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A PROPOSED MEASUREMENT OF ENTRY-RELATED ADMINISTRATIVE BURDENS IN HUNGARY

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1 INTRODUCTION

According to the EU's estimates the administrative burden levied on operating firms in Hungary amounts to 6-8 percent of the national GDP (Kox, 2005). The national measurement from 2009 suggests that this burden is roughly above 8 percent of the national gross income (Deloitte, 2009). At any rate, this is more than the share of public expenditures spent on public education or on public health in Hungary in 2011 (4.97% and 5.07% respectively, source: [Our Money Database](#), 2011).

While both theoretical and empirical research in this field is blossoming at the international level, the national academic attention is rather limited in this topic. Some studies have examined the importance and the main elements of the administrative burdens to be faced by legally operating Hungarian firms, though most of the investigations measured the perceptions on administrative burden based on surveys of knowledgeable professional groups (such as accountants, lawyers) or of enterprises. Empirical surveys usually use selective or just quasi representative sampling techniques, and only one research projects focused on the quantitative assessment of the relevant information obligations based on firm-level data. All in all, there is limited quantified evidence on the nature and extent of administrative burden, based on representative cross-sectorial dataset, and there is only limited data on the extent and proportion of information obligations related to market entry in Hungary.

The policy goal to reduce administrative burden and promoting the competitiveness of European firms is one of the strategic objectives of the European Union (*cf.* EU H2020 strategy). The issue is also of strategic importance in the Hungarian public policy agenda as to it was one of the flagship government programme back in 2010 after the national elections. The political commitment has however evaporated and the implementation of the centrally administered reduction programme is lagging as a recent survey on the business perceptions suggest (GVI 2011).

In this paper we focus on the relevance of administrative burden market entrants face and on its impact on market performance and structure - in general and in some specific sectors. The second chapter gives a summary of theoretical and empirical results related to entry regulation. First, we introduce some models that help us understand the economic and political incentives related to regulation in a broader sense based on political economic models. Then we summarise results related to the measures of entrepreneurial activity, i.e. the number, the size and other characteristics of new firms and entrepreneurs. We also collect evidence related to the relevant sectors of the economy and spillovers to the whole economy including overall

productivity, employment, and the level of competition. Third, we dedicate a separate subsection to the consequences of entry regulation to corruption and the hidden economy. In the third chapter we map the existing international and national assessment initiatives and run a quick qualitative evaluation of their advantages and disadvantages, so as to formulate a proposal on a quantitative assessment of entry-related administrative burdens in Hungary in the fourth chapter. Finally, we conclude with a comprehensive research plan of a representative survey aiming at quantitative assessment of the entry-related administrative burden based in firm level data. Here we also summarise our experiences and some important lessons collected during test interviews run with small and medium-sized Hungarian start-ups.

2 LITERATURE REVIEW

2.1 Theoretical Background of Entry Regulation

In this section first we take account of the existing economic theories of regulation, which analyse more explicitly the economic effects of entry regulation, especially its impact on entrepreneurial activity and productivity. Second, we also give an overview of the political economic approaches, which emphasise the role of political (lobby/ influential) power at the hands of specific actors as a key determinant of entry regulations.

There is a number of reasons to believe that entry regulation is necessary. Djankov (2009) relates the necessity of entry regulation to the *public interest theory* of Pigou (1924). The theory suggests that unregulated markets often lead to market failures, which justify corrective interventions. Here, entry regulation aims to prevent the emergence of new harmful firms and thus helps to secure the minimum high quality of goods and services. The theory assumes that public regulation is benevolent, and public bureaucrats serve the public interest with their actions. According to public interest theory, regulatory change occurs as a response to changes in the extent or type of market failures that should be targeted. Klapper et al. (2006) mention that the main objective of entry regulation is to screen out cheating and fraudulent behaviour. In the absence of entry regulation registering fake firms would be an easy way to get money from market investors for example. Next to the screening function, public regulation also has some additional advantages such as the easier collection of taxes or the collection of useful administrative data that could serve as a basis for policy making.

Since the seminal paper of Djankov et al. (2002) the academic focus has shifted to the negative effects of entry regulation – namely, to the fact that it hampers economic growth. Djankov

(2009) mentions two branches of public choice theories that help understand the motivations behind regulation through modelling the political process: *the capture theory* and *the tollbooth theory*. Both ideas suggest that opportunistic bureaucrats use entry regulation to obtain rents.

The capture theory claims that bureaucrats function as agents of industry incumbents and use entry regulation to increase the barriers to entry in an industry keeping out new competitors from the market. The main lesson from this theory is that incumbents have the incentive and (political) power to influence entry regulation and by that secure their own market position rather than acting for a higher consumer surplus (Acemoglu, 2008; Stigler, 1971). If the competitive pressure of the new entrants is high, incumbents lobby to maintain burdensome entry regulation while lobbying for reduced administrative burden for existing firms. However, when new comers do not put strong competitive pressure on incumbents, new entrants may also take advantage of incumbents' lobby. (Yakovlev & Zhuravskaya, 2007)

The tollbooth theory stresses that entry regulation is a way for politicians to create rents and extract them through bribes in exchange for avoiding regulations. According to this theory, all firms suffer from burdensome regulation. Thus, when large firms lobby to reduce administrative burden, new firms of small size may also share the advantages of such lobbies.

Svorny (2000) discusses different views and theories about one specific type of entry regulation – licensing. Licensure is there to serve as a protection for consumers in order to avoid bad consumer decisions and low product / service quality. On the other hand, there are clearly anti-competitive effects of licensure in that they lead to artificially higher entry costs. So the higher quality of goods secured by licensure might be offset by the effect that licensure excludes some potential competitors from the market. According to Svorny, even without licenses, market processes would generate enough information about competitors to help consumers make informed decisions – provided that proper competitive market mechanisms operate. Also licenses create the potential for rent-seeking for existing service providers in that they can efficiently promote the necessity of licenses, by which they are able to strengthen their own market positions opposed to potential start-ups.

Recently, there has been a revival of neo-Schumpeterian growth theories in explaining the importance of new entrants. According to the Schumpeterian view the process of creative destruction, i. e. the entry of new and the exit of obsolete firms, is the main driver of economic growth. The entry of new firms is crucial in adopting new technologies and innovation. Besides this direct effect the threat of potential new entrants increases the stress on incumbents to be more productive and innovative. The Schumpeterian creative destruction theory clarifies

the importance of administrative simplification of entry regulations. (Arnold, Nicoletti, & Scarpetta, 2008)

Aghion et al. (2004, 2006) develop Schumpeterian based model where industries differ in their productivity parameter according to their distance from the technological frontier. According to their model, which seems to match empirical evidences as well, the productivity of the incumbents close to the production frontier grows significantly, but there is no effect on enterprises which used to produce initially behind the frontier. They found that the closer the incumbents are to the frontier the larger is the increase in the productivity and that in the number of patents. They conclude that burdensome entry regulations inhibit innovation and reduce future productivity.

When thinking about entrepreneurial activity it is useful to consider what we mean by entrepreneurship as entrepreneurial activity might include a fast growing IT start-up as well as a small tobacco store. Some classifications might help us better characterize the effects of entry regulation on the different types of enterprises. According to Ardagna & Lusardi (2010) entry regulation has two effects on enterprises that point to the opposite direction concerning our expectation of the number of entrants. First, regulation increases the cost of pursuing a business opportunity so it has a disincentive effect on getting started with entrepreneurship. On the other hand, entry regulation makes the labour market "thinner" and thus increases entry into remedial entrepreneurship. Ardagna & Lusardi (2010) separates two kinds of entrepreneurs along these lines. Opportunity entrepreneurs are those, who try to utilize a business opportunity. Remedial entrepreneurs are those who start entrepreneurial activity because they do not have other options, e.g. open a small corner shop.

Branstetter, Lima, Taylor & Venâncio (2013) build a model based on the seminal work of Lucas (1978) to make hypotheses about the effect of entry simplification reforms. The agent has to decide whether she (1) engages in home production, (2) offers her workforce on the competitive labour market or (3) becomes an entrepreneur. In equilibrium home production yields the same wage (w) as the equilibrium wage (w) on the labour market. When starting an enterprise the agent has to incur a fixed start-up cost (F), she employs workers for wage w and her profit depends on her business skills (or entrepreneurial ability: ϕ) and some mean-zero term (ϵ) reflecting uncertainty in the economy. The effect of different levels of entry regulation might be captured by thinking of the implications of different levels of fixed cost (F) that is incurred when starting a business. The model predicts that lower entry cost (F) results in more firms opening and also higher employment level. The model has also some predictions about the marginal firms, i.e. those firms that open up as a response to the reduction in entry costs, but

would have not opened if entry costs remained at the same level. First, the marginal firms are opened by less talented entrepreneurs. This finding is quite intuitive as with lower entry costs a lower expected profit is enough to offset the enterprise's start-up costs. Second, marginal firms are smaller. This result is due to the fact that marginal firms have less entrepreneurial ability, thus they can employ fewer workers. Third, marginal firms have lower survival probabilities. Finally, they also predict that in the short run older entrants who did not wanted to enter when they were young dominate, but in the long run younger entrants take over the leading role as they can harvest their optional profits in the second period.

Ihrig-Moe (2004) developed a dynamic model in which the agent can decide how much time he wants to produce in the formal sector and *vice versa* in the informal sector. In the formal sector the agent can use not only labour in the production, he can also use capital, which accumulates in time. However, he has to pay taxes as well. In the informal sector the agent cannot use capital, at the same time he only pays taxes when caught by the authorities. The other factor which affects his choice is the tax rate. The results suggest that with time the informal sector shrinks, because more capital results in higher marginal product. Lower tax rates and penalties for evasion reduce the size of the informal sector as well.

Perry et al. (2007) identify two main theories that explain the formalisation decision of enterprises: the *exclusion theory* and the *exit theory*. According to the *exclusion theory* burdensome entry regulation prevents small firms from becoming formal and thus they can grow at a slower rate compared to their formal peers. This theory suggests that reducing entry administration would help these firms to become more productive through the opportunities that only formal firms enjoy (e.g. opening bank account, legal support). The *exit view* suggests that the firms' decision on formalisation is just like any other investment decision of a firm, i.e. firms decide by weighting the costs and benefits related to becoming formal. According to the exit view smaller firms remain informal because they do not have the growth potential that would make it worth becoming formal and bear the costs related to formality (e.g. registration fees and taxes).

2.2 Empirical Results

In the past decade a considerable number of academic papers have been published related to the effects of entry regulation. They support the theoretical conclusions quite consistently in that easier entry regulation leads to higher levels of entrepreneurship, improved employment

levels, higher productivity and less corruption.

Djankov (2009) gives an exhaustive summary also of the empirical literature related to entry regulation. He refers to concrete entry simplification reforms that took place in some countries in the past decade. In this chapter we will largely build on his work, though summarise results of more recent studies, as well.

Basically, the related empirical literature can be divided in two broad branches. On the one hand, cross-country studies usually use country- and industry-level data to reveal the mechanisms related to entry regulation that cause differences across countries in productivity, employment growth or entry rate (Arnold et al., 2008; Barseghyan, 2008; Ciccone & Papaioannou, 2007; Fisman & Sarria-Allende, 2004; L. Klapper et al., 2006; Scarpetta, Hemmings, Tressel, & Woo, 2002). Most often these studies take the World Bank Doing Business¹ indicators and in some cases the OECD product market regulation indicators² to proxy for the stringency and costliness of regulation. On the other hand, country studies try to identify the effects of entry-related administrative costs using within-country variation that come from some administrative simplification reforms, i.e. the changes in the regulatory regime before and after the relevant reforms (Branstetter et al., 2013; Bruhn, 2008; Kaplan, Piedra, & Seira, 2007; Monteiro & Assunção, 2012; Yakovlev & Zhuravskaya, 2007). These later studies are based on quasi-experimental setting and focus in more detail on specific elements of the regulation framework in the given country. In the following part we will present the evidence from both strains of the literature – paying also special attention to the sectorial relevance of the various research results.

2.2.1 Entrepreneurial Activity

Branstetter et al. (2013) measure the effect of a drastic administrative simplification reform in Portugal during the years 2005-2006. The Portuguese reform was indeed very effective what is also indicated by the improvement of the country's performance in the World Bank Doing Business ranking. (Portugal jumped from the 113rd to 33rd place of the ranking within one year). The "On the Spot Firm" program reduced the time needed for firm registration from several months to one hour, and also implied a large decrease in the monetary costs of opening business. The authors test the implications of a theoretical model that is built on the foundations of Lucas (1978) (see Chapter 2.1). They build a difference-in-differences model and compare the counties of Portugal where new "one stop shops" were introduced to those where there

¹ Doing Business, The World Bank (<http://www.doingbusiness.org>)

² OECD (2013), Product Market Regulation Database, www.oecd.org/economy/pmr

were no such options – thereby controlling for seasonal and county-time fixed effects. Their results show that the number of new entrants (per 100 000 inhabitants) and the employment increased by 17 % and by 22 % respectively due to the reform. The one-stop-shops have significantly increased the probability of opening a firm and made entrepreneurship (self-employment) a more attractive option for unemployed. They estimate their original specification for the number of new entrants on subsamples of different size categories and see a significant increase in entry in case of firms with 2 and 3-5 employees, but not for larger firms. Their results about firm survival is in line with the prediction of the model that administrative simplification leads to the entry of shorter lived firms: there are 4% less firms among new entrants after the reform who survive after 2 years of operation.

