

Comparison in Terms of Doing Business of OECD High Income Economics and Turkey

Erkan ALSU

Assistant Professor,

Gaziantep University,

Department of Business Administration, Gaziantep/ TURKEY

Filiz ÇAYIRAĞASI, PhD

Gaziantep University,

Vocational School of Oğuzeli, Gaziantep/TURKEY

Murat KARAHAN

Assistant Professor,

Gaziantep University,

Department of Business Administration, Gaziantep/ TURKEY

Abstract

An entrepreneur is defined as the person who brings the factors of production together. It is not enough for an entrepreneur just to bring together the factors of production in order to produce any goods or services. Each country has its own bureaucratic system. Therefore, doing business or starting an enterprise in every country is different. While in some countries it is easy to do a business with a simple bureaucracy, it is difficult to do the same business in some countries because of the complex bureaucratic structure. In this study, a comparative analysis is made on the ease of doing business in High Income OECD Countries and Turkey. It is observed that employment rates increase in economies with increased ease of doing business.

Keywords: Doing Business, Investment, Turkey, OECD High Income Economics, World Rankings

1. INTRODUCTION

Doing Business Index is published annually by the World Bank. The report lists the factors necessary for starting an investment in countries. The ranking statistics prepared for groups of countries separately give the entrepreneurs an opportunity to compare the country to be invested in. The report is prepared regularly since 2003. Doing Business Report provides investors with information on doing business index based on 10 criteria. These criteria are starting a business, dealing with construction licenses, access to electricity, registration of property, getting credit, protecting investors, paying taxes, cross-border trading, enforcing contracts and closing a business (Yüksel, 2014:3).

Each country has their own procedures for starting an enterprise. For instance, two documents are required to start a business in Azerbaijan, Canada, Hong Kong, Jamaica, Korea, Macedonia and New Zealand. In Belarus, Brazil, Paraguay, Philippines, Saudi Arabia and Venezuela, about 20 documents are required. In addition, while half a day is enough to start a business in New Zealand, it takes 147 days to start a business in Brazil. Furthermore, while the share of start-up cost in total capital is 0% in Denmark and Slovenia, it is 250% in Haiti (Doing Business Report, 2017).

One thing that draws attention in Doing Business Report is that there has been a serious rise in the rank of Turkey over years. In 2008, Turkey went up from rank number 91 to rank number 57, 34 at a time, in "Doing Business Index" (Yardımcıoğlu et al, 2013:3)

It is seen that there are not many studies on Doing Business Index. Yardımcıoğlu et al. (2013) made a comparison between Turkey and Mexico according to the indicators of Doing Business Index between the years 2010-2013. In the analysis, the lowest indexes of Mexico in the ranking are enforcing contracts, registration of property, access to electricity and paying taxes, and the lowest indexes of Turkey in the ranking are closing a business and registration of property. Yüksel (2014) stated that foreign direct investment and employment are parallel. He indicated that in order for Turkey to become a center of attraction for foreign capital, it is necessary to reduce bureaucratic procedures, introduce an incentive system for local businesses to avoid damage, and make economic plans. Ari (2013) compared Turkey with BRICS countries with regard to performance and potential indexes, doing business indexes and confidence indexes, and tried to clarify the position of Turkey among developing countries in terms of direct investment. In this study, it is concluded that Turkey's investment performance is not at the desired level compared to BRICS countries, however, in recent years, a better business environment for foreign investors has been prepared. Akin (2010) stated that especially unemployment, corruption, political and macroeconomic instability in Turkey damages the ease of doing

business. In their studies, Arrunada (2009), Dunfee and Warren (2001), Messaouda and Tehenib (2014), Berg and Cazes (2007), and Bayraktar (2013) analyzed the ease of doing business in their countries.

Doing Business Report used to prepare a report for 185 countries, but by 2016 that number has increased to 190. 48 of these countries are Sub-Saharan African, 32 are Latin American and Caribbean, 25 are East Asian and Pacific, 25 are Eastern European and Central Asian, 20 are Middle Eastern and North African, 8 are South Asian and the remaining 32 countries are OECD high-income countries. The scope of Doing Business Report is limited. There aren't any rankings about issues like macroeconomic conditions, market conditions, the quality of production and safety of property.

The study aims to analyze the doing business index of OECD high-income countries and Turkey comparatively, to determine the indicators to be developed and to suggest policies for this development. In Table 1.1., the overall ranking of 190 countries in the doing business report is shown. Turkey is 69th in the Doing Business Report of 2017.

Table 1.1. The overall ranking of 190 countries in the doing business 2017

Source : Doing Business Report, 2017.

