



# Portrait of a Belarusian Entrepreneur

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## INTRODUCTION

Individual entrepreneurship is an integral element that helps to keep the balance of economy. The aim of individual entrepreneurship is to solve a number of social and economic problems. It stimulates market saturation, facilitates reallocation of resources between different sectors of economy, solves the employment problem of labor surplus and moderates the problem of inequality in the society. That is why the question of further development of entrepreneurship becomes so crucial for transition economies.

Latest research on transition economies and development emphasized the need for strong SME sector to ensure economic growth and development of the country. Schumpeterian approach to growth (Aghion and Howitt, 1997) promoted the idea that entrepreneurship is essential for innovation and growth. The idea of importance of private small and medium-sized enterprises for economic development is widely supported in many literature sources (World Bank, 2003, 2004, 2005). The objective of this research work is to identify and comprehend the factors that promote and hinder the development of business activity.

It should be noted that the role of entrepreneurship is not a well-studied subject. Schumpeter (1934) assessed the role of private initiative in economic development. He emphasized that entrepreneur is a creative, ambitious and motivated person who is searching for new solutions and combinations in order to create a new product, technology, and work up the market. However for quite a long period of time thereafter the subject has not received much attention, and only since the 90s the interest in entrepreneurship increased again.

There are three groups of factors that might affect the development of entrepreneurship. The first one includes institutional factors: economic, political and legal institutions that stimulate or hinder the development of the private sector. In particular the literature emphasizes the role of credit institutions in the development of the private sector (Banerjee and Newman, 1993), property rights (Frye and Zhuravskaya, 2000; Roland and Verdier, 2003). The second group includes different sociological factors, such as family background, social networks, values and beliefs. And finally the third one are individual characteristics of a person, including education, intellectual and physical development, risk-taking, greed, and other traits.

This work studies the impact of all the three groups of factors on the development of business activities in Belarus. The incentive for the study is the fact that today despite the fact that the government has repeatedly stressed the importance and need to stimulate private initiative, the development of private entrepreneurship in Belarus is fairly slow and inconsistent.

The development of the entrepreneurial sector in Belarus lags far behind the development of the business sector in other countries. Over the last 10 years there has certainly been some progress, for example, in 2003 the number of small-scale enterprises (SSEs) was 2.5 for 1000 people, while in 2010 this figure rose up to 7.2. However, comparing this figure with other countries we see significant differences (Table 1)<sup>1234</sup>.

**Table 1. The Number of SSEs per 1000 citizens**

The number of SSEs per 1000 people	
Belarus	7.2
Russia	11.3
Ukraine	17
Kazakhstan	41
United Kingdom	46
Germany	37
Italy	68
France	35
EU countries	45
USA	74.2
Japan	49.6

The pace of growth in the number of SSEs and individual entrepreneurs (IEs) leaves much to be desired. In 2009 the number of SSEs and IEs were 62.7 and 216 thousands, in 2011 - 72.2 and 232 thousands respectively. Over the last two years when the government was involved into an active promotion of the idea of private initiative development, the number of SSEs and IEs increased by 13.0% and 7.4% respectively.

The percentage of the economically active population engaged in the business sector is approximately 13% of the entire economically active labor force, while in the developed economies it reaches 70% (Russia – 16%, Kazakhstan – 20.6%, Ukraine – 28.8%, USA – 50.1%, Germany – 70%). Table 2 shows the role of small business in GDP and other key economic indicators<sup>5</sup>.

**Table 2. Small Business Share in the economic indicators of Belarus**

Small business share	2003	2008	2009	2010
GDP	8.2	11.2	11.4	12.4
Industrial production index	8.4	8.3	9.2	9.4
Export	18.2	31.4	34.3	38.9
Retail turnover	9.2	27.8	29.5	28.2
Active labor force	13	13	13	13.1

The table shows that the role of small business in the overall results of economic activity in Belarus is constantly growing. But at the same time the share of employment remained the same (13%) indicating that the level of attractiveness of the business environment for the economically active population has not changed and is still quite low. Thus, nowadays the development and implementation of competent policy in order to stimulate entrepreneurship in the country is highly recommended. But realization of the policy requires understanding the reasons why a person chooses entrepreneurship as main activity.