The authors also consider that the program had different impact on different sectors of the economy. They use 10 industry categories and find that there is a significant increase in the number of new firms in agriculture, construction and retail trade. The further contribution of their study is that the authors could match firm data to a dataset with individual characteristics of the starting entrepreneurs. We summarise these results in the following section (2.2.2.)

Bruhn (2010) and Kaplan et al (2007) analyse a similar administrative simplification reform that took place in Mexico during the years 2004-2007. The reform decreased the time needed to obtain a license for small and medium sized enterprises from 30 days to 2 days by opening “one-stop” registration offices in some municipalities of Mexico. Both papers take advantage of the specific geographical relevance of the reform to create control groups: that it was introduced sequentially in the country due the limited resources. The results of the two papers point to the same direction in that both the number of new firms and employment increased in the reform localities. The magnitude of the positive effects is, however, not the same in the two cases. Kaplan et al. (2007) found 4 % more start-ups and 8-11% higher employment after the simplification, whereas Bruhn (2008) found a 5% and a 2.8% increase, respectively. The two papers also suggest different explanations about the mechanism behind the increase. Kaplan et al. (2007) argue that sources of the new registrations are primarily firms that had been operating illegally before. Bruhn (2008) argues, that the new firms are typically opened by individuals who had been wage-earners before the reform.

Yakovlev and Zhuravskaya (2007) analyse the effect of a series of administrative simplification reforms in Russia taking place between 2001 and 2004. The reforms included the establishment of ‘one-stop-shops’ (that is, registration offices where all the administrative issues can be solved), reducing registration time to at most a week, and lengthening the validity of licenses. They use a repeated cross-sectional database of a representative sample of

new firms in 20 regions of Russia taken during 2002-2006. The data comes from surveys of top managers of the firms and some modules of the questionnaires directly focus on quantifying the administrative burden related to entry regulation (e.g. licensing, registration). The authors first try to measure how the adoption of deregulation laws in different regions of Russia have actually affected the regulatory burden of entry. They interact the effect if the variable presenting the adoption of deregulation laws with several institutional indicators capturing the corruption, transparency and independency of regional governments. Second, they investigate the effect of regulatory simplification on the number of new firms and small business employment. They find that the enforcement of the deregulation laws varied substantially across regions. Enforcement was better in regions with transparent government, independent media sources, powerful industrial lobby and stronger fiscal autonomy. They also find that entry simplification leads to higher number of new firms and higher share of employment in small businesses.

Klapper and Love (2011) investigate what is the size of a sufficiently large entry regulation reform to achieve a significant increase in new firm registrations. They categorize reforms based on the indicators of the World Bank's Doing Business database. They compare the number of procedure, days and cost measures within a country between years to assess the extent of regulatory reforms and they also make categories based on whether different type of reforms occurred at the same time or not, e.g. whether the reform lead to faster registration process only or made the registration also cheaper. This strategy follows from the idea that individuals officially start a business when the benefits related to starting a business offset the costs of it, thus a regulatory reform is effective only if the reduction in entry costs are sufficiently large to make the costs of starting a business smaller than the benefits of it. They find that less than 40% reduction in entry costs, days and procedures do not have a significant effect on firm creation. They also point out that it is more efficient to introduce different reforms at the same time due to synergistic effects.

2.2.2 Individual characteristics

There are some empirical studies that besides the effects on the number and characteristics of new firms are also able to say something about the characteristics of the individuals who engage in entrepreneurial activity as a response to entry simplification. Ardagna & Lusardi (2008, 2009, 2010) use cross-country individual data (the Adult Population Survey of Global Entrepreneurship Monitor) to find out how the cross-country variation in the costliness of entry is connected to individual characteristics of entrepreneurs. Specifically, they focus on the

interaction of the stringency of entry regulation and gender, business skills, fear of risk and social network. First, they find that women are more likely to become entrepreneur when tighter regulation is present. This might sound surprising at first, but the authors point out that typically women enter to what they call “necessity” or “remedial” entrepreneurship, i.e. they start their own business because they did not have any other choice. Second, they suggest that individuals who know other entrepreneurs (social network or peer effect) and/or who have business skills are less likely to start entrepreneurial activity when regulation is tighter. It is also shown, that they tend to open smaller firms at the presence of tight regulation.

These findings are interesting for further investigation, but notably, they do not provide evidence for causal interpretation. They assess the interaction between the individual characteristics and the entry regulation indicators, but first they do not control for further factors, such as other elements of the general business environment (tax schemes, sectoral provisions, etc) and their interactions with the regulatory elements. Second, they do not assess the effect of the various regulatory regimes on start ups. Also, we have to keep in mind that one needs objective measures for evaluating the regulatory effects related to business skills. All of the above estimates are based on self-evaluation of the individual entrepreneurs on their own skills.

The country study of Branstetter et al. (2013) also has some implications about individual characteristics of entrepreneurs. They found that the following characteristics are associated with a higher chance of entering to entrepreneurship: male, middle-aged (30-39 years old) and well-educated. Also, they show that the entry simplification in Portugal lead to the increase entry of those who had previously the lowest chances of becoming an entrepreneur. Branstetter et al. (2013) also found that the survival rate of firms is significantly higher among those enterprises that are founded by more experienced, older and better educated male individuals.

2.2.3 Productivity and Measures of Competition

Besides the impact on the number of new firms and their characteristics, simplification of entry regulation has important implications also about the productivity of new entrants and incumbents. Generally, entry simplification leads to the entry of new establishments that are less productive (Branstetter et al., 2013). On the other hand, easier entry poses a competitive pressure on incumbents which leads to an increase in their productivity (Arnold et al., 2008; Fisman & Sarria-Allende, 2004; L. Klapper et al., 2006). The final effect of entry simplification on pro-

ductivity is the resultant of at least three channels:

- leads to entry of lower productivity firms,
- allows for increased number of new entrants, who have greater growth potential than incumbents provided that they survive sufficiently long and
- increases the productivity of incumbents due to competitive pressure from potential entrants.

If entry regulation is strict, the incumbents enjoy rents of being already on the market and the ability to set higher prices. Furthermore, entry regulation is somewhat endogenously determined as larger incumbents might have the power to have an impact on entry regulation formation (Svorny, 2000).

The price level and the margins of an industry directly reflect the firms' ability to set higher prices, which is a sign of market power. Fisman & Sarria-Allende (2004) explicitly model the effect of the level of entry regulation on operating margins (operating income divided by sales) using cross-country cross-industry firm data. Operating margins are indeed larger in countries with tougher entry regulation. The authors illustrate the extent of the effect by the following thought experiment: moving from Singapore to Peru, we would see a 0.4 % point increase in the difference in margins between "high" and "low" natural entry industries. Notably, Singapore is at the low end of the distribution of entry barriers (at the 25th percentile), while Peru is at the top (at 75th percentile).

Bruhn (2010) (see also in Chapter 2.2.1) estimated the impact of a Mexican entry administration simplification on the price and revenue level of incumbents. She found that the additional competition induced by the easier entry regulation lead to a 0.6% decrease in the price level and 3.2% decrease in the income of incumbents.

Arnold et al. (2008) and Scarpetta et al. (2002) deal with a specific secondary effect of entry regulation. They claim that the absence of some important entry administration reforms in Europe had a disincentive effect on the adoption of information and communication technology (later referred to as: ICT adoption), which is of crucial importance as ICT intensive sectors are responsible for much of productivity growth.

Chari (2007) investigates whether the relaxation of the entry and expansion regulation framework (the so-called License Raj) in 1985 in India boosted the productivity of Indian companies. He uses an establishment-level database of manufacturing industries to test his model that suggested that the reform might increase total factor productivity (TFP) through two channels:

1) the entry of new firms (posing competition to incumbents) and 2) the expansion of efficient old firms. He also distinguishes short-run and long-run effects. In the short run – when no entry occurs – we expect an increase in firm size and a decrease in the number of incumbent firms as a response to relaxation of entry/expansion rules. However, in the long run we shall see a higher number of new entrants and smaller average size of firms. He finds that over ten years TFP increased by 32% of which half is due to the entry relaxation and half is due to easier expansion.

Barseghyan (2008) uses cross-country data to identify the effect of entry costs on total factor productivity and output per worker. To address the potential endogeneity and omitted variable problem related to this estimation they use instruments for the entry costs. In particular, they use geographical characteristics and the extent to which major European languages have been adopted in the country based on the argument that Europeans are most likely to settle and establish Western institution in places which are similar in these characteristics to their origin country. However, the authors do not argue about why we should assume that these instruments capture specifically the development of entry regulation rather than the development of business regulation in general. They find that an increase in entry costs that is equivalent to 80% of income per capita (half standard deviation in the sample) leads to a 22% and 29% decrease in TFP and output per worker, respectively.

Barseghyan and Di Cecio (2011) further investigate the topic about the effect of entry costs on total factor productivity in a general equilibrium model with endogenous entry and operation decisions by firms. They calibrate their model to match the US distribution of firms and employment by firm size. In their model firms are ex ante identical and face a sunk cost of entry. After paying the cost of entry they receive an i.i.d. productivity draw. The authors assume that all economies are identical except for the cost of entry. They take the cross-country measure of entry cost from the World Bank's Doing Business database. After putting this data to their model they compare the model predictions to the variation observed in the data. They find that about 25% of TFP variation across countries can be explained by their model, i.e. the variation in entry costs. They find that entry costs lead to 1.32 to 1.45 TFP ratio between countries being among the lowest and highest deciles in terms of entry costs, whereas the corresponding ratio observed in the data is 3.26.

Fazekas (2008) analysed the courier industry in Hungary. He found empirical evidence that even in an industry in which the share of the hidden economy is significant, it is possible to operate completely legally in case of an enterprise with high market share and even expanding market perspectives (see courier services).

Semjén et al. (2008) interviewed Hungarian enterprises in order to analyse the effect of change in the Hungarian tax system in 2004 when a new simplified tax scheme was introduced. The survey revealed that if the general tax system had been transparent and predictable, more firms would have shifted to this new scheme – thereby, also more firms would have opted for formal/ legal operation.

Laki and Szalai (2013) also run interviews with a focus though on the characteristics of Hungarian entrepreneurs. They also compare their results with the findings of their earlier work from early 1990s. As they suggest, ever since the transition in 1990 the typical Hungarian entrepreneur is a male from a larger settlement and usually with a high-school degree. They point to some difference though between the ones who started business in the early 1990s and the ones who started business in the last ten years. The second group is younger in average and differs in attitudes. They try to find market niches or explore new markets rather than put competitive pressure on already established firms or even replace existing firms.

2.2.4 Sector-specific effects

Several empirical studies investigate whether the time to comply with government entry procedures has an effect on country-industry level figures of the number of new establishments (Alesina et al 2005, Klapper et al 2006, Ciccone and Papaioannou 2008, Chari, A. 2007).

Ciccone and Papaioannou (2007) proxy for such globally expanded industries using the industry-level employment growth rates in the US in the 1980s since it is a generally accepted fact that entry regulation is much less strict in the US compared to Europe, so this measure correctly proxies for expansion opportunities in a frictionless environment. Ciccone & Papaioannou (2007) made several robustness checks to assure that the effect they attribute to entry regulation is not originated from some other hidden factors that correlate with the standards of entry regulation. For example, the strictness of entry regulation might just be one aspect of a more general problem of economic environment that actually leads to fewer new establishments. More specifically, they include interaction terms with a labour market regulation index, a property rights enforcement index, income per capita and an index for financial development. The authors found that even when controlling for these possible factors, the time needed to comply with entry regulations remain a significantly negative determinant of firm entry rate.

Fisman & Sarria-Allende (2004) and Klapper et al. (2006) claim that barriers caused by entry

regulation should matter the most in industries that otherwise have a high “natural entry”. Fisman & Sarria-Allende (2004) use the UNIDO industry level database and Klapper et al. (2006) use the Amadeus firm database to prove their hypotheses. The intuition is quite straightforward: we do not expect entry regulation to set very restrictive entry barriers when the fixed costs of entry in the industry are already high enough. Both studies use the US entry rate as a proxy for natural entry rate of the industry supported by the argument that entry-related regulatory burden is so low in the US that it virtually does not impose an entry barrier to US firms (0.5% of GNI per capita in the US vs. avg. 20% in Europe). Their argument is supported by the results of their estimations. They found that higher levels of entry regulation lead to larger entrants.

Klapper et al. (2006) show that their results hold after controlling for the availability of financing, the degree of protection of intellectual property and labour regulations. They also point out that these effects matter more in richer and less corrupt countries, as regulation is more likely to be enforced in such countries.

Fisman & Sarria-Allende (2004) show that in countries with higher entry regulation industries tend to answer to growth opportunities through the expansion of already existing firms, whereas in countries with lower entry regulation creation of new firms seems to be the more prominent optimal response.

Alesina et al. (2005) investigate whether regulatory reforms that lead to the liberalisation of entry in traditionally heavily regulated industries have a positive effect on capital accumulation. In particular, they deal with the following non-manufacturing industries: transport (airlines, road freight, railways), communication (telecom and postal) and utilities (electricity and gas). They develop a theoretical model of investment which suggests that deregulation of entry in these sectors leads to an increase in capital stock *via* two channels: i. a decrease in markups and ii. a decrease in the cost of adjusting capital stock. Notably, they also list a number of other channels through which deregulation might have an opposite effect on investment. They point out that the sign of the effect cannot be predicted based on theories alone, rather it is an empirical question. They use time-varying country- and sector-specific indicators of barriers to entry and other elements of regulation and estimate a dynamic panel model using sector/country fixed effects and common/sector-specific year effects. The authors find, that deregulation of the observed sectors indeed leads to increased investment. However, in their analysis the variable of entry barriers, that is taken from OECD’s product market regulation indicators, does not narrowly capture the effect of administrative burdens as we think of it in the context of our paper. Their entry barrier index consists of legal

limitations on the number of companies in the relevant market and of rules on vertical integration, whereas the focus of our study is on the administrative burden related to regulations (e.g. time spent on figuring out how to fill an official form, costs of obtaining certificates and licenses needed to operate officially).

