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# Entrepreneurship and the Role of Government in Post-Socialist Economies: Some Institutional Challenges

*David Smallbone & Friederike Welter\**

**Abstract:** »*Unternehmertum und die Rolle des Staates in postsozialistischen Wirtschaften: Einige institutionelle Herausforderungen*«. The paper focuses on three interrelated themes: the regional dimensions of institutionalisation and entrepreneurship policies; dialogue and governance issues, which present enormous challenges in a situation where there is no recent tradition of self-governing organisations; and regulation, in a context where the role of the state in relation to business needs to be redefined. The data used are drawn from a number of studies of entrepreneurship in countries that include Poland, the Baltic States, Russia, Belarus, Ukraine, Uzbekistan and Moldova.

The process of market reform requires a fundamental shift in the role of the state in the economy, as government replaces its roles as planner of resource allocation and price setter, owner and financier of enterprise activity through subsidies and transfers, with a role as regulator and facilitator of private enterprise activity, with all that involves. Not surprisingly, the experience in this regard has varied considerably between countries, despite the fact that they may share a common socialist heritage. The contrasting experience described in the paper reflects differences in the level of commitment to market reforms, as well as in the knowledge and resources available to the state to implement what is required. For countries from Central and Eastern Europe that have recently joined the EU, the process of Accession gave added impetus to the ongoing process of market reform. By contrast, in many of the CIS, the process of market reform has stalled, essentially because of a lack of recognition and commitment on the part of the state to creating the conditions to enable entrepreneurs to fulfil their role as generators of wealth and drivers of economic development. In such conditions, private businesses exist despite the policies and actions of government, although the extent of productive entrepreneurship is limited and the behaviour of entrepreneurs necessarily shaped by institutional deficiencies.

**Keywords:** Entrepreneurship, transition economies, government policies, institutions.

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## 1. Introduction

Although entrepreneurship and small business researchers have been concerned with the policy implications of their research for many years, there is evidence of increasing interest in policy issues, evidenced by the recent publication of a number of books on entrepreneurship policy (e.g. Audretsch et al., 2007; Hart et al., 2003; Lundström and Stevenson, 2005) and two special issues of international journals<sup>1</sup>. At the same time, the emphasis in these publications is on entrepreneurship policy in mature market economies, where policy makers have considerable accumulated experience and the policy environment has evolved over many years. This contrasts with post-socialist economies in Central and Eastern Europe and the former Soviet Union, where in many cases, private business activity was illegal prior to the 1990s. In view of the enormity of the challenge this represented to policy makers, post-socialist economies provide potentially rich ground for researchers interested in investigating the relationship between government policy and actions and entrepreneurial behaviour. This paper focuses on some of the key institutional challenges with respect to entrepreneurship, facing policy makers in post-socialist economies.

As entrepreneurship is increasingly recognised as a global phenomenon (reflected, for example, in the growing number of countries joining the Global Entrepreneurship Monitor (GEM) project), it is important that entrepreneurship researchers acknowledge the heterogeneity of environmental conditions, outcomes and behaviours associated with entrepreneurship (Davidsson, 2003). Whilst entrepreneurship results from the creativity, drive and skills of individuals (and groups of individuals), government is a key influence on the external conditions in which entrepreneurship occurs, influencing both the extent to which it develops and the form that it takes. In this context, it is argued that government policies and actions are a key element in the social embeddedness of entrepreneurship and, in some transition environments, a dominant influence.

At the same time, it must be recognised that almost 20 years after the process of market reform began, there is sufficient differentiation of experience between former centrally planned economies, to question the legitimacy of treating them as a single group (Smallbone and Welter, 2001). Whilst sharing a common heritage in central planning, considerable differences can be identified between, on the one hand, Central and East European countries (CEECs) that are now members of the EU, and which are best described as 'emerging market economies'; and, on the other hand, former Soviet republics where the process of market reform is partial and in some cases has stalled completely. Although

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<sup>1</sup> In the *International Small Business Journal* (2009), a special issue on entrepreneurship policy and in *Entrepreneurship Theory and Practice* (2008) a special issue on government policy and entrepreneurial activity.

the latter may be reasonably described as 'transition economies', use of the term can be questioned, if taken to mean the process of reform is ongoing, since in some countries, this is not the case.

