

Pivot Tables - Toolkit: the Constraints to the Business Development in the Former Socialist EU Countries from the Central and Eastern Europe between (2008-2016)

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When cooperation between countries is in harmony, trade and investment patterns are based on economic considerations. However, in times of geopolitical reconfiguration of ranking supremacy, economic events held on a stage that sums up all the world, with everything that means material resources, financial resources, polarized areas of intervention, causation so "equation", sometimes with many and unpredictable variables, may not be so easy to solve it. The measurements and econometric calculation are indisputable correct, analysis and the economic forecasts must be accompanied by correct investment strategies on international road map being important to not overlook tension that may weaken national strategy. Informational abundance is as dangerous, or more correctly ineffective, like is the shortage of information. I approached the topic " Pivot tables - toolkit: the constraints to the business development in the former EU socialist countries from the Central and Eastern Europe" in terms of the possibility of accessing easy, accurate and timely a lot of sources of information because, this aspect is desirable, that the result of research overcome the academic space and to become a useful and efficient tool both to researchers, the decision makers and for vectors of economic policy. How large were the constraints and limitations which occurred, which is architecture of their evolution curve for the horizon 2008, 2016, all of these are coagulated aspects in this paper and accessible with one click.

Keywords

Unjust economic policies, inadequate infrastructure business, ICG- global competitiveness index, tool support for innovative initiatives, macroeconomic and financial framework

JEL Code: O 52

Introduction

Fees that firms base their decisions, the degree of political stability, dynamic GDP, inflation, unemployment, consumer preferences, lifestyle, prices of technology and degree of innovation, labour market flexibility, training level, demography, public trust of politicians, government inefficiencies, wasted expenses, the efficiency of the legal framework in conflict resolution, security, cost of doing business, the effectiveness of boards, protection of shareholders' interests, improving the infrastructure of roads, railways and the port, the quality of transport infrastructure, access to electricity, phone lines (figure no. 1) may be at a certain time inhibitors or enhancers of the economy of a nation.

When cooperation between countries is in harmony, trade and investment patterns are based on economic considerations. However, in times of geopolitical reconfiguration of ranking supremacy, economic events held on a stage that sums up the entire world, with everything that means material resources, financial resources, polarized areas of intervention, causation so "equation", sometimes with many and unpredictable variables may not be so easy to solve it.

The measurements and econometric calculation are indisputable correct, but analysis and the economic forecasts must be accompanied by correct investment strategies and to not overlook tension that may weaken national strategy. The Caryatids which sustain economic temple of any nation, twelve in number, although they have the same name in all economies world, they are so different in profile, waist and foundation so that stability or dynamic of economic platform is configured so different.

P	Undue influence	Transparency of government policies	Ineffective government	Favouring the decisions by government officials	Political instability
E	Right of ownership	Tax rates	Tax regulations	Inadequate supply infrastructure	Access to finance
S	Restrictive labor laws	Inadequate education infrastructure	Inefficient national workforce infrastructure	Social instability	Labor migration
T	Road infrastructure	Railways infrastructure	Port and air transport infrastructure	Access to electricity, telephone lines, CT	Insufficient capacity for renewal of technology, innovation

Figure no.1: Matrix of Factors constraint in developing countries in the former socialist economies from The Central and Eastern Europe

Source: Zeca D.E.

A mix of pluses and minuses, after their quantification, places the state in a hierarchy Global, on an honourable position or not. This aspect is shown by the 12 indicators, namely: institutions, infrastructure, health, education, market efficiency, university education and the degree of training, labour market efficiency, technological evolution, financial market development, market size, business complexity and innovation (figure no. 2).