Scarpetta et al. (2002) decompose the productivity growth of 10 countries to three components: (1) *within-firm component* that refers to productivity growth within a firm, (2) *between-firm component* that shows the effect of reallocation of output among existing firms, and (3) *entry and exit component* that is due to the exit of old, obsolete firms and the entry of more efficient new ones. They found that in high tech industries – which are often very ICT-intensive – the entry/exit component makes a higher than average contribution to labour productivity. They also found that in transport and storage and communication new entrants have a higher than average productivity growth. These sectorial aspects of their studies reveal that easy entry is of much importance in the high tech, transport and storage and communication sectors.

Schivardi and Viviano (2011) analyses the effect of the regulatory regime change in the Italian retail trade sector introduced in 1998. Their results show that more liberal regulation has a positive effect on the propensity to invest in ICT, it increases employment and reduces labour costs (though this later is significant in the segment of large stores).

Berki (2011) analyses the effects of the special sectorial taxes imposed in 2010 in Hungary. He admits that the recession following the 2008 crisis had definitely a definitely negative effect on firms' performance as well as on the business environment - especially in the energy, info - communication, bank, and retail sector. As a consequence of the additional sectoral taxes, however, he found that the firms in the relevant sectors suffered from the financial loss as much as from the additional administrative burden imposed due to the new taxes. They had to learn and adapt to the new, specific tax regulations.

Reszkető and Váradi (2010) summarised the theoretical and empirical evidences related to the role of administrative burdens in competition policy, showed some European government practices related to the simplification of administrative burden. Based on national enterprise survey data they also analysed the variation of administrative burden across sectors and firm size in Hungary and showed that micro and small enterprises bear unproportionally higher levels of administrative burden compared to bigger enterprises. The authors (Reszkető & Váradi, 2010) also investigated the sectorial variability of administrative burden, although they did not find any significant differences across sector. The absence of sectorial differences is

most probably due to the bad quality of sampling in the Deloitte (2009) database.

2.2.5 Corruption and the Hidden Economy

The level of corruption and hidden economy in a country might be interrelated with the level of entry-related administrative burden in several ways. In the seminal paper of Djankov et al. (2002) the authors showed that heavier regulation of entry is usually associated with greater corruption and larger unofficial economy. There are several – often opposing – theories about the direction and source of this correlation. Some authors argue that the firms for whom the benefits of turning formal (e.g. better possibility for advertising, easier access to finance) outweigh the costs (resulting for example due to registration / license fees, tax payment duties, etc.) of this shift are already operating formally, thus entry deregulation may not induce a significant number of informal firms to enter the formal sector. On the other hand, others say that exactly the high start-up costs is the factor that prevents illegal firms from becoming formal, thereby losing growth opportunities.

Barseghyan and DiCecio (2011) build a theoretical model about entry regulation. They point out, that higher corruption worsen the negative effects of entry administrative burden further.

On the other hand, Klapper et al. (2006) argue that entry regulation matters more in richer and less corrupt countries as regulations are more likely enforced in such business environments. Testing a similar argument, Dreher and Gassebner (2013) show by empirical analysis that corruption might even be beneficial in an environment where entry regulation is excessive. The key puzzle when thinking about entry regulation and the hidden economy is whether deregulation related to entry might induce illegally operating companies to go legal.

Dreher and Gassebner (2013) test whether the impact of regulation on entrepreneurship depends on the level of corruption in a country. Their hypothesis is that corruption increases firm entry in the presence of burdensome entry regulation. The intuition behind this hypothesis is that in highly bureaucratic countries corruption can speed up money transfers and registration processes through the payment of bribes. Furthermore, assuming that more efficient firms can pay higher bribes corruption may lead to more efficient allocation of licenses. Seemingly this hypothesis contradicts the empirical results that suggest corruption leads to slower growth, but it is not the case as the authors argue that the beneficial effect of corruption arises only when regulation is excessive. They use the GEM database to measure entry rates, the World Bank Doing Business indicators to measure entry regulation and two

types of corruption indicators (Transparency International's and World Bank's 'governance matters' index). They measure the effect of interaction terms of different measures of start-up costs (number of procedures, time and cost of registration, and minimum capital requirements) and corruption indexes on entry rates. They indeed find that corruption is associated with higher entrepreneurial activity when regulation is excessive. For example, one score increase in TI's corruption index in the absence of high minimum capital requirements has no effect on the number of new entrants, but in the case of the highest minimum capital requirement in the sample one point increase in corruption index leads to 10% increase in entrepreneurship.

Bruhn & McKenzie (2013a) found that usually the companies earning higher profit are more likely to operate completely legally. They collected a lot of evidence about the effect of entry regulation on firms' decision of becoming formal in developing countries, and they found that there is little or temporary positive effect. In another paper they analysed the effect of a Brazilian government programme which aimed to make some municipalities more attractive *via* establishing local one-stop-shops. They found that entry simplification did not lead in this case to an increase in the number of firm registration in the related municipalities; furthermore, they find a reduction in the number of new firms. (Bruhn & McKenzie 2013b)

de Mel et al. (2012) designed a field experiment to gauge the demand for formality among firms from the two largest cities of Sri Lanka. They collected data about small firms with up to 14 employees that operate illegally. They created four treatment groups and a control group. Treatment 1 included detailed information provision about the official process of firm registration and a reimbursement in case the firm becomes formal that is approximately equal to the amount of direct costs of registering a firm. Treatment 2-4 provided the same information about start-up procedures and a higher monetary payment in case of registration at the amount of \$88, \$175 and \$350. To illustrate the relative amount of these payments the authors point out that these values are equivalent to half months', one months' and two months' profits of an average firm in the sample, respectively. The highest payment was larger than the annual income tax of a firm at the 90th percentile of profit distribution. The authors find that Treatment 1 had no effect on the formalisation of firms. Treatment 2-3 led to the formalisation of 17 and 22% firms, respectively. Among those firms who received the highest amount as treatment 48% decided to become formal. Those firms of the 4th treatment group which did not opt for the legalisation claimed that they face other issues preventing them from this step, for example, lack of own land property (and illegal operation on otherwise publicly owned lands).

The authors also conducted follow-up studies to check on the effect of formalisation on firms' outcomes. They found a slight increase in profits of legal firms, but this is admittedly a bias due to some firms (in absolute minority) performing better than the average even before the registration. The majority of firms remained at their original profit levels. The findings of de Mel et al. (2012) are more supportive for the *exit theory* (see, Perry et al. 2007, in chapter 2.1) as they found that simply taking the costs of registering does not induce any firms to become formal. A similar result is found by De Andrade et al. (2013) in case of Brazil. The findings of de Mel et al (2012) are different from what similar studies find but based on similarities of enterprises' views on the potential costs and benefits of formalisation the authors suggest that their results most probably hold for other developing countries.

Monteiro and Assuncao (2012) investigate whether the simplification programme of the Brazilian government (SIMPLES) that started in December, 1996 had positive effect on the formalisation of firms. The simplification, that targeted micro and small enterprises, combined 6 previously separate types of taxes to one monthly-based rate in retail, manufacturing, transportation, construction and services sectors. The authors use a cross-sectional sample of Brazilian micro and small enterprises that was collected in 1997, ten months after the introduction of SIMPLES programme. They construct two groups of firms to introduce time dimension to their analysis: i) enterprises that opened not more than 10 months *before* the SIMPLES programme and ii) enterprises that opened *after* the programme was launched. They build a difference-in-differences setup with the "before" and "after" groups where the control group consists of sectors that are not eligible for the simplified tax scheme. They proxy formalisation by the fact whether the enterprise has the official licensing to operate and they also implicitly assume that firms decide on formality at the time when they start up. They find no significant effect of the simplification on formalisation in the whole sample, however in case of retail sector they find 13% more firms obtaining operating licenses due to the simplification programme. The effect is even stronger when estimated only on medium sized retail firms: 35%.

Using this regulation reform they also checked whether formalisation has a positive effect on investment both in the share of enterprises investing and the average amount of investment per firm. They use the introduction of SIMPLES programme as an instrument for formalisation. They find that formalised firms are more likely to use credit. Even after controlling for credit usage we see that formalisation leads to an increase in the amount invested equivalent to one third of the annual revenue of retail firms. The same reform is analysed by Fajnzylber et al. (2011). They find significantly higher number of registrations due to the programme and also

find supportive evidence about the positive effect of formal operation on firms' revenue and profits.

3 MEASURING ENTRY REGULATION

3.1 Existing assessment approaches and methods

Based both on the theoretical and empirical literature, one can conclude that there is a clear policy rationale beyond interventions aiming at reducing the administrative burden set upon both market entrants and already operating firms. This recognition is also reflected in the policy agenda of the European Union where simplification of regulatory burdens, especially those imposed on new firms is among the top priorities since the middle of the last decade. For a short insight into the European directions and strategic aims in the field, see Box 1.

The only question is what kind of targets such reforms or government programmes (action plans) should set: can we quantify the administrative obligations, times and effective costs spent for complying with the entry regulatory rules, and if so, how? To what extent are the effective regulations justifiable based on public interests of any sort (based on quality, safety and security or any other public concerns) and which information or any other obligations go beyond the public-interest-driven economic rationale?

BOX 1. Simplification of start-up procedures – the policy context in the European Union

The number of small and medium-sized enterprises with less than 250 employees (23 million) accounts for 99% of the European businesses. Administrative simplification initiatives with a special emphasis on SMEs have long been priority actions in the European policy agenda. As part of these community programmes, the European Commission have explicitly articulated the need for reducing administrative burden related to start-up procedures.

In 2000 the European Charter for Small Enterprises³ was created with active contribution of the Member States to improve public regulations affecting SMEs. One of the ten key policy areas defined by the Charter was "Cheaper and Faster Start-ups". The 2005 review of the Lisbon strategy also stressed that SMEs are the key drivers of the European growth and employment strategy.

In 2008 the European Commission adopted the Small Business Act for Europe (SBA). The SBA

³ DG Enterprise and Industry website: European Charter for Small Enterprises. http://ec.europa.eu/enterprise/policies/sme/documents/charter/index_en.htm

invites Member States to incorporate the “Think Small First” principle in their national policy and regulatory framework. This principle suggests that regulators shall systematically evaluate the impact of any new business legislation on SMEs. The sc. SME test is the practical tool elaborated for effective implementation and this prescribes four major steps (consultation, assessment of affected businesses, cost-benefit analysis, mitigating measures).

The European Commission has also conducted specific measurements of the start-up procedures in the various Member States. In 1997 the EC formulated its recommendations for the simplification of start-up procedures, including a single contact point (one-stop-shop), single registration form and single authorisation (European Commission, 1998). In 2002 the Commission published a study about benchmarking the administration of business start-ups in the 15 Member States. The study measured the minimum and average time and cost of setting up different forms of companies in various Member States. The EU average time was 22 days and the average cost was EUR 827 (European Commission, 2002). As a next step, the Commission launched a monitoring framework for start-up cost measurement in 2007. They defined the procedural cycle for a start-up as a sequence of steps ranging from pre-registration procedures to obtaining all licenses and certificates until the enterprise is fully operational and is able to start economic activity. This definition proposes a broader economic view of start-up processes that goes far beyond just checking how long it takes to register a new firm. The study also defines five model companies to be used as benchmarks to collect comparable data across Europe (European Commission, 2007). This methodology is used in a 2011 study to measure administrative burden related to licensing (European Commission, 2011).

Since 2006, the EC sets annual community targets on key indicators in the field (e.g. average time and costs) and regularly monitors the progress in the Member States. The currently applicable targets are 3 days and at most EUR100 cost to start a new firm. Additionally, all MSs are expected to set up one-stop-shops for firm registration. Only three countries – Denmark, Romania and Slovenia – comply with all the three current targets. The EU average was 5.4 days and EUR372 in 2012⁴.

The topic of regulatory burdens related to entry regulation became the focus of attention after the seminal work of (Djankov et al., 2002). Djankov et al. created a simple method of assessing administrative costs. They measure the costs of starting a new business by the number of procedures and the amount of time and monetary costs one needs to start a business. This

⁴ DG Enterprise and Industry website: *Simplification of Start-up Procedures*.

simple framework offers the opportunity to track changes within a country and make cross-country comparison. The work of Djankov et al. motivated many regulatory reforms as well as many academic papers.

The method they offer became for example the core of World Bank's Doing Business indicators (WB DB). Since 2004 the WB is running country-level questionnaires among local peers and experts (primarily, commercial lawyers, accountants and legal advisors) based on self-appointment of the respondents on a yearly basis. The entry-related indicators they measure (time of procedures, costs emerging due to fees and number of procedures) collect information in case of a sc. model company and they are based on personal observations of the respondents. There is historic data for Hungary since 2004.

