurial activity. This step is crucial in terms of competitiveness and efficiently functioning economies. The upcoming research may assess the achieved results in details and pointing to regional opportunities. Limiting factors of the current evaluation are: access to adequate data (time interval selected for data analysis was 2016-2020; there were no accessible data in 2021, when the article was completed, which

would result in methodologically incorrect and distorted evaluation) possibility of evaluation of achieved macro data and regional disparities.

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