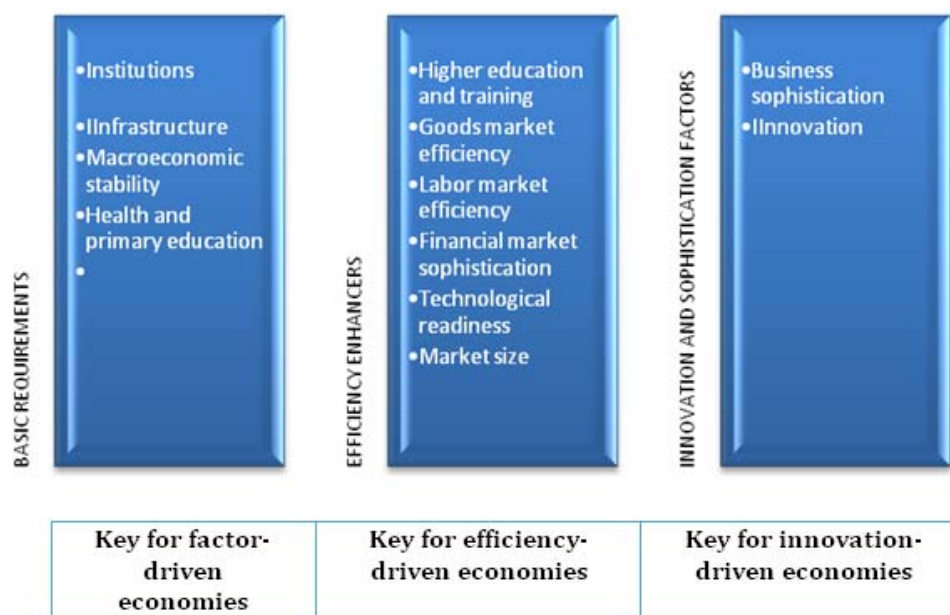


Figure no. 2: The pillars of economic competitiveness

Source: Zeca D. E.

How large were the constraints and limitations, which was mainly architecture of their evolution curve in interval 2008-2015, all of these are coagulated issues in this paper. Gross domestic product, as measurement

tool of standard of living, expressed as a percentage of world GDP in the former socialist countries of Central and Eastern Europe, calculated for the period [2007 - 2014] is explicitly rendered in (table no. 1) .

Table no. 1: Gross Domestic Product (GDP) as a percentage of world GDP in the former socialist countries of Central and Eastern Europe, calculated for the period [2007-2014]

	2007	2008	2009	2010	2011	2012	2013	2014
Bulgaria	0.13	0.14	0.13	0.12	0.13	0.13	0.12	0.12
Croatia	0.11	0.11	0.11	0.11	0.1	0.09	0.09	0.08
Czech Rep	0.38	0.38	0.37	0.35	0.36	0.35	0.33	0.29
Estonia	0.04	0.04	0.04	0.03	0.04	0.04	0.03	0.03
Hungary	0.3	0.29	0.27	0.25	0.25	0.24	0.23	0.23
Latvia	0.06	0.06	0.05	0.04	0.04	0.05	0.05	0.05
Lithuania	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.07
Poland	0.96	0.97	0.98	0.97	0.98	0.96	0.94	0.88
Romania	0.38	0.39	0.36	0.34	0.34	0.33	0.33	0.36
Slovak Rep	0.17	0.17	0.17	0.16	0.16	0.16	0.15	0.14
Slovenia	0.08	0.09	0.08	0.08	0.07	0.07	0.07	0.06
CHINA	10.83	11.4	12.52	13.61	14.32	14.92	15.4	16.32
GERMANY	4.34	4.23	4.03	3.96	3.93	3.85	3.72	3.45
USA	21.36	20.69	20.46	19.74	19.13	18.87	19.31	16.14

Sursa: Zeca D.E., according to data released by Global Competitiveness Report 2008-2009,..., 2015-2016, pp 87-373: Full Data Edition, published by the World Economic Forum within the framework of The Global Competitiveness and Benchmarking Network.

Based on data from this table is found that Romania's GDP share has evolved between values in the range [0.33-0.38], being at one third of that of Poland and approximately 1/30 of that of China.

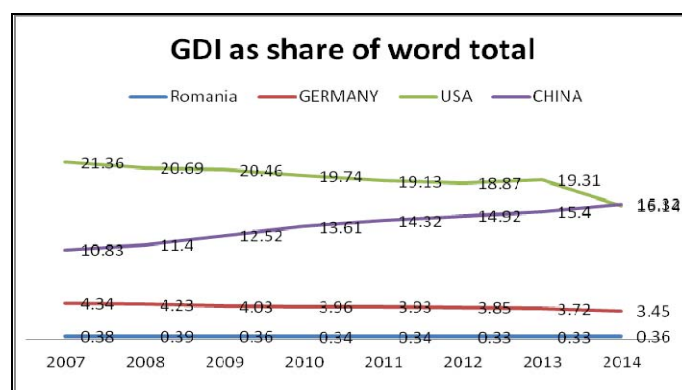


Figure nr. 3: PIB share Romania, China, Germany, SUA

Sursa: Zeca D.E. based on: The Global Competitiveness Report 2008-2009,..., 2015-2016