The World Bank in partnership with the European Bank for Reconstruction and Development has launched their 'Enterprise Survey' in 2002 (WB-EBRD). They collect firm level data based on a standard questionnaire (face-to-face interviews with business owners and top managers). They use a stratified random sample representative w.r.t. firm size, geographic region, and sector, covering Hungary every third year since 2003. The entry-relevant indicators cover regulated activities, time spent and mapping the local procedures related to obtaining licenses, compulsory certifications and permits, going beyond the registration of the new firm and covering all the formal steps necessary to effectively start a new business (e.g. time spent waiting to get electricity, water and telephone connection).

The OECD Product Market Regulation (OECD PMR) project maps and quantifies a broader set of national regulatory rules and provisions, based on a standardised questionnaires run among national government agencies. They cover 56 OECD countries every fifth year, among them Hungary since 1998. The main PRD indicators focus on factors hampering or promoting competition – inter alia, the licensing and permits system, the legal barriers to entry, and administrative obligations on start-ups.

The European Licensing Survey 2011 was an initiative of the European Commission (for the background story, see Box 1). It covers 33 European countries, among them Hungary, where data was collected between November 2009 and October 2010. The standard questionnaire they use is based on five model companies and replied by national peers and experts (SMEs, SME representatives, government actors and representatives of business organisations). They do not cover all the business sectors and focus primarily on the registration procedures (time, cost, person days needed to obtain all licenses).

There are some further, cross-country databases which provide firm-level data (UNIDO, GEM, AMADEUS) and cover Hungarian sectors (partially or representatively), though all of them collect firm-level performance data rather than data connected directly to starting a new business.

For a comprehensive overview of all these assessments see, Table 1 below. For the Hungarian facts and figures provided by these international studies and surveys, see Box 2.

BOX 2. Situation of Hungary based on international surveys

The European Commission annually release a progress report about the achievements of member states in reaching the target values of start-up procedures simplification. The current targets are at most 3 days and EUR 100 cost of starting a business. Another target is to set up one-stop-shops for firm registration. Hungary has achieved two out of the three targets by operating a one-stop-shop and with only 2 days needed to start up a business. However, the cost of starting a business was almost four times higher in 2012 than the European target level: EUR 392. There has been an improvement in 2013 according to the latest progress report, which says that the start-up costs went down to EUR 160-319. By this reduction we improved our start-up cost ranking among EU countries from 23rd to 15th. We should keep in mind when evaluating these data, that the source of these figures is the self-assessment of national governments so these data are not taken from independent evaluators (see Figure 2-Figure 5 in Appendix 6.1)

Other sources of information are partly in line with the figures seen in the progress reports of EU. According to the World Bank's Doing Business indicator we do better than average in the number of days needed to start-up a business. The hypothetical model company of the World Bank questionnaire (10-50 employees, 5 owners, operation in capital city, etc.) could be started within 5 days after complying with 4 procedures. On the other hand, the cost of starting a business is above the European average: in terms of % of income per capita it is 8.6% as opposed to the 6.7% average value for Europe and Central Asia. (see Figure 6-Figure 9 in Appendix 6.1)

A survey conducted by the European Commission (2011) allows to distinguish between start-up costs that are charged by state authorities (e.g. fees) and the private sector (e.g. lawyers, accountants). Hungary performs relatively well in the second category, but the burden of monetary costs charged by the public sector is excessive: we perform worse in this indicator than the Czech Republic and Slovakia. While companies have to take relatively low internal efforts to comply with entry regulations the time out-of-market is quite long due to long

waiting time for the response of the relevant offices or authorities. In the overall ranking of licensing complexity Hungary is the 8th being behind the Czech Republic (1st) and Poland (7th). (see Figure 1 in Appendix 6.1)

As we can see, there is a plethora of definitions they use (e.g., compliance costs, administrative costs, operational costs – for a comprehensive overview on these alternative definitions, see Chittenden et al 2002), and a wide range of indicators one can analyse and take as proxies for the estimations on the effects of regulatory regimes. Here is a short overview of all the assessment initiatives, which:

- focus on regulatory burden – especially, on those connected to business start ups,
- collect national- or firm-level data,
- conclude with quantified indicators, and
- have relevant and relatively fresh results for Hungary.

As critics of the WB, WB-EBRD and OECD databases claim, most of these efforts have some methodological limitations. They are based on prototypical model firms, which are not always relevant in case of some real business start ups. They are hard to compare over time and across countries partly due to changes and shifts in the used methodologies. Most of them do not provide size-specific indicators and more quantified details which should support policy – preparation with more technical details.

We think that they are worthwhile exercises to orient both the national policy makers and business actors in the relevant countries, but none of them is appropriate to design concrete reform measures in technical details – provided political will and commitment to reduce administrative burden. In the next table we give a quick evaluation of the above assessments along with the requirements, which we think are necessary and sufficient to meet in case of designing an evidence-based policy reform in the area.

Table 1. Evaluation of the existing assessment methods

	Collects firm-level data In a representative way	Focus on entry-related obligations	Differentiates justifiable and non-justifiable obligations	Provides quantified indicators	Measures effective costs and efforts (not perceptions)
WB DB		X		X	X
WB-EBRD Ent Survey	(X – selected sectors)	X		X	X

	Collects firm-level data in a representative way	Focus on entry-related obligations	Differentiates justifiable and non-justifiable obligations	Provides quantified indicators	Measures effective costs and efforts (not perceptions)
OECD PMR		X		X	
EC Licensing Survey		X		X	(X)
Deloitte	X – selected sectors		X	X	X
GKI	X – selected sectors			X	
K&K	X – selected sectors	X			
Szerb et al	X – selected sectors	(X)			

In sum, an ideal measurement of entry-related administrative burdens would be based on firm-level questionnaires surveyed on a representative sample of new entrants, with registration close enough in time to the date of survey (ideally, with maximum 2 years in operation). The firm-level questionnaire should differentiate between information obligations levied on entrants with justifications derived from sectoral specificities and those ones which are universally set, and with focus on exact quantification of effective, firm-level costs and efforts spent for compliance with all the regulations necessary to start business operations (cf. SCM-based methodology)⁵. The required methodology should also be compatible at international level.

⁵ For more details, see SCM Network, 2005.

Table 2 Relevant international and national databases

Database	Type of data	Coverage	Timeframe	Source of data	Main entry-relevant indicators	Sampling method	Notes
WB Doing Business	Country-level Yearly data	189 countries Universal	2004 onwards (also for HU)	Self-questionnaire abt. a model company and observation of regulations and laws Peers, local experts (e.g. commercial lawyers, accountants, legal advisors)	Time, cost and number of procedures – in areas: <ul style="list-style-type: none"> • Starting business • Dealing with construction permits • Getting electricity • Registering property 	4-10 contributors per topic Selection: experts can apply themselves and World Bank Group staff nominates contributors based on country visits	Allows for cross-country comparison and comparison over time.
WB-EBRD Enterprise Survey	Firm-level Three-yearly data	135 countries Sectors: <ul style="list-style-type: none"> • manufacturing, • construction, • services, • transport, • storage • communication, • computer and related activities 	2002 onwards (2003, 2006, 2009, 2012 - in case of HU)	Standard questionnaire – face-to-face interviews Business owners and top managers	Time spent waiting to get electricity, water, telephone connection and to obtain compulsory certificates and permits Working days and cost needed to obtain certificates and permits Number of certificates and permits obtained Perception about the size of obstacle certificate procedures pose to the firm	Representative stratified random sample of private sector (size, region, sector)	Allows for cross-country comparison and comparison over time.
OECD PMR	Country-level Five-yearly	56 countries No sectoral data	1998 onwards (also for HU)	Self-questionnaire	Indicators about the extent to which the following factors hamper or	-	Allows for cross-country comparison and

Database	Type of data	Coverage	Timeframe	Source of data	Main entry-relevant indicators	Sampling method	Notes
	data			National governments	<p>promote competition:</p> <ul style="list-style-type: none"> • Licensing and permits system • Administrative burdens on start-ups • Legal barriers to entry 		comparison over time.
EC Licensing Survey 2011	Country-level	<p>33 countries (EU 28 and Iceland, Norway, Turkey, Serbia, Montenegro)</p> <p>Sectors:</p> <ul style="list-style-type: none"> • Hotel, • IT devices, • Steel Products, • Plumbing Company, • Wholesale/Retail Food Distribution 	2011 (data collection: Nov 2009 – Oct 2010)	<p>Standard questionnaire abt. five model companies – Telephone and face-to-face interviews</p> <p>Peers, experts (SMEs, SME representatives, government actors, chambers of commerce, professional associations)</p>	<p>Time, cost, person days needed to obtain all licenses in order to operationally start a business.</p>	<p>4-10 contributors per topic</p> <p>Selected business organisations and representatives (not representative)</p>	Allows for cross-country comparison and sectorial differentiation.
MABS⁶	Firm-level	Russia Universal	2002-2006 (6 rounds)	<p>Standard questionnaire - Face-to-face interviews</p> <p>Top managers of firms</p>	<p>Time, cost needed to obtain licenses and certificates and to go through registration.</p> <p>The circumstances of registration and start-up</p>	Representative stratified random sample (regional, start-ups)	Focus is on new entrants

⁶ The database is available here: <http://www.cefir.ru/monitoring/> downloaded on April 10, 2014

Database	Type of data	Coverage	Timeframe	Source of data	Main entry-relevant indicators	Sampling method	Notes
UNIDO	Country-industry-level (3- and 4-digit levels of ISIC) Yearly	135 countries Manufacturing sectors	1990-2010 (1992-2009 in case of Hungary ⁷)	Country questionnaires (supplemented with data published in national statistical publications) National statistical authorities	processes (e.g. is there one-stop-shop, need to hire intermediary/consultant?) Number of establishments, Number of employees, Wages and salaries, Output, Value added, Gross fixed capital formation, Number of female employees	-	Data is compiled in collaboration with OECD in case of OECD countries
GEM Adult Population Surveys (APS)	Individual-level Yearly	100 countries Universal	1999 onwards (2001 onwards in case of Hungary)	Standard questionnaire Adult population	Entrepreneurial activity and attitudes of adults, e.g. Nascent Entrepreneurship Rate	Representative sample of min. 2000 adults	Focus on newer and smaller firms
AMADEUS	Firm-level	43 European countries	Stock data updated weekly with 10 years archive	Standardised form of mandated company reports	Year of incorporation, Number of employees, Financial data	-	
National Deloitte	Firm-level	Hungary Universal	2009	Survey – SCM methodology Registered companies	No assessment of entry-related information obligations 19 priority areas related to running business	Stratified random sample (2400 enterprises – not representative)	

⁷ Data on wages and salaries is available since 1994 and data on establishments is available since 1998.

Database	Type of data	Coverage	Timeframe	Source of data	Main entry-relevant indicators	Sampling method	Notes
GKI	Firm-level	Hungary Universal	2013	Online questionnaire and phone interviews Firm representatives	Indicators of perceptions on entry-related burdens 5-scale indicators on increase/ decrease of administrative burden since 2010	Representative stratified random sample (size) (978 enterprise)	No assessment for entry-related administrative burden
K&K - Közjó és Kapitalizmus	Firm-level	Hungary Construction, Agriculture, Food industry, Bank sector	2009 (data collection: for interviews: Oct 2008 – Dec 2008; for online questionnaires: Jan 2009)	Face-to-face interviews and online entrepreneurial questionnaires Entrepreneurs	No entry-relevant indicators	Non-representative sample (62 respondents) for interviews 4 subsamples for online questionnaires with different sectorial or regional focus: 1. Construction sector (170) 2. Agriculture (198) 3. Tolna county (267) 4. Hajdú-Bihar county (65)	
Szerb et al	Individual-level Yearly	100 countries Universal	1999 onwards (2001 onwards in case of Hungary)	Standard questionnaire Adult population	Entrepreneurial activity and attitudes of adults, e.g. Nascent Entrepreneurship Rate	Representative sample of min. 2000 adults	The Authors use the GEM database

4 CONCLUSIONS AND PROPOSAL FOR THE HUNGARIAN ASSESSMENT

We conclude our paper with outlining a research proposal, which aims at an assessment of the administrative burdens in Hungary related to market entry.

Suggested research framework

The key elements of our approach are: sampling new entrants in a representative way, running a firm-level survey, and using the SCM methodology to be able to separate information obligations resulting in administrative burdens. We think that only such a measurement could provide the necessary and sufficient data and information for an efficient and effective policy reform with specific sectorial and SME-targets. We propose the following research steps:

1. mapping administrative obligations, differentiating sector-specific and universal obligations, first focus on universal ones, second on some sector-specific ones (sampling of sectors based on int. empirical evidence on relatively high-burden sectors: Alesina et al 2005, Klapper et al 2006, Ciccone and Papaioannou 2008),
2. surveying firms.

Suggested source for sampling and method: fresh start ups (registered not later than 1 January 2012 and still in operation), official company register database, stratified random sample of private firms (representative both in sectors and firm size).

Preliminary hypotheses

Economic context / relevance of regulatory theories

- Volume and extent of regulatory rules and obligations levied on potential entrants are higher in economies with a significant share of grey markets / illegal market activities.
- Countries with high share of illegal economic activities impose more rules and obligations to market entrants.
- Economies with overregulated markets experience slower growth.

Entrepreneurial characteristics: motivations / individual features

- Labour market mismatches shall increase the number of remedial entrepreneurs in those regions / small regions where unemployment is high.
- Easier entry regulation induces entrants of small size more than entrants of large size – in industries where entry-specific investment costs are not high.