The structure of the study is as follows: the second section describes the data collection process; the third section presents a summary of differences between employers and employees in Belarus; the fourth section

<sup>1</sup> [http://netherlands.mfa.gov.by/\\_modules/\\_cfiles/files/sme\\_belarus\\_2011\\_1670.pdf](http://netherlands.mfa.gov.by/_modules/_cfiles/files/sme_belarus_2011_1670.pdf)

<sup>2</sup> <http://www.tambov-rosnou.ru/monograf/files/ind4.html>

<sup>3</sup> <http://econom.nsc.ru/ieie/news/zashiti/avtoref/oct11/basareva.pdf>

<sup>4</sup> <http://www.mspbank.ru/files/documents/Ukraine.pdf>

<sup>5</sup> [http://netherlands.mfa.gov.by/\\_modules/\\_cfiles/files/sme\\_belarus\\_2011\\_1670.pdf](http://netherlands.mfa.gov.by/_modules/_cfiles/files/sme_belarus_2011_1670.pdf)

presents the results of a probit analysis of the factors affecting the development of entrepreneurship. Finally, conclusions are drawn in section five.

## 1. DATA

The research is based on the results of survey conducted in the summer 2012 in Belarus. The questionnaire was compiled by analogy with the public opinion polls prepared in Russia, China, Brazil, India and Nigeria within the framework of a joint project of the World Bank, the University of Berkeley and CEFIR (Zhuravskaya et al (2005, 2006)).

The research was conducted in the 6 regions of Belarus and in Minsk. In total two polls were organized. Primarily the random sampling of 25-30 people out of 201 entrepreneurs from the each region and Minsk was made. The entrepreneur was identified as the owner or co-owner of business. The entrepreneurs were chosen and interviewed by the "NOVAK" axiometrical research laboratory specializing in conducting surveys. This was followed by a survey of 201 employees, including 24-30 people from each region and Minsk. Respondents were selected randomly, but the sample was structured according to the age similar to the sample of entrepreneurs. In other words, the ratio of people of different ages was approximately the same in the two groups of respondents.

## 2. COMPARISON OF ENTREPRENEURS WITH EMPLOYEES

This section compares average value of variables characterizing entrepreneurs and employees. All the results described below have statistical significance, unless otherwise specified. While considering the individual characteristics of the respondents the following serious differences between the two interviewed groups were identified (Table 3). Taking into account the gender distribution, it is seen that the proportion of men involved into business (64%) is significantly higher than that of employees (36%), which explains the differences in height. Entrepreneurs are less inclined to changing their activities frequently. This result is opposite to the one obtained for Russia (Zhuravskaya et al (2005)). Entrepreneurs are more likely to be married and have children in comparison with the employees. In order to measure the ability to take risks the respondents were invited to participate in risk-neutral game (the chances were to win 20\$ with a probability of 50% against 50% probability to lose.). Although there were more entrepreneurs than employees who agreed to play (44% against 37% respectively), the resulting difference is not statistically significant. In other words these data does not demonstrate that entrepreneurs are more inclined to risk-taking. The survey also revealed that on the average entrepreneurs showed higher academic performance in the school and had more chances to enter higher education establishment. And finally entrepreneurs rated their health higher than employees, what proves the fact that on the average sickness rate among entrepreneurs is lower than the one of employees.

**Table 3. Individual Characteristics**

Individual Characteristics	Emp	Ent	Statistical significance of difference	Difference Significance
Gender(%)	37	64	0.05	***
Height, m	1.71	1.74	0.01	***
Age	37	42	1.1	***
Nationality - Belarusian (%)	84	80	0.39	
Plan to emigrate (%)	6	4	0.04	
Number of activities up to present	1.6	1.1	1.17	***
Number of places of residence	0.37	0.47	0.07	
Religious (%)	51	54	0.05	
Married (%)	55	69	0.048	**

Children (%)	62	75	0.046	**
Risk propensity (%)	39	44	0.049	
One of the top-ten best pupils in primary school (%)	27	36	0.046	
One of the top-ten best pupils in high school (%)	25	36	0.046	**
Studied at the university (%)	55	65	0.049	*
One of the top-ten best students in university (%)	26	31	0.06	
Foreign languages skills (%)	57	54	0.05	
Overweight (%)	46	53	0.05	
Good health, self-esteem (%)	56	64	0.049	*
Was ill last week (%)	15	8	0.032	**
Doing sports (%)	29	32	0.046	
Doing risky sports (%)	8	11	0.03	

*Emp = employee; Ent = entrepreneur*

Entrepreneurs oftener rate their incomes as being above the average (Table 4). This fact is confirmed by the character of their consumption. The average entrepreneur spends less on food, is an owner of the house, car and other durable goods.