The challenge facing post-socialist economies at the start of the reform process was to create a policy context in which new businesses could be created and grow, as part of a shift of the means of production from public to private ownership. As a result, any assessment of the role of policy in this regard needs to adopt a broadly based view of what constitutes public policy. This is because a wide range of government policies and actions can impact on entrepreneurship and small firms; not just those that are targeted in this way, since some of the influence of government on entrepreneurship and small businesses may be inadvertent. As a consequence, it is more appropriate to think in terms of the influence of government policies and actions on entrepreneurship and SMEs, rather than focus more narrowly on 'entrepreneurship' or 'SME' policy.

In such a perspective, direct intervention designed to increase small firm's access to finance, for example, may appear insignificant alongside the role of government in shaping the regulatory environment for private business; and/or influencing the value placed on enterprise and entrepreneurship in the society at large, through the actions of government representatives and officials. This is because, on the one hand, the experience of the transition period has been that an implementation gap has often existed between policy pronouncements and actions and, on the other hand that the regulatory environment has often been rapidly changing and unpredictable, constraining rather than enabling the development of productive entrepreneurship. However, an emphasis on a broadly defined role for government incorporates the important role of institutional development, which involves not just market institutions, such as banks and other financial intermediaries, consultants and training organisations, but also public sector regulatory bodies of different sorts, together with market oriented behaviour on the part of such institutions.

The evidence from the transition period suggests that establishing an appropriate and effective institutionalisation of entrepreneurship policy is one of the main preconditions for productive entrepreneurship to be developed and sustained. Key roles for the state in this regard are to remove unnecessary obstacles to enterprise creation; to establish a facilitating environment for private sector development; and contribute to the development of appropriate institutions that operate to facilitate private sector development, not to prevent or to milk it, with punitive taxation and continual changes to the ground rules within which business must operate. The effective institutionalisation of SME policy involves different forms of partnership between government at different levels and various private sector bodies. A key priority in this respect is to establish the mechanisms for effective dialogue between the state and entrepreneurs.

Thus a key aspect of effective institutionalisation of policy is effective co-ordination between the various institutions involved, both formal and informal.

In this context, the rest of the paper focuses on three interrelated themes, related to the institutionalisation of entrepreneurship policy:

- the regional dimensions of institutionalisation and entrepreneurship policies;
- dialogue and governance issues, which present enormous challenges in a situation where there is no recent tradition of self-governing organisations;
- and regulation, in a context where the role of the state in relation to business needs to be redefined.

In discussing each theme, examples are presented from countries at different stages of market reform, in order to bring out the role of government as both an enabling and constraining influence. The data used in the paper are drawn from a number of studies of entrepreneurship in which the authors have been involved since the mid 1990s, in countries that include Poland, the Baltic States, Russia, Belarus, Ukraine, Uzbekistan and Moldova.

## 2. The Regional Dimension

Within post-socialist countries, the development of entrepreneurship varies considerably between regions and localities (Smallbone et al., 2001), as it does in most mature market economies (e.g. Reynolds et al., 1994). This draws attention to the role of regional and local governments in economic development (Commission of the European Communities, 2001b) and the potential importance of 'bottom-up initiatives', which may create the most effective milieu for entrepreneurship development. It means that there is a need for institutional capacity building at the local and regional levels, as well as at the national level, if the contribution of entrepreneurship to local/regional development is to increase.

The socialist model of economic development was a centralised one in which local and regional government had little responsibility for, or powers to influence, economic development. In countries, such as Belarus and Russia, little has changed in this respect, thereby limiting the scope for regional development programmes. This may be illustrated with reference to border regions (such as Belarus-Poland and Russia-Estonia); where cross border co-operation involving institutions and enterprises might help to stimulate economic development. However, a lack of appropriate powers and resources at the regional level limits the scope for exploiting this potential. At the same time, previous studies have identified some local/regional variation in the attitudes of local government towards business in Belarus, Ukraine and Moldova, which is reflected in the behaviour of licensing officials and other employees, influenced by the guidelines laid down by the local mayor (Smallbone and Welter, 2009). As far as entrepreneurs are concerned, the local institutional environment was more 'user-friendly' in the capital than in the peripheral region. In other words,

a centralised government structure does not preclude some variation in the behaviour of government organisations at a local level. Moreover, it is at the local level where small firms typically come into direct contact with the various officials representing government, which in view of the room for discretion in interpreting laws and regulations on the part of those responsible for implementing them, increases the scope for spatial variations (Smallbone and Welter, 2001).