- Entry-specific investment costs are typically high in the following sectors: agriculture, retail, construction.
- In industries where a disproportional share of entrepreneurs are woman entry regulation matter more than in industries with less penetration of woman entrepreneurs.
- Tight regulation and complicated regulatory rules affect individuals in disadvantaged situation (usually ethnic minorities, immigrants or woman of large families) more than persons who know other entrepreneurs (social network or peer effect) and/or who have a track record in business.
- More complicated and tight entry rules bring about entrants of smaller size (size-effect, information-effect).

Market characteristics / structure

- Administrative burdens related to entry are less significant in industries with 'naturally high entry', i.e. marginal effect of entry administrative burdens is less important in industries with relatively high fix entry costs (either technological or know-how).
- Formal rules and obligations imposed on local entrants are higher in industries and services where local monopolies might be created and where experience or credence goods are provided (e.g. retails, local rentals, professional services).
- Costlier entry regulation induces firms to expand already existing branches and activities rather than to establish new firms.

Results and lessons from the preparatory and testing phase

Based on the literature review and our mapping exercise, we elaborated a preliminary questionnaire and tested it in firm-level, phone interviews. and 2) focus on the act of starting a new business. The survey that was closest to our approach is the MABS survey (Monitoring of Administrative Barriers to Small businesses) conducted six times in Russia between 2002 and 2006 (Yakovlev & Zhuravskaya, 2007). The questionnaire with which we started can be found in the Appendix 6.2.

We interviewed some enterprises to test the questionnaire that we prepared for the measurement of administrative burdens related to entry. Our purpose was to learn about the 1) procedural issues related to the questionnaire, i. e. what would be the best way of conducting the interview (e.g. telephone or face-to-face, order of questions, efficient time management...); and to find out what is 2) the content that we have to address in the questions and

the bundling of questions.

In any case, we did not have the possibility to conduct a representative survey. However, we established some selection criteria based on the hypotheses that we found in the related literature (see Chapter 2) to target the most relevant groups of entrepreneurs.

First, it is often emphasized in academic papers and in the policy documents (see EC documents), that small enterprises are disproportionately hit by high administrative burdens. Second, in industries where 'natural entry barriers' are substantial there is lower marginal effect of administrative burdens, suggesting that entry deregulation is most effective when targeted at industries with small entry fix cost (Fisman & Sarria-Allende, 2004; L. Klapper et al., 2006). We decided to choose enterprises from the two extremes along the *size* and *natural entry barriers* dimensions (see **Hiba! A hivatkozási forrás nem található.**):

- Small enterprise from a sector where natural entry barriers are low: Retail, Services
- Medium-sized enterprises from a sector where natural entry barriers are high: Manufacturing.

Table 3 Selected prototypes of enterprises

	Micro	Medium
Low natural entry barrier	Retail; Services	-
High natural entry barrier	-	Manufacturing

To select the actual respondents we used the database of the Hungarian Firm Registration Office. The SME definition of the European Union⁸ served as point of reference for size criteria. According to the definition, micro enterprises have less than 10 employees and at most EUR 2 million yearly turnover, while medium-sized enterprises have 51-250 employees and yearly turnover between EUR 10-50 million. We contacted 12 enterprises via telephone and 20 enterprises via email between 1 March and 11 April, 2014. The list of respondents can be found in **Hiba! A hivatkozási forrás nem található..**

Table 4. List of respondents

Size	Sector	Date
Micro	Retail (of tobacco)	April 10, 2014
Micro (self-employed)	Services (sport classes)	March 28, 2014
Medium	Manufacturing (IT)	March 31, 2014

⁸ Source: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm, downloaded on April 13, 2014.

Here, we present the lessons we learned through the interviews. We grouped our recommendations into two categories:

- *Procedural lessons* refer to practical issues about the way the interviews should be conducted. We address issues about the channel of the interviews, sample selection, potential actors to be interviewed and the methodology of the survey.
- *Substantial lessons* focus more on the content of the questionnaires. We point to issues about how the different actions should be divided into measurable elements and the topics that should be covered by the survey.

4.1.1 *Procedural lessons*

- *Run personal, face-to-face interviews.* We conducted some telephone interviews and we found that it is very hard to create a trustful atmosphere for the respondent through telephone conversation. Also, it was hard to explain the order and logic of questions so that the respondent could follow it. It seems that only face-to-face interviews leads to the collection of sufficiently detailed information.
- *Interview firms right after they are done with registration by involvement the Firm Registry Office in the process of data collection.* We chose interview respondents from the pool of firms that were registered in 2013 or later and we often faced the problem that the interviewees did not remember the administrative procedures that they had to go through. Even if they could remember the number and type of specific licenses or certificates that they needed to obtain they were not able to assign the hours and cost they spent to collect them. Thus, it is very important to ask them as early as possible after the registration process. The cooperation of the Firm Registry Office in referring new entrants to the survey team would be very valuable in assuring that respondents have recent memories about the topics asked. Another issue that could be addressed by cooperation with the Firm Registry Office is that the contact data of freshly started firms is much harder to obtain than that of older firms.
- *Also consider using participatory approach instead of ex post interviews.* This issue is very much related to our previous bullet point offering another type of solution to the problem of fading memories about the start-up processes as time goes by. We suggest considering an approach where a colleague of the survey team actually

participate in the start-up procedures thereby having hands-on experience about how these procedures occur within the enterprise. However, a significant concern with this approach is that it is hard to find enterprises before they are officially registered, so this approach might rather be used in case of the measurement of recurring administrative burden of existing companies.

- *Provide 'cost accounting' sheets for clients of entrepreneurship promoter agencies.* Another potential way of realizing the participatory approach could be to ask clients of entrepreneurship promoter agencies to follow their costs and time spent on starting their business by providing 'cost accounting sheets'. By this, we could exclude the bias caused by the timing of interviews being too far in time from the time when start-up administration actually occurred. Clients could get counselling services that would help them better track their costs.
- *Include lawyers and accountants in interviews.* It is a common practice of start-up firms to include accountants as consultants before opening a business and to hire lawyers to manage the start-up procedures. Therefore, business lawyers and accountants might be very useful source of information related to the administrative burdens of entry.
- *Provide respondents with incentives to give reasoned answer for survey questions.* We contacted around 25 freshly opened enterprises to ask them to participate in the survey. Of them, only four agreed to answer our questions. It is very important to think of some compensation for the respondents for spending their time with us. This issue seems to be a more considerable one in the case of start-up burden measurement when measuring recurring administrative cost, as older firms are better trained to delegate tasks like this to a capable member of the personnel. Also, smaller firms represent a higher proportion among start-up firms than in older firms. In smaller firms there is a higher chance that the absence of any one of the few members/ leaders of the firm leads to organizational problems.
- *Take the trade-off between the complexity of the survey and the time taken away from respondents into account.* It should be kept in mind that conducting such a survey has very substantial costs

4.1.2 Substantial lessons

- *Emphasize the distinction between licences and certificates.* Based on the interviews it turned out that some respondents could not really differentiate between licenses and certificates, although there is difference in terms of their consequences for the

size of administrative burden. The interviewer should provide a short explanation and examples about this difference.

- *Distinguish individual steps of processes needed to comply with specific information obligations.* The different phases of e.g. obtaining a license should be distinguished. For example, there should be a measure of resources needed to get accustomed with the specific requirements needed to get a license and have a different measure for the resources needed to actually produce the documents that should be submitted to get the license. A third measure could be the time spent waiting for reply from the relevant authority.
- *Ask about specific details instead of average values.* Questions like “What was the average time you spent on creating the necessary documents for a license?” are misleading due to different reasons. First, respondents had already a hard time remembering the different licenses needed so it is hard to think of an average value of the efforts taken to obtain different licenses. Second, there might be a large variation in the efforts needed to obtain different papers. The fact that the waiting time or person hours spent on an issue are very variable is indicative in itself, so we should account for it, not merging it into the one average number.
- *Use wage brackets of different employees working on various procedures to sum up administrative burden.* When asking about the resource needed to deal with specific procedures the position and wage category of the employee working on the subject should be noted. The data about wages then can be used to multiply person hours to get the summarized cost of complying with the regulation.

For more details on the evolution of the questionnaire, see the original and the revised version of the questionnaire in Appendix 6.2.

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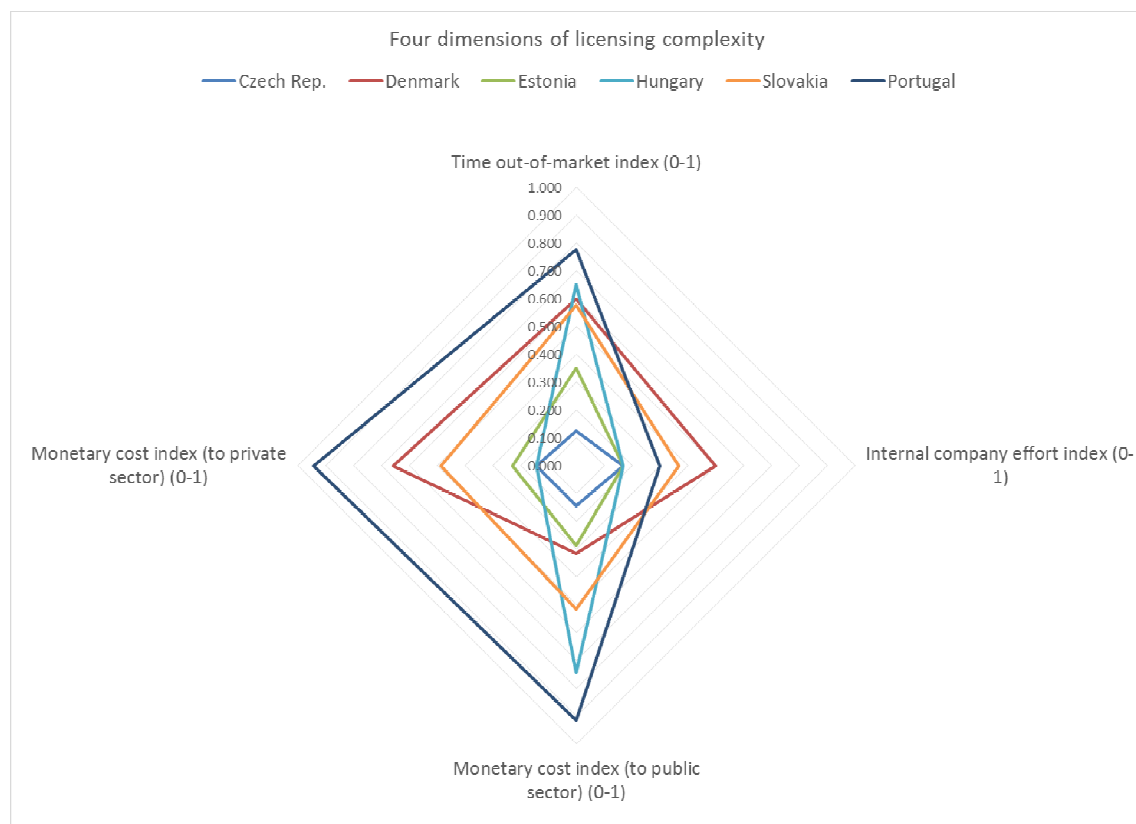
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6 APPENDICES

6.1 Starting a business in Hungary – facts and figures

Figure 1. Four dimensions of licensing complexity.



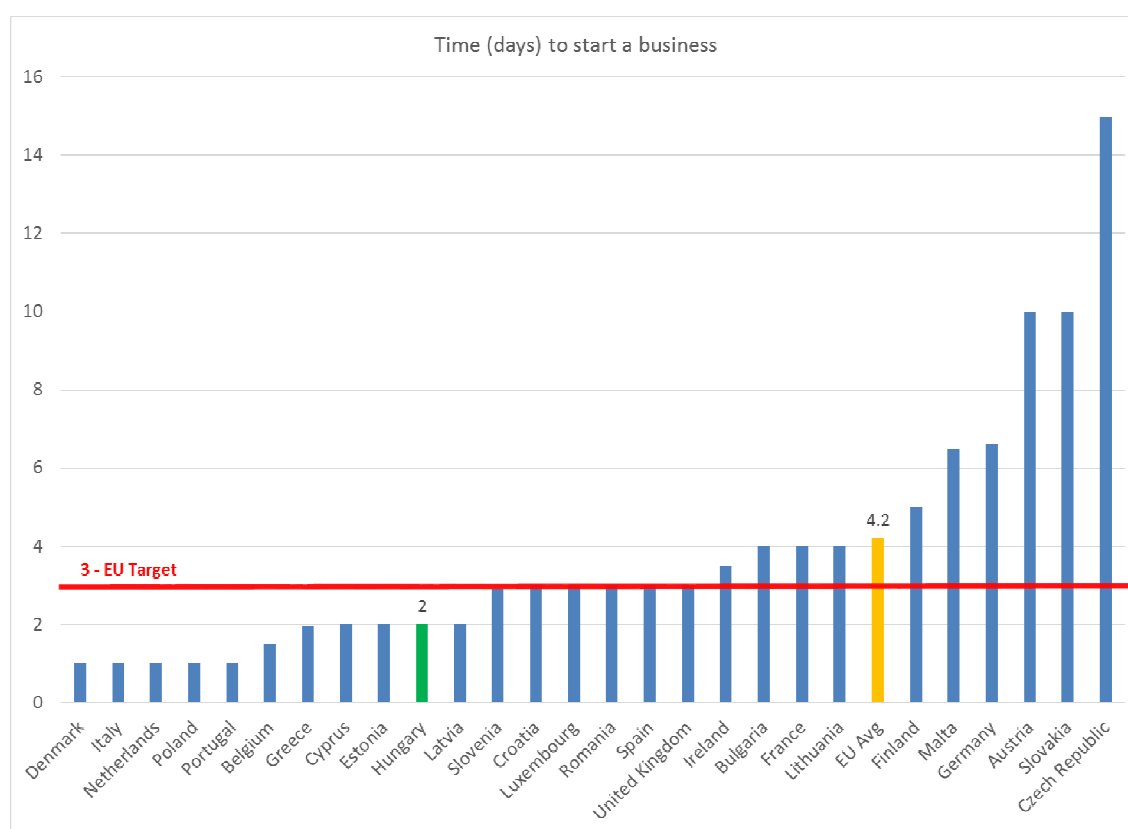
The indicators come from a survey of entrepreneurs, legal experts, SME representatives and other experts conducted by the European Commission (2011). The methodology use 5 model companies in each of which questions about the waiting time,

person days and monetary cost of starting a business are asked. On the graph, the aggregated values of the 5 model companies are showed.

