

Building a Favorable Context for Entrepreneurs: Challenges and Opportunities for Six Balkan States

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Abstract

Scholars and practitioners have long recognized that national business climates deeply influence the rate and quality of business startups. For decades, the World Bank, World Economic Forum, Heritage Foundation and other global organizations have studied national business climates to determine optimal conditions and practices necessary to stimulate entrepreneurship and economic growth. This paper compares select measures of entrepreneurial readiness in Albania, Bulgaria, Croatia, Macedonia, Romania, and Serbia. It also benchmarks their results against the United States and a group of European Union member states. The selected factors include those measures tied most directly to the establishment, protection and sustainable growth of technology or technology-dependent entrepreneurial businesses. Additionally, the business context is evaluated with a view toward inbound foreign direct investment; the paper explores factors that draw in entrepreneurial resources, including such factors as life style advantages. Special attention is paid to the potential role of family enterprises in the new venture mix. The factors are: business freedom, investment freedom, investor protection, property rights protection, technological readiness, innovation, freedom from corruption, access to risk capital, and quality of life. We found both clear areas of convergence and divergence between countries in these key entrepreneurship enabling factors. The research explores the implications of convergence and divergence in entrepreneurship-environment factors from the perspectives of Balkan entrepreneurs, policy makers and researchers.

Key words: entrepreneurship, innovation, regulation, Eastern Europe, Southern Europe