**Table 4. Incomes and Welfare**

Incomes and welfare	Emp	Ent	Statistical significance of difference	Difference Significance
Incomes above average (%)	34	45	0.049	**
More than 50% spent on food (%)	31	12	0.04	***
Own house (%)	9	27	0.05	***
Own country house (%)	20	34	0.067	**
Car (%)	56	84	0.058	***
PC (%)	83	96	0.049	**
TV (%)	91	96	0.046	*

*Emp = employee; Ent = entrepreneur*

Table 5 shows the answers to questions about family and social environment. Despite the lack of significant differences in the parents' level of education, work status, membership of the communist party, significantly more entrepreneurs characterized their parents as being successful and rich. It is also necessary to note that entrepreneurs have more relatives and friends involved into business in comparison with employees. Thus, on the average the number of childhood and school friends having their own business is almost 2 times higher for entrepreneurs.

**Table 5. Sociological Characteristics**

Sociological characteristics	Emp	Ent	Statistical significance of difference	Difference Significance
Father has high school or higher education (%)	59	61	0.049	
Mother has high school or higher education (%)	66	65	0.048	
Father occupied an executive position (boss, director) (%)	8	4.5	0.024	
Mother occupied an executive position (boss, director)(%)	1.5	1.5	0.012	
Father was a worker without special education (%)	77	71	0.044	
Mother was a worker without special education (%)	86	88	0.034	

Father was a member of communist party (%)	27	34	0.046	
Mother was a member of communist party (%)	17	15	0.037	
Parents were rich (%)	34	45	0.049	**
Parents were successful (%)	37	82	0.044	***
The number of relatives who are entrepreneurs	0.45	0.68	0.083	*
The number of childhood friends who are entrepreneurs	0.67	1.1	0.12	***
The number of school and university friends who are entrepreneurs	0.53	0.96	0.12	***

*Emp = employee; Ent = entrepreneur*

Some differences regarding preferences in work and leisure were identified (Table 6). Respondents were asked whether they would quit their job in case they are offered sum of money equal to 100 annual per capita GDP. The number of entrepreneurs ready to leave their business was significantly lower than the one of employees (20% vs. 43%). The major reason for the both groups to continue working was, first of all, satisfaction from what they are doing (53% entrepreneurs and 31% employees). Among other main reasons there was a social factor. The significant part of entrepreneurs believes their business is socially important (29% vs. 7.5%); next popular reason was the desire to earn more (25% vs. 15%). It is also worth noting that the largest number of entrepreneurs considered themselves successful and established in life, while the question whether they are happy did not bring significant differences between the two groups of respondents.

**Table 6. Motivation for Work**

Motivation, greed, happiness	Emp	Ent	Statistical significance of difference	Difference Significance
Quit the job in case of obtaining 100 times annual GDP per capita (%)	43	20	0.045	***
Won't quit the job, because they like it (%)	31	53	0.049	***
Won't quit the job, because they need more money (%)	15	25	0.04	**
Won't quit the job, because people need their work (%)	7.5	29	0.037	***
Very happy or happy (%)	75	81	0.041	
Very successful or successful (%)	60	77	0.046	***

*Emp = employee; Ent = entrepreneur*

The respondents also had a set of questions related to personal values and beliefs (Table 7). Significant differences in responses were obtained while assessing the importance of having a job, ability to provide services for others, political and personal freedom and power and influence over other people.

**Table 7. Personal Values**

Personal values	Emp	Ent	Statistical significance of difference	Difference Significance
Friends (%)	91	89	0.031	
Parents and family (%)	97	99	0.014	
Financial welfare (%)	96	95	0.021	
Free time (%)	83	76	0.04	
Health (%)	99	96	0.016	
Services to people (%)	48	69	0.048	***
Political freedom (%)	15	39	0.043	***
Power (%)	20	47	0.045	***
Religion (%)	42	44	0.05	

Work (%)	88	97	0.026	**
Intellectual achievements (%)	75	79	0.042	
Personal freedom (%)	88	93	0.029	*

*Emp = employee; Ent = entrepreneur*

The results of the survey section related to the attitude towards social norms (Table 8), in particular corruption, theft and fraud, revealed that entrepreneurs are less likely to consider purchasing of stolen goods and refusal to pay fare as an acceptable behavior.