The monetary costs are divided to two categories depending on whether the cost goes to the public (e.g. fees, taxes) or to the private sector (e.g. lawyer, accountant). Internal company effort is measured by the person days spent on actively working on the issue of obtaining a license. The time out-of-market index captures the waiting time until the relevant authorities respond.

Source: Own calculations based on the licensing complexity indicators of (European Commission, 2011)

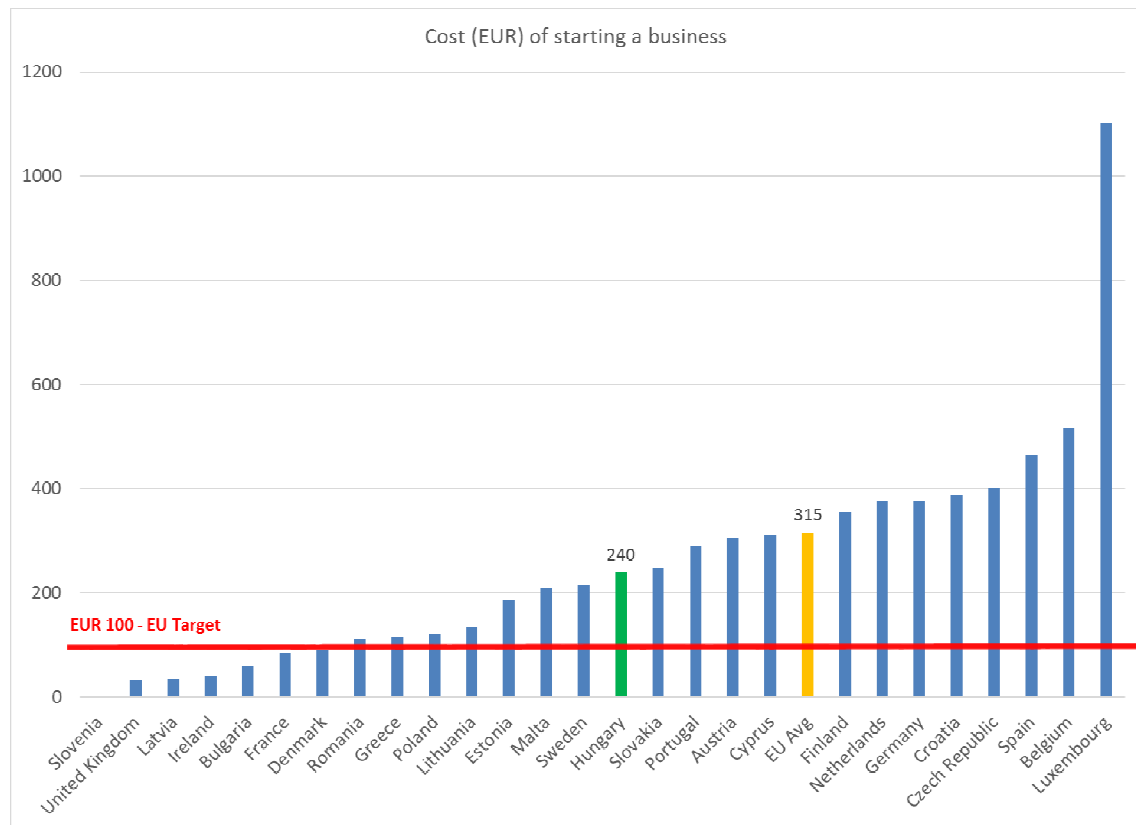
Figure 2. Time (days) to start a business in the countries of the European Union. (2013)



The data on the figure comes from the Progress Report (2012) about the reduction of administrative burdens related to start-up procedures published yearly on the website of the European Commission's DG Enterprise and Industry. It is important to note here, that this data comes from the reports conducted by the member states' governments. Also, starting a business here does not capture of starting a business from the beginning until the business becomes operational, only the stage of firm registration is taken into account.

Source: European Commission's DG Enterprise and Industry website: http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/index_en.htm , downloaded on April 13, 2014

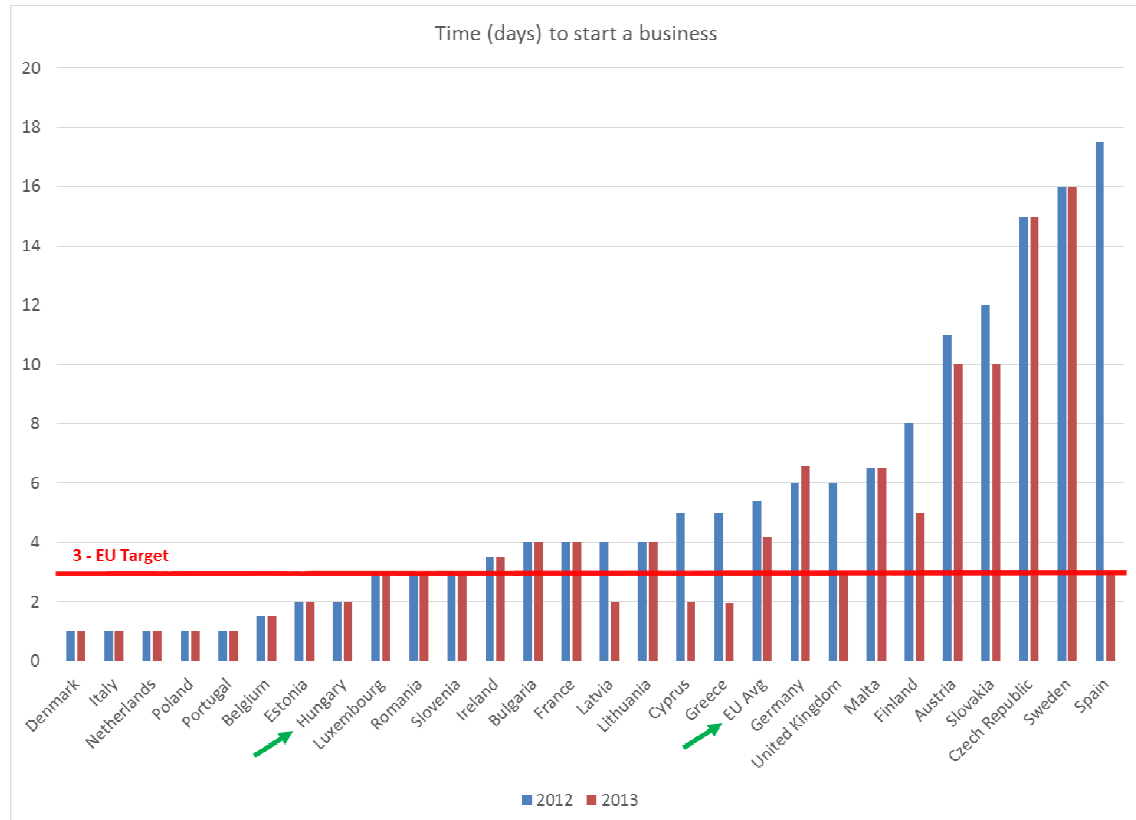
Figure 3. Cost of starting a business in the countries of the European Union (2013)



The data on the figure comes from the Progress Report (2012) about the reduction of administrative burdens related to start-up procedures published yearly on the website of the European Commission's DG Enterprise and Industry. It is important to note here, that this data comes from the reports conducted by the member states' governments. Also, starting a business here does not capture of starting a business from the beginning until the business becomes operational, only the stage of firm registration is taken into account.

Source: European Commission's DG Enterprise and Industry website: http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/index_en.htm , downloaded on April 13, 2014

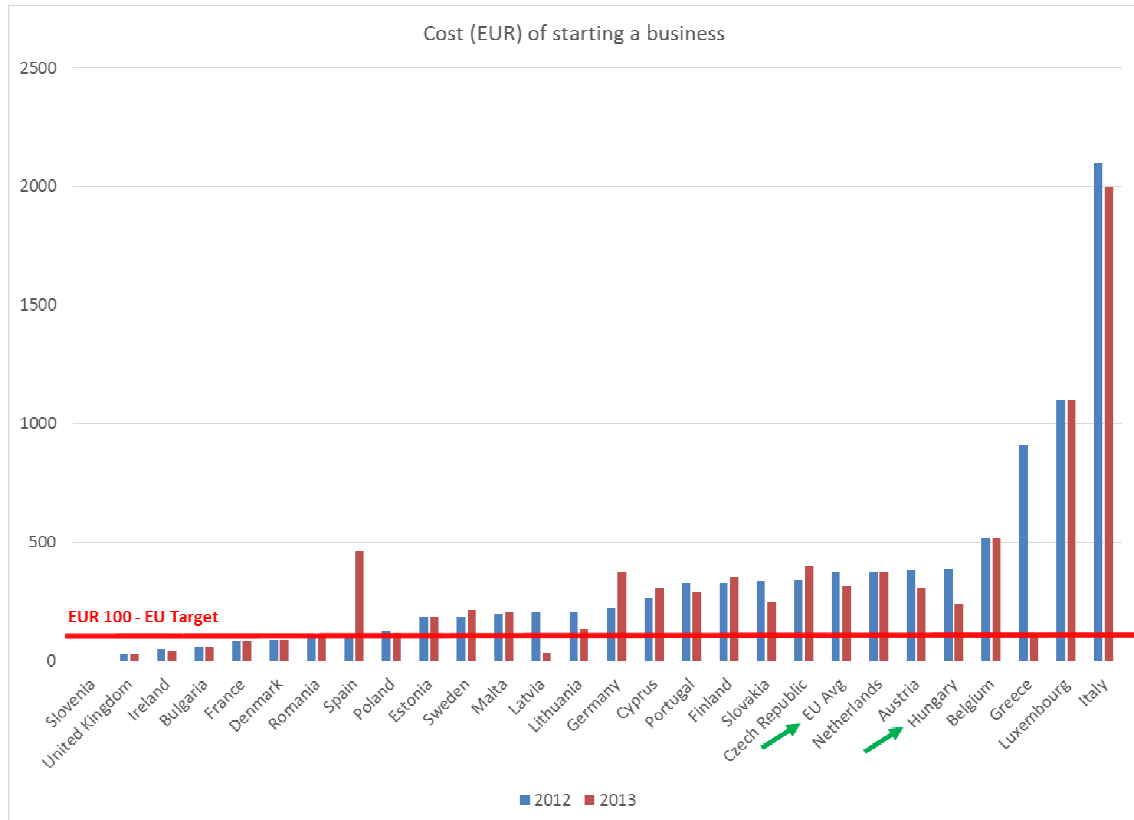
Figure 4. Time (days) to start a business in the countries of the European Union. (2012 vs. 2013)



The data on the figure comes from the Progress Report (2012) about the reduction of administrative burdens related to start-up procedures published yearly on the website of the European Commission's DG Enterprise and Industry. It is important to note here, that this data comes from the reports conducted by the member states' governments. Also, starting a business here does not capture of starting a business from the beginning until the business becomes operational, only the stage of firm registration is taken into account.