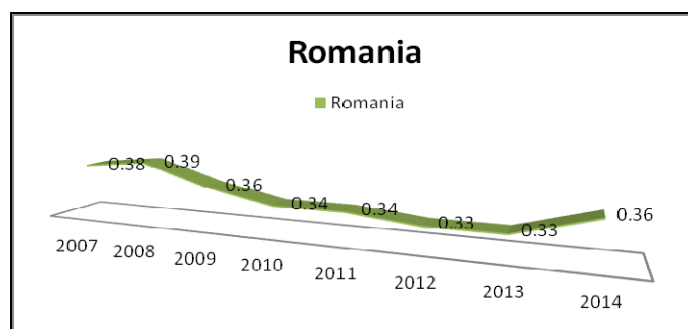


Figure no. 4: GDP (PPP) as share (%) of world total

Sursa: Zeca D.E. based on: The Global Competitiveness Report 2008-2009,..., 2015-2016

Qualitative analysis

Qualitative analysis of the phenomenon on the factors constraining the development of the economies of the former socialist countries of Central and Eastern Europe brings into question the fact that large residual structures delayed local and regional transformation processes in these countries, but with an intensity highest in Romania.

The drawback of this situation was propagated and designed in poor collection of taxes, maintenance arrears of state enterprises and the high level of corruption. Flexible labor market has hardly achieved. Continuing education courses have not reached the goal every time, because it was not linked to real labor market needs of the target group profile trained. Teaching based on inadequate curriculum.

The reconversion and activities creating the value was cumbersome. Interest to study has been decreasing because unjust salaries and a labor market with refractory attitude towards young people and persons aged over 50 years. A lot of people became vulnerable group and led to a high unemployment rate.

Table no. 2: Constraints in business development in Romania between 2008-2015

	Policy instability	Tax rates	Tax regulations	Inefficient government bureaucracy	Inadequate supply of infrastructure	Inadequately educated workforce	Corruption	Access to financing	Poor work ethic in national labor force	Inflation	Restrictive labor regulations	Foreign currency regulations	Poor public health	Government instability/coups	Crime and theft	Insufficient capacity to innovate
2008	13.2	12.8	11.2	10.8	9.7	9.2	8.4	6.8	6.2	5.5	3.4	1.3	2.4	7.9	2.6	*
2009	15.1	12.5	15.7	9.3	6.7	4.7	7.3	14.2	3.9	4.7	2.8	1.2	1.1	0.8	0	*
2010	8.6	11.6	11.2	12.2	13.9	4.7	6.9	15.9	2.5	3.5	5.2	2.5	0.1	0.4	0.6	*
2011	11.9	15.5	8.7	13	8.9	3.6	9.7	10.8	4.4	5.5	2.8	1.8	0.5	2.3	0.5	*
2012	5.4	13.9	7.6	12.8	7.1	4.2	17.4	12.1	3.3	7.1	3.3	0.4	1	1.2	1.2	*
2013	7.3	17.8	11.8	10.2	6.2	5.7	13.4	10.5	3.3	6.2	2.8	1.3	0.9	2.3	0.2	0.4
2014	4.7	15.6	9.9	9.9	12.8	1.6	11	16.6	1	4.7	4.9	2.4	0.1	2.5	2	0.5
2015	3.3	15.8	7.4	14.7	12.6	6.8	8.7	14	4.3	1.3	4.7	1.2	1.3	0.6	0.8	2.5

Source: Zeca D.E. according to data released by The Global Competitiveness Report 2008-2009,..., 2015-2016: Full Data Edition was published by the World Economic Forum within the framework of The Global Competitiveness and Benchmarking Network.

Transmission of information, at the university level, was done on a value chain of knowledge that have been always reconfigured, but not centered on the requirements of employers.

On R & D infrastructure: funding, small salary reduced the number of researchers performers. Because research topics was addressing chaotic and not as part of an action-strategy contributed to weak R & D.

The health system, underperforming, but with different emphases from country to country owing to poor infrastructure and the phenomenon of migration of health professionals, a phenomenon exacerbated in Romania. There are also major risk of entering the system frameworks (medical) poorly trained, given competition from low admission to faculties of medicine and due to the fairly permissive selective filter.