**Table 8. Assessment of Social Norms**

Assessment of social norms	Emp	Ent	Statistical significance of difference	Difference Significance
Refusal to pay fare can be explained (%)	39	30	0.047	*
Giving a bribe can be explained (%)	22	20	0.041	
Accepting a bribe can be explained (%)	16	14	0.36	
Purchasing stolen goods can be explained (%)	15	8	0.032	**
Other people think refusal to pay fare can be explained (%)	45	39	0.049	
Other people think giving a bribe can be explained (%)	31	27	0.045	
Other people think accepting a bribe can be explained (%)	26	20	0.042	
Other people think purchasing stolen goods can be explained (%)	23	17	0.04	

*Emp = employee; Ent = entrepreneur*

The survey section about the trust did not show any significant differences (Table 9). The only exception was that entrepreneurs had more trust in colleagues, hired workers and other businessmen than employees.

**Table 9. Trust**

Trust	Emp	Ent	Statistical significance of difference	Difference Significance
Most people can be trusted (%)	23	24	0.042	
Family can be trusted (%)	91	94	0.026	
Friends can be trusted (%)	58	63	0.049	
Colleagues can be trusted (%)	15	29	0.041	***
Businessmen can be trusted (%)	37	54	0.049	**
Hired workers can be trusted (%)	63	74	0.046	**
People in the city can be trusted (%)	42	46	0.5	
Compatriots can be trusted (%)	42	44	0.49	
Foreign citizens can be trusted (%)	30	35	0.47	
Local authorities can be trusted (%)	32	37	0.048	
Regional authorities can be trusted (%)	30	36	0.047	
Central authorities can be trusted (%)	29	33	0.046	

*Emp = employee; Ent = entrepreneur*

Finally, the respondents were asked to assess the institutional environment (Table 10). The only difference in this section was that less entrepreneurs in comparison with employees find the attitude of population towards the businessmen to be positive. It is also worth noting that less than 50% of both entrepreneurs and employees approved the activities undertaken by authorities with respect to business.

**Table 10. Institutional Environment**

Institutional environment	Emp	Ent	Statistical significance of difference	Difference Significance
People in the city support entrepreneurs (%)	67	52	0.048	**
Local authorities support entrepreneurs (%)	49	46	0.05	
Regional authorities support entrepreneurs (%)	42	41	0.49	
Central authorities support entrepreneurs (%)	42	36	0.49	
Individual entrepreneurs give bribes to avoid regulation (%)	49	46	0.05	
Individual entrepreneurs give bribes to change the rules (%)	34	36	0.048	
Entrepreneurs suffer from property theft (%)	58	63	0.049	
Entrepreneurs suffer from racket (%)	21	17	0.039	
Sue other entrepreneurs in case of fraud (%)	82	81	0.039	
Sue officials in case of power abuse (%)	67	64	0.048	
Fairly easy to find money to start a business (%)	10	10	0.03	

*Emp = employee; Ent = entrepreneur*

In addition entrepreneurs were asked a series of questions aimed at identifying obstacles for the development of business in the country. In entrepreneurs' opinion the main problems included inflation and macroeconomic instability (54.7%), lack of funding and difficulties in attracting additional finances (30.9%), high tax rates and complicated tax system (26.8% and 18.4%, respectively), legal insecurity (23.4%) and state administrative regulation, licensing and certification (19.4%). It should also be noted that similar surveys in China revealed another problems for business connected with the level of crime and racket.

**Table 11. Main Obstacles for Business**

The most serious obstacles for business development	%
Inflation and macroeconomic instability	54.7
Lack of funding	30.9
High tax rates	26.8
Legal insecurity	23.4
State administrative control, inspections, licensing	19.4
Complicated tax system	18.4
Non-transparent "game rules"	15.4
Corruption	14.4
Anti-competitive barriers	13.9
Unfair competition	13.4
Bad infrastructure	10.5
Need to give a bribe	8.5
Criminality	8.5
Racket	7.5
Bad public benefits	6.5

The survey also included a series of questions about the sources of business funding (Table 12). The responses showed that the main funding source both in case of starting up and expanding business was entrepreneur's own savings (69% and 86% respectively). The next popular source for start-ups is saved money of relatives (40%) and bank credits (24%). As for expanding business the situation with funding is opposite, the next popular funding source is a bank loan (27%), and then a loan from relatives (18%). The

possible explanation of it is that expansion of business is more safe and convincing for banks and as a result increases the chance to get a loan. Therefore, we can conclude that liquidity constraints for start-ups are more severe than in case of business expansion.

