

Links between business environment, business activity and economic performance: the case of the European Union

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Abstract

The aim of the paper is to determine the influence of key aspects characterizing the business environment on economic performance. Empirical analysis of the relationship between variables was performed on the example of selected countries of the European Union in the years 2010 to 2018 using method of panel regression - the generalized method of moments was applied. Data obtained from international institutions such as the World Bank, Eurostat or the Fraser Institute have been applied. Although the methodologies of individual institutions dealing with the measurement of the business environment are different, the results of the empirical survey show that all approaches can be used to determine the order of individual countries. Based on the results of the panel regression, it was found that there are links between individual variables characterizing the business environment and economic performance. A positive impact of business activity on economic performance was found. From the variables characterizing the business environment, it seems that the greatest positive impact on business activity has the quality of regulation of individual decision-making.

Keywords: Doing Business; Fraser institute; Global Competitiveness Report; panel regression; real GDP