

***APPOACH IN REVIEWS OF BUSINESS ENVIRONMENT EMPHASISING
SELECTED INDICES OF ITS EVALUATION***

Ing. Eva Hvizdová, PhD.

PhD. Viera Mokrišová

Ing. Jozef Polačko

College of International Business ISM Slovakia

Assessing the business environment is devoted to a number of institutions that use their own evaluation methodology. Indices on which the rankings are compiled, have different structures, use different data and different data sources, and different variables. While it is evident that the country's location depends on the composition and weighting of indicators of that evaluation, synthesis of knowledge from detailed analysis of individual indicators provides some insight into the strengths and weaknesses in the business environment of the country.

Project of the World Bank annually compares the survey Doing Business (DB) regulating the business environment in the global economy. The final assessment of the country is determined on

the basis of indicators during the different phases of the life cycle of SMEs. The aim is to provide a basis for understanding and improving the regulatory environment for business. The first Doing Business report, published in 2003, covered five indicators and 133 economies in the world, currently it has 11 indicators from 185 countries.

Index of Economic Freedom - it is an international comparison of economic freedom in which several institutions are engaged. Entitled Index of Economic Freedom (Index of Economic Freedom, IES) is produced annually by Heritage Foundation. Very similar ranking of countries in economic freedom also produces Canadian Fraser Institute, which is entitled Economic Freedom of the World Index. The comparison of the results of the index of economic freedom with other studies show that each country's prosperity largely depends on their degree of economic freedom. Index evaluates 10 broad range of economic freedom, countries are in different categories assessed from 0 to 100, where 100 represents the maximum freedom. Averaging over all ten criteria, the final total points of economy are reached.

In Slovakia, the assessment of business conditions is regularly covered by Business Alliance of Slovakia (PAS), which constructs the business environment index (IPI) and since 2012 for the first time also the Global Business Monitor (GEM). Business environment index is the result of quarterly monitoring, it has 3 categories of evaluation and each has 10 entries.

Based on the survey results of the business environment in Slovakia by the selected foreign and Slovak institutions, we can receive a comparative analysis of analytical view of the development and the health of our business environment. The research results were presented by institutions and periodically published.

The Slovak Republic's position in competitiveness by the World Economic Forum was ranked in 2014 on the 75th place. Compared to 2013, its position rose by 3 screens. This results from the *Global Competitiveness Report 2014-2015*, published by the World Economic Forum (WEF). Nevertheless, Slovakia could not get into the first half of the rankings, where are all European Union countries except Croatia (77th place) and Greece (81st place). The turning point in the development of Slovakia's evaluation is mainly due to an increase in macroeconomic stability, decreasing the deficit and intensive fight of the government with tax evasion. Nevertheless, the position of Slovakia remains extremely unfavourable and it is necessary to take further decisive action to increase our competitiveness, particularly to improve the functioning of public institutions - particularly the judiciary and law enforcement to fight corruption and cronyism that entrepreneurs perceive extremely critical and enhance the attractiveness of the tax system not by adding, but repealing the exceptions and reducing the corporate tax rate to the level of neighbouring countries. Other barriers, according to the World Economic Forum, are administrative burden, low transparency and efficiency of public spending, rigid labour code, lagging education system and