In some countries (e.g. Estonia), the issue is associated with a need for a reform of local government structures, which have neither the capacity nor resources to effectively engage in regional policy. However, there is also a need to examine the influence of 'soft' factors (i.e. informal institutions in North's understanding, North, 1990), such as the level of involvement of local entrepreneurs in the process, and the skills and capacities of local government in this area.

The need for institutional capacity building at the regional level is a priority in CEECs that are now members of the EU. In Poland, administrative reforms in the late 1990s led to the creation of 16 new *voivodships*, replacing the 49 that had existed since 1975, which laid the basis of an institutional structure to facilitate a decentralised approach to development policy in Poland. The reforms resulted in the emergence of the Marshals Office in each *voivodship* as key players in economic development, particularly in view of the important role for regions in accessing EU Structural Funds. However, as the role of the regions in economic development policy has grown, so this has increased emphasis on the adequacy of the legal framework, which appears to have some deficiencies, as far as local policy is concerned. It also emphasises the importance of co-ordinating national and regional policies, if duplication is to be avoided, complementarity maximised and potential synergy exploited. So whilst the new sub-national administrative structure seems to provide an appropriate basis for a decentralised approach to entrepreneurship and economic development policy, the recent nature of the reforms is causing some teething problems with respect to the precise responsibilities of different levels of government, establishing effective working relationships and developing institutional capacity.

The institutional 'hole' at the regional level, which is typical of many post-socialist economies, may be illustrated with reference to Romania, where one of the current policy priorities is to increase the competitiveness of the SME sector, through innovation and a greater emphasis on non-price competitive advantages. However, addressing this issue satisfactorily, only partly depends on the attitudes and behaviours of entrepreneurs; it also has major implications for policy and institutional change. This is because innovation in SMEs often relies on external inputs from the regional and national innovation systems, which include public research institutions, technology transfer organisations,

education institutions, the legal, institutional and policy framework, as well enterprises.

In a post-socialist context, it can be argued that the 'soft' elements of an innovation system gain particular importance because the 'socialist heritage' influences the current institutional frame for innovation as well as public attitudes and the general understanding of what constitutes innovation. In the Soviet period, in-house research in firms played only a minor role in innovation (Paasi, 2000) and industrial research was mainly carried out in research institutions of branch ministries. Even in countries that are at an advanced stage of transformation (such as Poland), the proportion of R&D expenditure spent at the firm level is much lower than in more established EU countries (Smallbone and Rogut, 2005).

In this context, the creation of more market-oriented innovation systems in Romania presents a number of challenges. The fundamental problems are the weak link between R&D and production; the lack of any tradition of market driven research; and the low level of involvement of universities in developing co-operation with businesses. An additional issue is the effect of resource constraints, since some research institutions have been closed during the transition period due to a lack of finance, leaving researchers without paid employment.

Another key institutional barrier at the regional level in Romania, as far as SMEs are concerned, is the absence of regional innovation systems, which means that support for innovation tends to be overly focused on the Bucharest region. The problem is compounded by the absence of a regional tier of government to facilitate the development of innovation systems at the regional level. It is true that the European Commission has encouraged the establishment of Regional Development Agencies to enable Structural Funds to be distributed, but in practice these are little more than administrative offices because of a lack of embeddedness in the country's governance structure. The nature and extent of development of regional innovation systems is particularly important in raising the innovative potential of SMEs (Asheim et al., 2003).

Whilst research on innovative milieus emphasises the local and regional embeddedness of innovations in terms of trust, tacit local/regional knowledge, learning processes and informal interactions, spatial innovation systems also reflect the formal institutional settings and the inherent division of labour between enterprises and institutions. Clearly, then, one of the central reasons why a regional dimension to innovation systems and innovation policy is important is that some innovation activity in SMEs is territorially based, which means that innovation can be stimulated by co-operation between local players and place specific resources. At the same time, the role of local inputs into innovation processes varies between types of SME, based on their sources of competitive strength.

These institutional challenges also raises questions concerning the respective responsibilities of authorities at different levels; the co-ordination of na-

tional and regional support programmes; the establishment of appropriate lines of demarcation of responsibility; and the need to take steps to avoid unnecessary layers of bureaucracy and duplication of effort. There may also be a need to build institutional capacity at the regional and local levels, which may be dependent on a wider process of institutional reform.