**Table 12. Main Sources for Business Funding**

<b>Main sources for starting up and expanding business</b>	<b>Start-up (201 obs.)</b>	<b>Expansion (73 obs.)</b>
Personal savings /retained income (%)	69.2	86.3
Loan or investments from relatives (%)	39.8	17.8
Loan or investments from friends (%)	19.4	5.5
Bank credit (%)	24.4	27.4
State subsidy (%)	2.5	4.1
Investor's money (%)	10.9	6.9
Other sources (%)	3.5	13.7

Main obstacles and problems faced by those who were about to start a business, but changed their mind, are described below (Table 13). The most popular reason for not starting one's own business and remaining an employee was the problem with funding (33%). Among the other reasons there were high risks (25%), lack of business skills (18%), lack of understanding where and what type of business to start (15% and 13% respectively), as well as unwillingness to work too much (16%). The following conclusions can be made from these results: along with the problem of funding in the economy there is an acute problem of need in quality business education and training potential entrepreneurs. It confirms the results of the similar research (Akulava<sup>6</sup>, 2012) which demonstrated that modern education has no impact on the level of entrepreneur's incomes in the country. It indicates that the current education system does not meet challenges and requirements of transition economy, where entrepreneurs have operate. Therefore different trainings and programs in business education need to be introduced and developed in order to make entrepreneurs' work more effective and efficient.

**Table 13. Main Reasons for Refusal from Starting a Business**

<b>What are the reasons why you haven't become an entrepreneur?</b>	
No required skills (%)	17.9
Lack of knowledge what to start with (%)	14.9
Lack of knowledge what type of business to start (%)	12.9
Lack of money (%)	33.3
Too risky (%)	25.4
Too much work (%)	15.9
Fear of failure (%)	4
Entrepreneurship implies illegal actions (%)	8.5
Lack of support from family and friends (%)	3.5
Negative attitude of people towards entrepreneurship (%)	2
Unfavorable economic climate (%)	6
My job was more paid (%)	7
Personal reasons (%)	12.4
Other (%)	2.5

<sup>6</sup> Akulava M. 2012. "Choice of Becoming Self-Employed in Belarus: Impact of Monetary Gains" The project was supported by Economics Education and Research Consortium (EERC) and financed by Global Development Network (GDN)



### 3. FACTORS INFLUENCING THE DECISION TO BECOME AN ENTREPRENEUR AND DEVELOP BUSINESS

This section describes the results of a probit analysis aimed at identifying important factors when making a decision whether to become an entrepreneur and expand business in future. It should be noted that the analysis is focused on the factors of exogenous origin. Table 14 shows the results of the regression analysis. The choice of status is a dependent variable that is equal to 1 if the respondent is an entrepreneur and 0 if he or she is an employee. It should be mentioned that well-established social contacts are a significant factor positively impacting the decision to become an entrepreneur. So, having childhood friends involved into business increases the likelihood of a person to become an entrepreneur by 36-37%. On the other hand, having a father involved into business or holding an executive position has a negative effect on becoming an entrepreneur. A potential explanation of it is probably that an illustrative example of all the difficulties one would have to face and the amount of time one would have to spend on doing business dissuades from becoming self-employed. As for the other factors influencing the decision, greed is a very strong motivator, while risk-taking is an insignificant factor. Tall people and people with high academic performance are more likely to become entrepreneurs. Finally, corruption and favorable attitude of the government towards entrepreneurship negatively affect the decision to become self-employed. Value of the last coefficient related to the attitude of government towards entrepreneurship does not contradict the information provided in economic literature on similar subjects claiming that the measures undertaken by the government and aimed at stimulating business may have a negative effect on its development (Shleifer and Vishny, 1998).