Business infrastructure was inadequate, being underdeveloped land transport routes and the river and sea are not used.

Bureaucracy, unfair competition, lack of support tools to support innovative initiatives and entrepreneurship, unfair economic policies to small businesses that has led them to a reserved attitude towards loans and investments, such as only 16.8% of new enterprises had this tendency to set up a stable business environment, especially the domestic capital (figure no. 3).

Constraints, in business development in Romania are presented for the 2008-2016 period (table no. 2).

The data presented in the reports volumes 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012, 2013, 2013-2014, 2014-2015, 2015-2016 of "The Global Competitiveness Report Full Year Edition" published by the World Economic Forum in the Global Competitiveness and Benchmarking Network, substantiates claims the below:

In 2008 political instability proved to be considered an element of risk in business development in Romania, with the largest negative impact.

Tax regulations, policy instability and tax rate were brakes for development in 2009.

In 2010 brakes for development in business in the former socialist countries was the access to finance, inadequate supply infrastructure and tax rate.

In 2011, political instability, tax rates and constraints to financing were related of poor development in business.

Since 2012, government bureaucracy and corruption have determined the large constraints in business development in Romania.

Report values are the result of ranking made by respondents to a survey. They arranged five of the most problematic items for doing business in their country. The string of factors was 15 items long.

Results of research work are Pivot Tables.

Based on these Tables everyone can construct pivot tables to show and to study various constraints on business development in Central and Eastern European countries along 2008, 2016.

Was used a scale of 1 to 7, in the current working environment of the respondents. At one end of the scale, 1 is the worst possible operating condition (situation), and at the other end of the scale, 7 is the best condition.

Table no. 3: Constraints in business development in Central and Eastern Europe [2008-2009]

	Policy instability	Tax rates	Tax regulations	Inefficient government bureaucracy	Supply of infrastructure	Inadequately educated workforce	Corruption	Access to financing	Poor work ethic in national labor force	Inflation	Restrictive labor regulations	Foreign currency regulations	Poor public health	Government instability/corruption	Crime and theft
Bulgaria	3.6	2.8	1.2	14	10.2	11.2	15.7	6.6	7	10.2	3.5	1.3	2.4	7.9	2.6
Croatia	2.9	9.6	10	18.5	5.2	10	12.7	9.7	5.7	4.1	5.7	1.6	0.4	0.5	3.2
Czech Rep	3.3	11.6	7.4	17	5.9	9.1	13.3	4.9	9.4	2.6	9.2	10.5	1.4	0.5	3.7
Estonia	4	5	4.7	8.9	4.7	18.2	3.7	6.8	8.2	19.7	11.4	0.7	1.4	1.6	0.8
Hungary	13.1	16.4	17.7	12.1	3.5	6.1	6.7	7.5	3.8	6.8	1.4	0.6	0.2	3.5	0.5
Latvia	5.4	5.3	11.5	14.7	5.6	7.8	8.5	6.7	3.4	22.4	3.6	0.7	0.1	4.2	0
Lithuania	5.9	10.1	7.2	13.8	2.1	9.3	10.6	4.1	8.2	14.4	10.8	0.6	1.2	1.2	0.8
Poland	7	6.8	14.9	14.6	12.8	4.6	5.9	7.2	4.2	2.3	9.3	1.2	3.5	4.2	1.4
Romania	13.2	12.8	11.2	10.8	9.7	9.2	8.4	6.8	6.2	5.5	3.4	1.3	0.9	0.5	0.1
Slovak Rep	1.5	2	6.1	17.8	17	10.7	14.2	5.8	8	0.8	13.5	0.8	0	0.9	1.1
Slovenia	2.2	7.8	14.2	13.5	4.1	8.8	5.7	5.3	4.5	18.1	12.7	0.2	0.4	2.1	0.5
CHINA	13	6.8	8	11.5	7.2	6.2	7.4	137	4.1	10.8	4	3.9	0.9	1.9	0.6
GERMANY	1.9	17.7	23.4	12.2	1.6	9.5	0.1	6.8	0.7	1.3	22.8	1.5	0.1	0.1	0.3
USA	7.6	14.7	14.3	14.2	3.8	12.1	0.9	9	4	9	5.6	1.7	1.7	0.6	0.9

Source: Zeca, on the basis of data provided by The Global Competitiveness Report 2008-2009, Full Year Edition is Published by the World Economic Forum, pp79-353

In 2008-2009 (table no. 3) and in 2015-2016 (table no. 4), worst problem registered in the former socialist countries of Central and Eastern Europe was marked with red and with blue the best one.