### 3. Governance Issues

The term 'governance' is a very versatile one, referring to the exercise of power in both a corporate and a state context. The emphasis in this paper is on the latter interpretation, embracing actions by executive bodies, assemblies (such as national parliaments) and judicial bodies. The concept of governance extends beyond government to include, for example, the capacities of businesses, community groups and academic institutions (Hart, 2003). Since governance is concerned with the rules, procedures and practices affecting how power is exercised, it embraces both formal and informal institutions, in the Douglass North sense, see North, 1990, 2005), as well as their legitimacy and effectiveness, which can have important implications for the development of entrepreneurship.

In countries that are now member states of the EU the path to EU Accession has highlighted issues of governance, as part of an attempt to improve the effectiveness and legitimacy of institutions at an EU level. This is reflected in the EU's White Paper on European Governance, which included participation as one of five key principles underpinning good governance. The others were openness; accountability; and effectiveness of institutions; and coherence between policies and actions, as well as between policies (European Commission, 2001a). The participation principle draws attention to the nature and extent of the dialogue and co-operation between the state and representatives of entrepreneurs, at different stages of the policy process, from conception to implementation. In mature market economies, self-governing, self-regulating organisations act as professional intermediaries in the process of dialogue between government and entrepreneurs, in order to ensure that the interests of businesses are taken into account in the decision making of public authorities at different levels. Whilst Chambers of Commerce existed in the former Soviet republics during the socialist period, supposedly to represent the interests of business, they were effectively arms of the state, dominated as they were by large state-owned companies (OECD, 1996). As a consequence, Central and Eastern European countries have lacked a recent tradition and experience of self governing organisations, which has represented a particular challenge, as far as building institutional capacity during the Accession period is concerned.

Institutional capacity includes the ability to lobby effectively, which is a function that did not exist during the socialist period. This weakness may be demonstrated with reference to consultations leading up to EU Accession,

which included employer's organisations in the consultation process. However, having a place at the consultation table does not necessarily lead to active involvement in and contribution to the process; and in Poland, for example, social partners were criticised for their lack of familiarity with procedural aspects of preparations for negotiations; as well as insufficient knowledge about integration processes and negotiations connected with them. Differences in the level of knowledge between government and non-governmental organisations seriously limit the possibility of conducting consultations based on partnership principles.

Effective consultation and engagement with SMEs by policy makers is hampered by the current weakness and fragmentation of membership and representative organisations for entrepreneurs. Membership of Chambers by businesses is not compulsory in Poland. The main national business organisations include the Polish Chamber of Commerce with 150 branch and regional member Chambers; the Business Centre Club (BCC), with branches in 16 *voivodships*; and the Polish Confederation of Private Employers (PKPP Lewiatan) (3000 members, 80% SME). The latter is present in 15 regions, although its activities at the sub-national level are restricted by a lack of resources. Although the weakness of these structures makes effective consultation difficult, it is important to recognise that entrepreneurs can be a difficult to reach group for consultation purposes, even in mature market economies.

Unlike new member states of the EU, where there have been significant developments with respect to the openness of public institutions, participation by entrepreneurs in policy formulation, and the accountability of public institutions, the situation in Belarus and members of the CIS in these respects, is far from encouraging. In this case, the state continues to play a dominant role in the economy, with the majority of enterprises and banks still under state control. From a governance perspective, many economic activities are regulated by Presidential decrees, which often contradict existing laws (EBRD, 2007). Regulations often take the form of so-called 'recommendations' by government, such as lending rates for banks (both state-owned and private) and recommended price levels. Such interference by the state is reminiscent of the Soviet period, when authoritarian control by the state over the economy was the norm. In addition, poorly specified legislation which leaves too much discretion in the hands of the (poorly paid) officials responsible for their implementation is fertile ground for corruption. From a governance perspective, the behaviour of public institutions is far from open, with the power of the state absolute. This is part of a wider absence of accountability, with poorly defined roles of public institutions involved in regulating and influencing private business activity; and a frequent lack of connection between policy pronouncements and actions by the state, particularly with respect to financial support measures.