**Table 14. Factors Influencing the Decision to Become an Entrepreneur**

Dependent variable: entrepreneur's status	1	2	3
Father had higher education	0.0541	-0.0757	-0.136
Mother had higher education	0.106	0.137	0.140
Father was a boss or director	-0.483*	-0.590**	-0.585*
Mother was a boss or director	0.276	0.223	0.284
Father was a member of communist party	0.213	0.298*	0.321*
Mother was a member of communist party	-0.258	-0.305	-0.354*
Family members are entrepreneurs	0.155	0.214	0.225
Childhood friends are entrepreneurs	0.370***	0.359**	0.353**
School and university friends are entrepreneurs	0.242*	0.178	0.228
Risk propensity		0.0677	0.0964
Height		0.160*	0.163*
Greed		0.705***	0.741***
Was one of the top-ten best pupils in school		0.326**	0.360**
Favorable attitude of the government towards entrepreneurs			-0.264*
Corruption			-0.232*
Number of respondents	402	402	402

*Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1*

Later on the respondents were interviewed about the factors impacting the decision to expand their business (Table 15). Only the entrepreneurs took part in this survey, the dependent variable was the variable describing the intention to expand the business (value=1) or to operate without changes (value=0). The first result to be noted in case of business expansion is the factor of risk-taking which becomes positive and significant. Father having higher education also becomes an important and positive factor when taking the decision to expand business. A possible explanation of it can be that in this case parent's expectations that the child will be successful are higher than those of a person who hasn't achieved good results at least in the sphere of education.

Besides that one of the objectives of the survey was to estimate the importance of different institutional peculiarities one would have to face while doing business. Favorable attitude of the authorities towards business does not influence the decision to expand one's company, at the same time indifference of the authorities towards the private sector is perceived negatively. The possibility of giving a bribe to avoid some regulations or to change regulatory standards has a positive effect on decision-making and expansion of business. The possible explanation of this result is that the successful business attracts attention and the entrepreneur has to negotiate with corrupt officials to avoid potential problems and additional inspections. And finally the ability of going to court to solve problems is not a significant factor impacting the decision. Thus, it may be concluded that in case of a success the major factors for business expansion in the current institutional environment are the ability to take risk and give bribes in order to avoid the imposed regulatory standards. At the same time the measures of the government aimed at supporting business initiative are valued as an insignificant factor, while government's indifference has a negative effect on decision-making.

#### **4. CONCLUSION**

The purpose of this study was to conduct a research similar to the one done in Russia, China and Brasil, to identify peculiarities of a Belarusian entrepreneur. The work indicated that the Belarusian entrepreneurs are less prone to changing their activity in comparison with the employees. A typical Belarusian entrepreneur is a married person having children, as for the social environment his or her relatives or friends are very likely to be entrepreneurs. Greed, need for work, power and political freedom are the main motivators to start a business, to some extent these qualities result in estimating themselves as successful.

The most serious obstacles for doing business are macroeconomic instability, complicated tax system and high tax rates, legal insecurity, and funding problems. Besides financial issues the factors dissuading people from starting a business include lack of knowledge and entrepreneurial skills which indicates the necessity to develop business education and conduct business trainings in Belarus.

The results of the regression analysis showed that the institutional environment is a significant factor impacting the expansion of business. Indifference of the government towards the private sector negatively affects and hinders business growth, while the ability to give a bribe has a positive effect for business development.

**Table 15. Factors Influencing the Decision to Expand Business**

Dependent variable: plan to expand business	1	2	3	4	5	6	7	8	9	10
Father had higher education	0.512*	0.487*	0.551*	0.552*	0.571*	0.502*	0.555*	0.493*	0.427	0.427
Risk propensity	0.553**	0.495**	0.553**	0.542**	0.552**	0.514**	0.552**	0.542**	0.522**	0.515**
Local authorities are indifferent towards entrepreneurship	-0.459**									
Local authorities stimulate entrepreneurship development		0.239								
Regional authorities are indifferent towards entrepreneurship			-0.376*							
Regional authorities stimulate entrepreneurship development				0.385						
Central authorities are indifferent towards entrepreneurship					-0.483**					
Central authorities stimulate entrepreneurship development						0.245				
Entrepreneurs give bribes to avoid regulations							0.906***			
Entrepreneurs give bribes to change regulatory rules								0.901***		
Entrepreneurs can sue officials									-0.146	
Entrepreneurs can sue other entrepreneurs										-0.00659
Number of respondents	201	201	201	201	201	201	201	201	201	201
<i>Robust standard errors in parentheses *** p&lt;0.01, ** p&lt;0.05, * p&lt;0.1</i>										

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