Table no.4: Constraints in business development in Central and Eastern Europe [2015-2016]

	Policy instability	Tax rates	Tax regulations	Inefficient government bureaucracy	Inadequate supply of infrastructure	Inadequately educated workforce	Corruption	Access to financing	Poor work ethic in national labor force	Inflation	Restrictive labor regulations	Foreign currency regulations	Poor public health	Government instability/corruption	Crime and theft	Insufficient capacity to innovate
Bulgaria	9.6	5.8	3.2	10.7	5.4	9.9	11.4	12.7	6	4.3	6	0.9	1.1	7.1	1.1	4.7
Croatia	12.7	5.7	10.4	21.8	5.2	7.1	13.2	3.5	5	0	7.6	1.4	0.5	1.1	1.1	3.8
Czech Rep	13.9	12.5	9.3	16.6	2.4	5.8	5.6	10.2	4.8	0.7	9.8	1.2	0.4	2.1	2.9	1.9
Estonia	1.7	18.3	5.3	10.3	7.6	19.7	1.6	11	7.4	1.2	4.4	0.3	2	0.1	0.3	9
Hungary	15.7	9.8	9.5	12.2	3.6	7.6	14.6	6.3	7.3	1.3	1.9	1	2.9	0.7	3.2	2.5
Latvia	7.6	15.1	10.2	14.5	4.7	9.2	5.4	11.5	5.6	0.9	4.4	0	0.3	1.9	0.5	8.2
Lithuania	3.6	14.8	10.2	16.6	3	9.3	8.8	7.4	3.8	1.2	13.5	0.3	0.2	3.4	0.8	3
Poland	5.1	12.8	21.3	11.1	5.8	5.1	2.3	7.8	3.7	0.5	14.7	0.4	2.5	0.9	0.8	5.1
Romania	3.3	15.8	7.4	14.7	12.6	6.8	8.7	14	4.3	1.3	4.7	1.2	1.3	0.6	0.8	2.5
Slovak Rep	8.8	11.4	9.5	16.6	4.6	6.6	18.1	3.5	3	0	11.3	0.1	0.8	0.5	1	4
Slovenia	7.8	15.7	7.9	15.9	2.5	2.1	6.3	14	2.4	0	16.5	0	0.8	5.3	0.1	2.8
CHINA	8.1	8.5	6.7	9.2	9	4	8.3	11.6	4.3	5.8	3.7	3.6	1.2	3.1	0.6	12.5
GERMANY	1.6	15.1	16.8	16	2.8	7.6	1.5	8.9	4.7	0.8	14.4	1.6	1	0.1	1.3	5.9
USA	5.2	14	12.5	13.7	5.3	8.6	1	6.7	7	3.5	9.7	3.3	1.6	1.2	1.1	5.5

Source: Zeca on the basis of data provided by The Global Competitiveness Report 2015-2016, Full Year Edition, Published by the World Economic Forum, pp 87-373

Conclusions

Romania and generally speaking the former socialist countries, came out in 1989 from that bubble where was a certain way of doing economics and entered as actor on a stage where have to play their economic and social role, to confront obstacles in trade, technology transfer, with uncertainty on supply chains, with strategic projects of economic infrastructure of the migrating of crossholdings from west to east and from east to west of the European continent of workforce. Former socialist European countries, crossing the last decade, they no have constantly evolved in a stable macroeconomic and financial setting.

Governments have developed policies in areas that are important for competitiveness, such as administrative reform, education and research, but they did, they do so without taking into account the specific needs of companies and without a stable strategic vision. The impact of these policies is reduced. Meanwhile, the business community has not always been sufficiently engaged, motivated and stimulated long-term.

Index Global Competitiveness (IGC) is a working environment between government, business and civil society, effectively used can serve as a catalyst for reforms to improve productivity in order to stimulate the growth of living standards of inhabitants, demonstrating to what extent competitiveness it is the result of a mix of good governance, macroeconomic stability, efficiency of production factors, flexibility of technology, innovation and flexibility of the potential workforce.

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