Source: European Commission's DG Enterprise and Industry website: http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/index_en.htm, downloaded on April 13, 2014

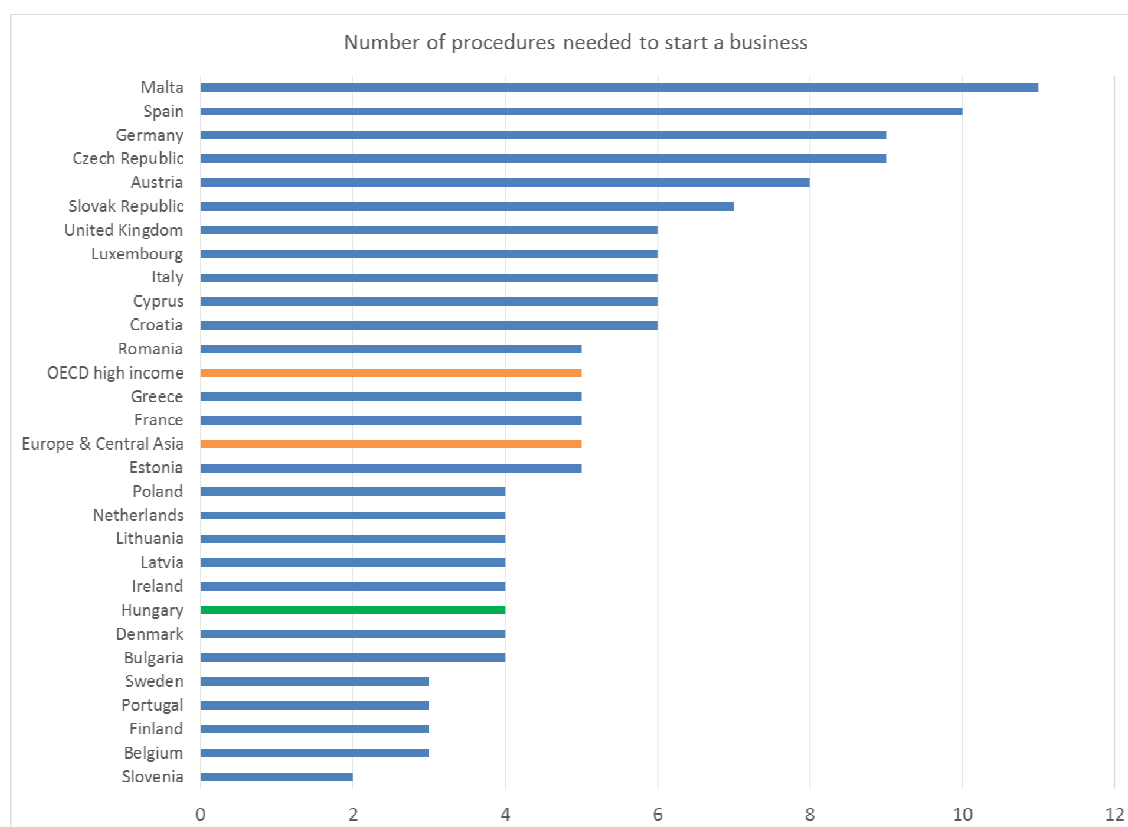
Figure 5. Cost of starting a business in the countries of the European Union (2012 vs. 2013)



The data on the figure comes from the Progress Report (2012) about the reduction of administrative burdens related to start-up procedures published yearly on the website of the European Commission's DG Enterprise and Industry. It is important to note here, that this data comes from the reports conducted by the member states' governments. Also, starting a business here does not capture of starting a business from the beginning until the business becomes operational, only the stage of firm registration is taken into account.

Source: European Commission's DG Enterprise and Industry website:
http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/index_en.htm , downloaded on April 13, 2014

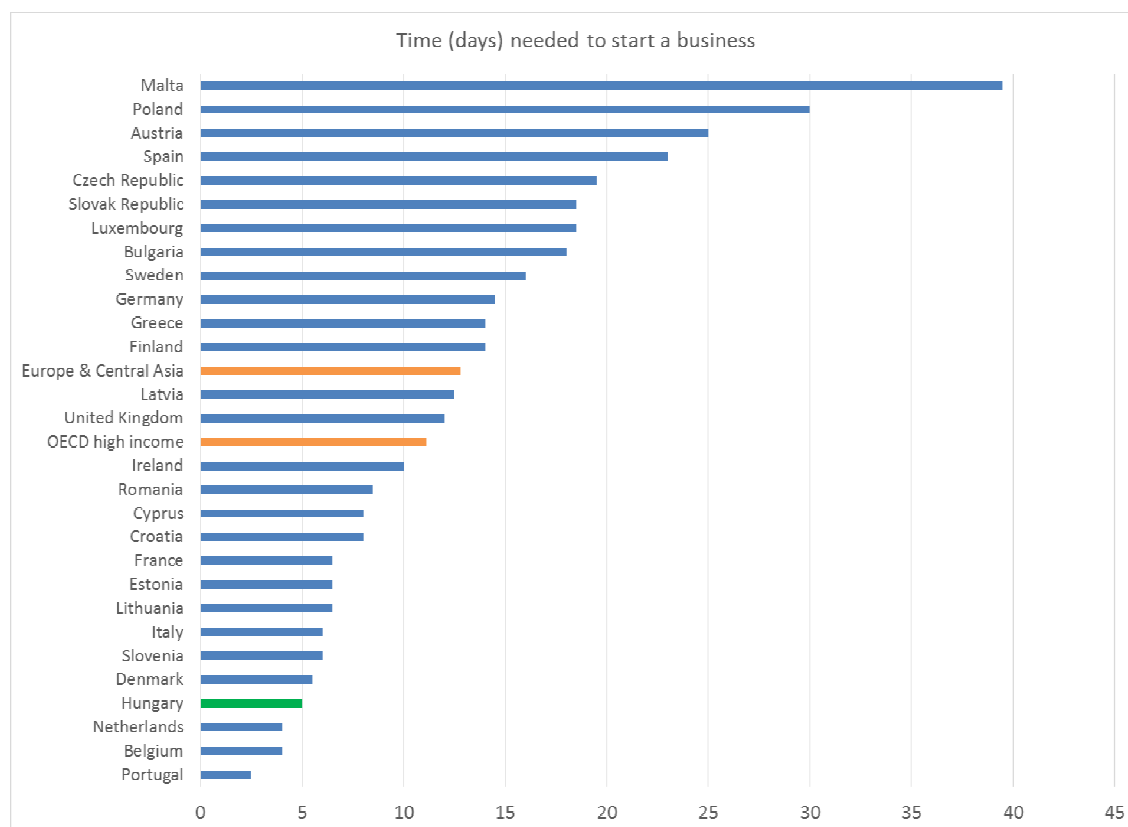
Figure 6. Number of procedures needed to start a business in European countries



The source of Doing Business indicators is the responses of different experts for the questions of a standard questionnaire that ensures comparability across countries. The standard questionnaire asks about the administrative start-up costs of a hypothetical company with given parameters. The survey is therefore not applicable to distinguish between the start-up burdens of enterprises of different size and sector.

Source: Doing Business 2013, The World Bank (<http://www.doingbusiness.org>)

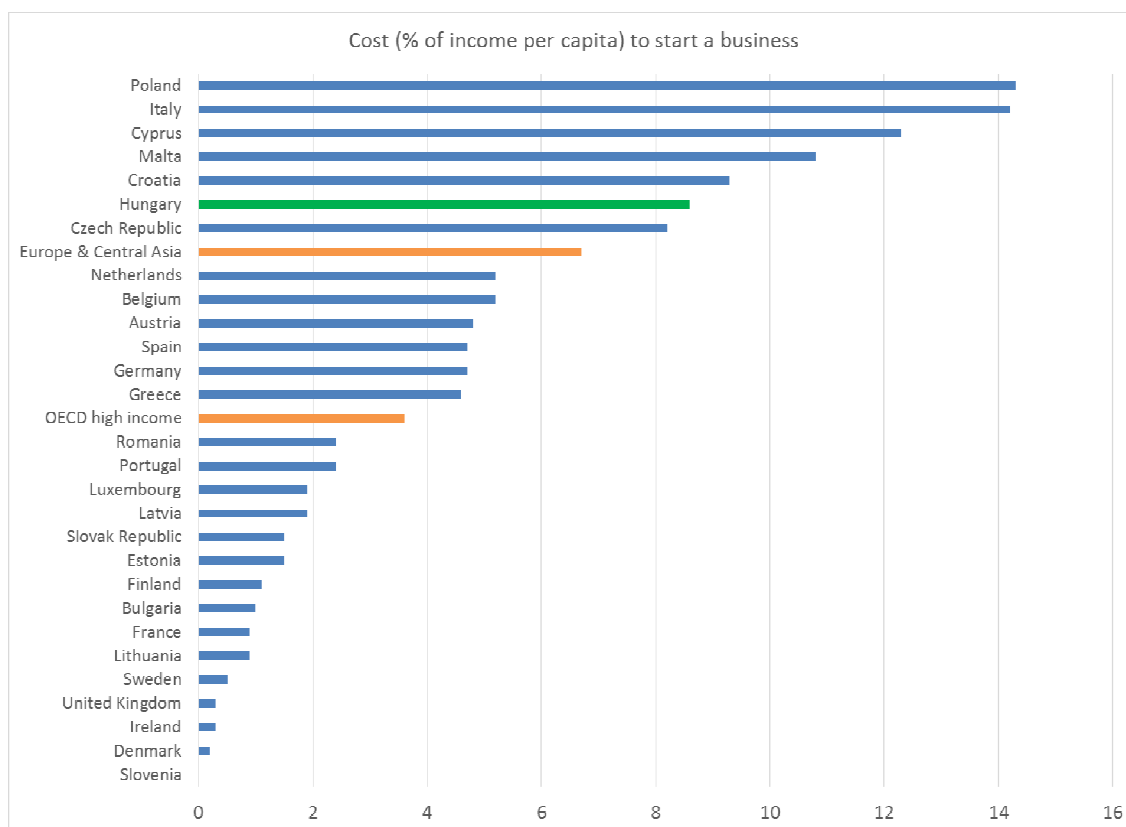
Figure 7. Number of days to start a business in European countries



The source of Doing Business indicators is the responses of different experts for the questions of a standard questionnaire that ensures comparability across countries. The standard questionnaire asks about the administrative start-up costs of a hypothetical company with given parameters. The survey is therefore not applicable to distinguish between the start-up burdens of enterprises of different size and sector.

Source: Doing Business 2013, The World Bank (<http://www.doingbusiness.org>)

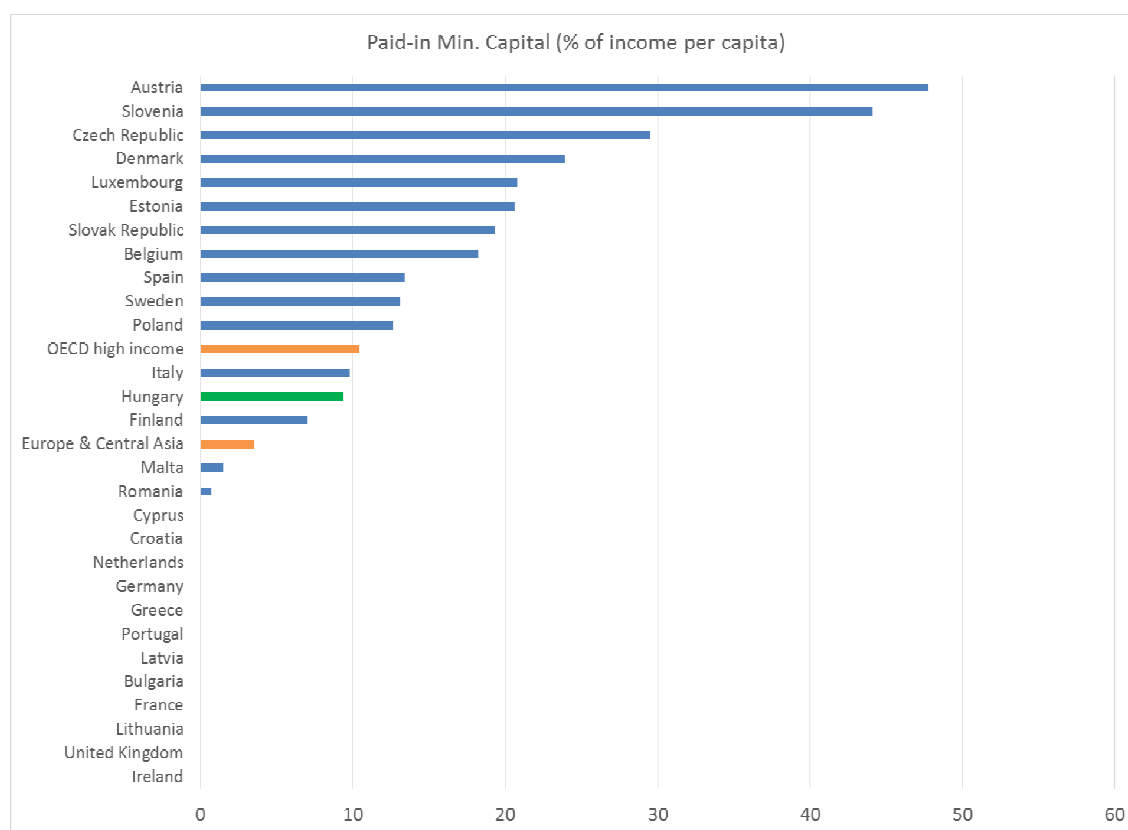
Figure 8. Cost of starting a business in European countries (as % of income per capita)



The source of Doing Business indicators is the responses of different experts for the questions of a standard questionnaire that ensures comparability across countries. The standard questionnaire asks about the administrative start-up costs of a hypothetical company with given parameters. The survey is therefore not applicable to distinguish between the start-up burdens of enterprises of different size and sector.

Source: Doing Business 2013, The World Bank (<http://www.doingbusiness.org>)

Figure 9. Paid-in minimum capital when starting a business in European countries (as % of income per capita)



The source of Doing Business indicators is the responses of different experts for the questions of a standard questionnaire that ensures comparability across countries. The standard questionnaire asks about the administrative start-up costs of a hypothetical company with given parameters. The survey is therefore not applicable to distinguish between the start-up burdens of enterprises of different size and sector.

Source: Doing Business 2013, The World Bank (<http://www.doingbusiness.org>)

6.2 Proposed survey questionnaire

For the final proposal - see questionnaire in separate [file](#).

For the first version – see below.

VÁLLALATI KÉRDŐÍV A BELÉPÉSI ADMINISZTRATÍV TERHEK MÉRÉSÉRE

A kérdőív a Gazdasági Versenyhivatal Versenykultúra Központja által kiírt VKK/2013. számú pályázat AL/690/2013 iktatási számon nyilvántartott pályázata keretében megvalósult projekt során készült, mely a vállalkozásokat érintő belépéshez kötődő adminisztratív terhek vállalati szintű reprezentatív felmérés útján megvalósuló mérésére irányul.