## 4. Improving Regulation

A key policy issue, which can be used as a litmus test for the effectiveness of the wider system of policy development and governance with respect to entrepreneurship, concerns the effect of administrative and regulatory barriers on the establishment and subsequent development of enterprises. One of the key roles of government policy in a market-based system is to create an enabling environment for entrepreneurship, thereby make an effective contribution to generating employment and economic development. At the same time, the state also has an important regulatory function to ensure that business operates within rules that seek to balance a need to encourage and promote enterprise with a need to protect wider social interests and the public good. Establishing an appropriate balance between the creation of an enabling environment for business and ensuring that business operates within rules established to protect wider social interests and the public good, has been the subject of considerable debate in mature market economies, with some divergence of views (Bannock and Peacock, 1989; Harris, 2002; Storey, 1994). However, in a post-socialist context, establishing an appropriate balance is doubly difficult because of the lack of any tradition of the state as a regulator of business activity.

Regulation covers “the full range of legal instruments and decisions through which governments establish conditions on the behaviour of citizens or enterprises” (OECD, 1998). Compliance with regulations and other statutory requirements involves a cost for business, which includes the opportunity costs with respect to the resources devoted to compliance, as well as any direct money costs. As a result, minimising the regulatory burden on business to the level that is necessary for the protection of the public good is a key element in government policy designed to encourage entrepreneurship and private sector development. Regulations that are overly burdensome, complex or impractical may reduce business competitiveness by contributing to higher administrative and compliance costs, as well as to a diminution of the rule of law when non-compliance becomes rife.

In this regard, the foundation of the rule of law is based on a mutual respect for the legitimacy of regulation by both government and citizens. Rather than viewing regulations as tools by which government directs its citizens, they may be seen as a means of limiting the power of the state by closely defining it. Such a view is based on the democratic principle of “co-operation” between government and its citizens, rather than an “authoritarian” style of regulation, which transition economies have experienced in the past. It should also be noted that regulations are part of a wider regulatory system that includes processes and institutions through which regulations are developed, enforced and adjudicated. Apart from the regulations themselves, the regulatory system includes processes of public consultation, communication and updating.

At the same time, it may be argued that individual businesses may benefit from regulatory intervention in some instances, as well as being burdened by it in others. An appropriate and effectively implemented framework of property rights and contract law can both enable and constrain business activity. As a result, in a report that is otherwise critical of the regulation of business by governments, the World Bank (2005) praises countries that have strengthened regulations regarding the protection of property rights, contract enforcement and the protection of investments. Although the issue of regulatory burdens can affect the development of all businesses, it can be a particular barrier during the start-up period, when entrepreneurs face many other demands on their time, in a context where time and money resources can be particularly scarce. All this affects transaction costs, which in turn can have implications for competitiveness, both domestically and internationally.

With respect to regulatory reform, again there are considerable differences between post-socialist countries, particularly between the CIS and CEECs that are now members of the EU. One of the most difficult regulatory environments for private business is found in Belarus. This is reflected in the behaviour of the state registration agency, whose responsibilities for newly established businesses result in officials seeking to avoid future problems for themselves by demanding as many documents as possible from new entrepreneurs (Lyah and Pinigin, 2003). In addition, the State Control Committee, which is unique to Belarus, has sweeping powers to control prices, contracts, salaries and other aspects of business activity. Rather than providing encouragement and support for entrepreneurship, the government in Belarus appears to make life very difficult for entrepreneurs through administrative barriers and regulatory interference. This is reflected in procedures that involve the use of overly complex forms and requirements; an excessive number of forms and regulatory requirements; and frequent changes in forms and requirements. As a consequence, it is reported that a Belarusian company is obliged to obtain four to five times as many licences as companies in other CIS, with an average of 30 days to secure a single licence. On top of this they have to deal with certification, on average 8.4 times a year, rising to 12.1 for businesses in transportation and communication and 10.9 in trade and public catering (Rakova, 2003). Another example concerns the procedures for levying and reporting taxes, where profits tax is said to be regulated by 150 legal documents, income tax by 100, and property tax by 50 and VAT by 180.