Cégbevezető

	Cég neve	
	Alapítás éve	
	Székhely (régió/ település típus)	
	TEÁOR szerinti fő tevékenység	
	Jogi forma	
	Foglalkoztatottak száma	
	<i>induláskor</i>	
	<i>elmúlt üzleti évben</i>	
	<i>elmúlt két üzleti évben</i>	
	Árbevétel	
	<i>elmúlt üzleti évben</i>	
	<i>elmúlt két üzleti évben</i>	
	Fő eladási piac (hazai helyi / regionális / országos / exportpiac)	
	Tulajdonosok száma	
	Nők részaránya	
	<i>a tulajdonosok között</i>	
	<i>a vezetőségben</i>	
	<i>a beosztottak között</i>	
	Egyéb	

Engedélyek / Licensing

	Hány engedélyt kellett beszereznie ... <i>Minden egyes kérelmet külön számoljon el, attól függetlenül, hogy ugyanattól a hatóságtól vagy hivataltól kérte!</i>
	a cégalapításhoz?
	az elmúlt egy üzleti évében?

	Mennyi munkaórájába került az egyes engedélyek beszerzéséről való <u>tájékoztató</u> ? <i>3.1 válaszokban említett engedélyek szerint külön becsülve</i>	
	Melyik munkatárs végezte az egyes engedélyek beszerzéséről való <u>tájékoztató</u> ?	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	
	Mennyi munkaórájába került az egyes engedélyek igényléséről és beszerzéséről való <u>tájékoztató</u> ? <i>Előbbi válaszok szerint tagolva</i>	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	

	Mennyi munkaórájába került az egyes engedélyek beszerzéséhez szükséges dokumentumok előállítására? <i>3.1 válaszokban említett engedélyek szerint külön becsülve</i>	
	Melyik munkatárs végezte az egyes engedélyek beszerzéséhez szükséges dokumentumok előállítását?	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	
	Mennyi munkaórájába került az egyes engedélyek beszerzéséhez szükséges dokumentumok előállítására? <i>Előbbi válaszok szerint tagolva</i>	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	

	Milyen gyakorisággal kell megismételnie / frissítenie a meglévő engedélyeit? <i>3.1 válaszokban említett engedélyek szerint külön becsülve</i>	
	Egy éven belül – egyszer	
	Egy éven belül – többször, pontosan ...	
	... évenként	

	<p>Átlagosan mennyi <u>várakozási időbe</u> került a szükséges engedélyek beszerzése?</p> <p><i>Átlagos becsült munkanap engedélykérelem benyújtása és a jóváhagyásról/ elutasításról szóló hivatalos értesítő kézhezvétele között, az elmúlt két üzleti évben (Munkanap)</i></p>	
	<p>Mennyi volt a legrövidebb és leghosszabb <u>várakozási idő</u> egyes engedély beszerzésére?</p> <p><i>Az említett engedélyek közül válassza ki azt, amelyikre a legrövidebb / leghosszabb ideig kellett várnia.</i></p> <p><i>Átlagos becsült munkanap engedélykérelem benyújtása és a jóváhagyásról/ elutasításról szóló hivatalos értesítő kézhezvétele között, az elmúlt két üzleti évben</i></p>	
	Minimum várakozási idő (munkanap)	
	Maximum várakozási idő (munkanap)	

	<p>Átlagosan mekkora költsége (Ft) volt az egyes engedélyek beszerzésének?</p> <p><i>Megkülönböztetve a közvetlen és közvetett költségeket</i></p>	
	Ügyintézéshez kapcsolódó közvetlen költségek (illeték, díj, stb.):	
	Ügyintézéshez kapcsolódó közvetett költségek (tanácsadó, külső szakértő, stb.):	
	<p>Mekkora költsége (Ft) volt az egyes engedélyek frissítésének, fenntartásának – az utóbbi max. két üzleti évben?</p> <p><i>3.1 válaszokban említett engedélyek szerint külön becsülve.</i></p>	
	<p>Hány állami hatósággal/ hivatallal volt érintkezésben az engedélyekkel kapcsolatban?</p> <p><i>Sorolja fel ezeket!</i></p>	

Igazolások

	<p>Hány igazolást kellett beszereznie ...</p> <p><i>Minden egyes kérelmet külön számoljon el, attól függetlenül, hogy ugyanattól a hatóságtól vagy hivataltól kérte!</i></p>	
	a cégalapításhoz?	
	az elmúlt egy üzleti évében?	
	Sorolja fel ezeket az engedélyeket!	
	Cégalapításhoz szükséges engedélyek	
	Elmúlt egy üzleti évben szerzett engedélyek	

	Mennyi munkaórájába került az egyes igazolások beszerzéséről való tájékozódás? <i>4.1 válaszokban említett igazolások szerint - külön becsülve</i>	
	Melyik munkatárs végezte az egyes igazolások beszerzéséről való <u>tájékozódást</u> ?	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	
	Mennyi munkaórájába került az egyes igazolások igényléséről és beszerzéséről való <u>tájékozódás</u> ? <i>Előbbi válaszok szerint tagolva</i>	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	

	Mennyi munkaórájába került az egyes igazolások <u>beszerzéséhez szükséges dokumentumok előállítás</u> a? <i>4.1 válaszokban említett engedélyek szerint - külön becsülve</i>	
	Melyik munkatárs végezte az egyes igazolások <u>beszerzéséhez szükséges dokumentumok előállítását</u> ?	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	
	Mennyi munkaórájába került az egyes igazolások <u>beszerzéséhez szükséges dokumentumok előállítás</u> a? <i>Előbbi válaszok szerint tagolva</i>	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	

	Milyen gyakorisággal kell megismételnie / frissítenie a meglévő igazolásait? <i>4.1 válaszokban említett igazolások szerint - külön becsülve</i>	
	Egy éven belül – egyszer	
	Egy éven belül – többször, pontosan ...	
	... évenként	

	<p>Átlagosan mennyi <u>várakozási időbe</u> került a szükséges igazolások beszerzése?</p> <p><i>Átlagos becsült munkanap engedélykérelem benyújtása és a jóváhagyásról/ elutasításról szóló hivatalos értesítő kézhezvétele között, az elmúlt két üzleti évben (Munkanap)</i></p>	
	<p>Mennyi volt a legrövidebb és leghosszabb <u>várakozási idő</u> egyes igazolások beszerzésére?</p> <p><i>Az említett igazolások közül válassza ki azt, amelyikre a legrövidebb / leghosszabb ideig kellett várnia.</i></p> <p><i>Átlagos becsült munkanap engedélykérelem benyújtása és a jóváhagyásról/ elutasításról szóló hivatalos értesítő kézhezvétele között, az elmúlt két üzleti évben</i></p>	
	Minimum várakozási idő (munkanap)	
	Maximum várakozási idő (munkanap)	

	<p>Átlagosan mekkora költsége (Ft) volt az egyes igazolások beszerzésének?</p> <p><i>Megkülönböztetve a közvetlen és közvetett költségeket</i></p>	
	Ügyintézéshez kapcsolódó közvetlen költségek (illeték, díj, stb.):	
	Ügyintézéshez kapcsolódó közvetett költségek (tanácsadó, külső szakértő, stb.):	
	<p>Mekkora költsége (Ft) volt az egyes igazolások frissítésének, fenntartásának – az utóbbi max. két üzleti évben?</p> <p><i>4.1 válaszokban említett igazolások szerint külön becsülve.</i></p>	
	<p>Hány állami hatósággal/ hivatallal volt érintkezésben az igazolások beszerzése során?</p> <p><i>Sorolja fel ezeket!</i></p>	
	A kérelmek során hány esetben kérelmezte az adott igazolást önkéntesen, azaz nem előírásból fakadóan?	

Székhely, telephely ügyintézés - Földhivatal / Önkormányzat

	<p>Milyen hatóságokkal kellett kapcsolatba lépnie a székhely / telephely ügyintézése során?</p> <p><i>Sorolja fel ezeket!</i></p>	
	<p>Hányszor lépett kapcsolatba a ... hatósággal?</p> <p><i>A 6.1 kérdés alatt felsorolt hatóságokra külön becsülve.</i></p> <p><i>Minden egyes kapcsolatfelvételt külön számoljon el!</i></p>	
	a cégalapítás során?	
	az elmúlt egy üzleti évében?	
	az elmúlt két üzleti évben?	

	Melyik munkatárs volt kapcsolatban a hivatallal / hatósággal? <i>A 6.1 kérdés alatt felsorolt hatóságokra külön becsülve.</i>	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	
	Mennyi munkaórájába került a kapcsolatfelvétel? <i>A 6.1 kérdés alatt felsorolt hatóságokra külön becsülve.</i>	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	
	Mennyi volt a legrövidebb és leghosszabb <u>várakozási idő</u> ? <i>A felsoroltak közül válassza ki a legrövidebb és a leghosszabb várakozási időt!</i> <i>Átlagos becsült munkanap a kapcsolatfelvétel és annak lezárása (pl hivatalos értesítő kézhezvétele) között, cégalapításkor / elmúlt üzleti évben / elmúlt két üzleti évben</i>	
	Minimum várakozási munkanap	
	Maximum munkanap	
	Mekkora költsége (Ft) volt az ügyleteknek? <i>A 6.1 kérdés alatt felsorolt hatóságokra külön becsülve.</i> <i>Megkülönböztetve a közvetlen és közvetett költségeket.</i>	
	Ügyintézéshez kapcsolódó közvetlen költségek (illeték, díj, stb.):	
	Ügyintézéshez kapcsolódó közvetett költségek (tanácsadó, külső szakértő, stb.):	

Hatósági vizsgálat/ ellenőrzés

	Milyen állami szervvel /hatósággal volt kapcsolatban hivatalos vizsgálat vagy ellenőrzés okán? <i>Sorolja fel az egyes hatóságokat! Pl. NAV, Munkaügyi Felügyelet, Tűzoltóság, ÁNTSZ, Ágazati ellenőrző és/vagy engedélyező hatóságok, KSH, Rendőrség...</i>	
	Cégalapításkor	
	Elmúlt üzleti évben	
	Elmúlt két üzleti évben	

	Hányszor lépett kapcsolatba a ... hatósággal? <i>A 6.1 kérdés alatt felsorolt hatóságokra külön becsülve.</i> <i>Minden egyes kapcsolatfelvételt külön számoljon el!</i>	
	a cégalapítás során?	

	az elmúlt egy üzleti évében?	
	az elmúlt két üzleti évben?	
	Melyik munkatárs volt kapcsolatban a hivatallal / hatósággal? <i>A 6.1 kérdés alatt felsorolt hatóságokra külön becsülve.</i>	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	
	Mennyi munkaórájába került a kapcsolatfelvétel? <i>A 6.1 kérdés alatt felsorolt hatóságokra külön becsülve.</i>	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	
	Mennyi volt a legrövidebb és leghosszabb <u>várakozási idő</u> ? <i>A felsoroltak közül válassza ki a legrövidebb és a leghosszabb várakozási időt!</i> <i>Átlagos becsült munkanap a kapcsolatfelvétel és annak lezárása (pl hivatalos értesítő kézhezvétele) között, cégalapításkor / elmúlt üzleti évben / elmúlt két üzleti évben</i>	
	Minimum várakozási munkanap	
	Maximum munkanap	
	Mekkora költsége (Ft) volt az ügyleteknek? <i>A 6.1 kérdés alatt felsorolt hatóságokra külön becsülve.</i> <i>Megkülönböztetve a közvetlen és közvetett költségeket.</i>	
	Ügyintézéshez kapcsolódó közvetlen költségek (illeték, díj, stb.):	
	Ügyintézéshez kapcsolódó közvetett költségek (tanácsadó, külső szakértő, stb.):	

	Hány esetben vette fel a kapcsolatot önkéntesen, azaz nem hivatali megkeresés nyomán? <i>A 6.1 kérdés alatt felsorolt hatóságokra külön becsülve.</i> <i>Minden egyes kapcsolatfelvételt külön számoljon el!</i>	
	a cégalapítás során?	
	az elmúlt egy üzleti évében?	
	az elmúlt két üzleti évben?	

Ágazati szabályozás / üzleti környezet

	Tájékozódott-e a cégalapítást / piacra való belépést megelőzően...	
	a jogszabályi környezetről (igen/nem)?	

	az ágazati specifikus előírásokról?	
	a cégalapítás ügyintézésével kapcsolatos teendőkről?	
	Melyik munkatárs tette ezt? Igénybe vett-e külső megbízottat (pl. szakértő, tanácsadó)? <i>A 6.1 kérdés alatt felsorolt hatóságokra külön becsülve.</i>	
	Beosztott	
	Középvezető	
	Vezető pozíció	
	Külső megbízott (szakértő, könyvelő, tanácsadó, stb.)	
	Mennyi munkaórájába került a tájékozódás / információ gyűjtés? <i>7.2-ben megjelölt szereplők szerint tagolva.</i>	
	a jogszabályi környezetről (igen/nem)?	
	az ágazati specifikus előírásokról?	
	a cégalapítás ügyintézésével kapcsolatos teendőkről?	
	Milyen költséggel járt a külső megbízott igénybevétele (szakértő, könyvelő, tanácsadó, stb.)?	
	a cégalapítás során?	
	az elmúlt egy üzleti évében?	
	az elmúlt két üzleti évben?	