Excessive regulations and procedures is one aspect, but so too is the contradiction between different pieces of legislation that often exists. A highly imperfect regulatory environment also breeds corruption because of the conflicting provision and instability of legislation; the overly broad brief of state agencies, which places a premium on ministerial rather than public interest; the plethora of controlling agencies with extensive competencies; an excessive number of poorly regulated procedures; a guiding principle for state agencies that every-

thing is forbidden unless explicitly allowed; low awareness of legal issues on the part of both individual citizens and state officials; and an absence of a detailed procedure for the imposition of economic sanctions, which leads to violation of the principle that “the punishment should fit the crime” (Zhuk, 2002). The latter gives state bureaucrats considerable scope to employ arbitrary action and abuse.

In contrast, regulatory reform has become a priority issue for entrepreneurship policy in post-socialist economies that are now part of the EU. During the last decade, the management of regulation has become a priority of EU institutions, reflected in the drive for better regulation. The issue is especially important in the case of the EU’s new member countries, where a particular challenge has been the need to simplify legislation, whilst, at the same time, adopting the “*acquis communautaire*”, as a condition of EU membership. The main focus of the simplification process is the reduction of the time and cost of registration and licensing, with “one-stop shops for administrative procedures a welcome development” (Commission of the European Communities, 2001: 23). At the same time, there are still unresolved questions, such as the most effective consultation mechanisms to help governments to ‘think small first’.

## 5. Conclusions

Since the 1990s, the countries of Central and Eastern Europe and the former Soviet Union have embarked on a transformation of their entire political and economic systems, the scale of which is unprecedented in recent history. The collapse of the Berlin Wall signalled a process that has changed the course of history in Europe, whilst at the same time presenting enormous challenges for the countries involved. The shift from central planning to market based economies has involved much more than economic change to include the interrelated processes of economic, social and political change, which represents a major challenge for entire societies.

Adapting the role of the state in the economy (and the wider society) has been a major part of the challenge, since the process of market reform requires a fundamental change in the role, type and behaviour of public institutions at the national and sub-national levels, as well as the establishment of new forms of governance. This reflects a need for a fundamental shift in the role of the state in the economy, as government replaces its roles as planner of resource allocation and price setter, owner and financier of enterprise activity through subsidies and transfers, with a role as regulator and facilitator of private enterprise activity, with all that involves. Not surprisingly, the experience in this regard has varied considerably between countries, despite the fact that they may share a common socialist heritage.

The contrasting experience described in the paper reflects differences in the level of commitment to market reforms, as well as in the knowledge and re-

sources available to the state to implement what is required. For countries from Central and Eastern Europe that have recently joined the EU, the process of Accession (which began several years before Accession itself in 2004) gave added impetus to the ongoing process of market reform. It included access to funds to assist with the ongoing restructuring, during the pre- and post-Accession periods (Smallbone and Rogut, 2005). By contrast, in many of the CIS, the process of market reform has stalled, essentially because of a lack of recognition and commitment on the part of the state to creating the conditions to enable entrepreneurs to fulfil their role as generators of wealth and drivers of economic development. In such conditions, private businesses exist despite the policies and actions of government, although the extent of productive entrepreneurship is limited and the behaviour of entrepreneurs necessarily shaped by institutional deficiencies (Smallbone and Welter, 2006b).

The experience of these former centrally planned economies during the last 20 years must be included in any attempt to assess the wider role that the state plays in influencing the development of entrepreneurship. Although entrepreneurship results from the drive and commitment of individuals, government policies and actions can have a major influence on the nature and extent of the businesses that are created, as the extreme case of Belarus demonstrates. From a theoretical perspective, it is important that our concepts and analysis embrace entrepreneurship in a wide range of operating environments, rather than narrowly focusing on the mature market context.

Empirical assessment of the role of government in countries such as those featured in this paper underlines the importance of taking a broadly based view of what constitutes 'policy' with respect to entrepreneurship development. This is because 'small business' or 'entrepreneurship' policies, narrowly defined, either do not exist, or exist but are not implemented, or are implemented but affect so few businesses that they may be considered marginal to the entrepreneurship that develops. By contrast, policies related to taxation and the regulatory environment, and the behaviour of the institutions responsible for implementing them, affect most businesses to some degree. Whilst the point is not confined to post-socialist countries, the existence of major institutional deficiencies members of the CIS, draws attention to the role of the state in establishing and shaping the framework conditions determined by the state that are largely taken for granted in mature market environments. This in itself is an important reason why a full assessment of the role of the state in relation to entrepreneurship needs to embrace a wide range of political and economic contexts, including those featured here.

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