New Zealand	1	Belarus	37	Bhutan	73
Singapore	2	Armenia	38	South Africa	74
Denmark	3	Bulgaria	39	Kyrgyz Republic	75
Hong Kong SAR	4	Russian Federation	40	Malta	76
Korea	5	Hungary	41	Tunisia	77
Norway	6	Belgium	42	China	78
United Kingdom	7	Croatia	43	San Marino	79
United States	8	Moldova	44	Ukraine	80
Sweden	9	Cyprus	45	Bosnia and Herzegovina	81
Macedonia	10	Thailand	46	Vietnam	82
Taiwan	11	Mexico	47	Qatar	83
Estonia	12	Serbia	47	Vanuatu	83
Finland	13	Mauritius	49	Tonga	85
Latvia	14	Italy	50	St Lucia	86
Australia	15	Montenegro	51	Uzbekistan	87
Georgia	16	Israel	52	Guatemala	88
Germany	17	Colombia	53	Samoa	89
Ireland	18	Peru	54	Uruguay	90
Austria	19	Puerto Rico US	55	Indonesia	91
Iceland	20	Rwanda	56	Kenya	92
Lithuania	21	Chile	57	Seychelles	93
Canada	22	Albania	58	Saudi Arabia	94
Malaysia	23	Luxembourg	59	El Salvador	95
Poland	24	Kosovo	60	Trinidad and Tobago	96
Portugal	25	Greece	61	Fiji	97
United Arab Emirates	26	Costa Rica	62	Zambia	98
Czech Republic	27	Bahrain	63	Philippines	99
Netherlands	28	Mongolia	64	Lesotho	100
France	29	Azerbaijan	65	Dominica	101
Slovenia	30	Oman	66	Kuwait	102
Switzerland	31	Jamaica	67	Dominican Republic	103
Spain	32	Morocco	68	Solomon Islands	104
Slovak Republic	33	Turkey	69	Honduras	105
Japan	34	Panama	70	Paraguay	106
Kazakhstan	35	Botswana	71	Nepal	107
Romania	36	Brunei Darussalam	72	Ghana	108

Namibia	108	Grenada	138	Sudan	168
Sri Lanka	110	Lao PDR	139	Nigeria	169
Swaziland	111	West Bank and Gaza	140	Myanmar	170
Belize	112	Mali	141	Djibouti	171
Antigua and Barbuda	113	Cote d'Ivoire	142	Guinea-Bissau	172
Ecuador	114	Marshall Islands	143	Syrian Arab Republic	173
Uganda	115	Pakistan	144	Liberia	174
Argentina	116	Gambia	145	Timor-Leste	175
Barbados	117	Burkina Faso	146	Bangladesh	176
Jordan	118	Senegal	147	Congo	177
Papua New Guinea	119	Sierra Leone	148	Equatorial Guinea	178
Iran	120	Bolivia	149	Yemen	179
Bahamas	121	Niger	150	Chad	180
Egypt	122	Micronesia	151	Haiti	181
Brazil	123	Kiribati	152	Angola	182
Guyana	124	Comoros	153	Afghanistan	183
St Vincent and the Grenadines	125	Togo	154	Congo	184
Lebanon	126	Benin	155	Central African Republic	185
Nicaragua	127	Algeria	156	South Sudan	186
Tajikistan	128	Burundi	157	Venezuela	187
Cabo Verde	129	Suriname	158	Libya	188
India	130	Ethiopia	159	Eritrea	189
Cambodia	131	Mauritania	160	Somalia	190
Tanzania	132	Zimbabwe	161	South Sudan	186
Malawi	133	São Tomé and Príncipe	162	Venezuela	187
St Kitts and Nevis	134	Guinea	163	Libya	188
Maldives	135	Gabon	164	Eritrea	189
Palau	136	Iraq	165	Somalia	190
Mozambique	137	Cameroon	166		
		Madagascar	167		

When Table 1.2. is analyzed, it is seen that New Zealand is the first in the OECD High Income Economies Ranking. And Greece is the last of the 32 countries in the ranking. It is also seen in the table that the countries within the region are generally down in the world ranking.

Table 1.2. OECD High Income Economics Rankings In The Doing Business 2017 Report

New Zealand	1 ^a 1 ^b	Ireland	12-18	Spain	23-32
Denmark	2-3	Austria	13-19	Slovak Republic	24-33
Korea	3-5	Iceland	14-20	Japan	25-34
Norway	4-6	Canada	15-22	Hungary	26-41
United Kingdom	5-7	Poland	16-24	Belgium	27-42
United States	6-8	Portugal	17-25	Italy	28-50
Sweden	7-9	Czech Republic	18-27	Israel	29-52
Estonia	8-12	Netherlands	19-28	Chile	30-57
Finland	9-13	France	20-29	Luxembourg	31-59
Australia	10-15	Slovenia	21-30	Greece	32-61
Germany	11-17	Switzerland	22-31		

Source: Doing Business Report, 2017

^a : OECD High Income Economics Ranking.

^b : World Ranking.

2. COMPARISON OF OECD HIGH-INCOME COUNTRIES AND TURKEY BASED ON DATA FROM 2017 REPORT

a- Starting a Business

Doing Business Report, which is prepared by taking into consideration factors such as licenses, permits, time required, and start-up costs for a business to start, demonstrates the ranking of 190 countries in terms of ease of doing business. In Table 2.1., the doing business performances of OECD High-income Countries and Turkey in terms of selected indicators are stated in the ranking.

Table 2.1. OECD High Income- Turkey Doing Business: Starting a Business Lowest And Best Performance

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance	Turkey
Starting a Business (rank)	114 (Germany)	1 (New Zealand)	45.88	1 (New Zealand)	79
Starting a Business (DTF Score)	83.42 (Germany)	99.96 (New Zealand)	91.51	99.96 (New Zealand)	86.98
Procedure – Men (number)	9.0 (Germany)	1.0 (New Zealand)	4.80	1.0 (New Zealand)	7.0
Time – Men (days)	37.0 (Poland)	0.5 (New Zealand)	8.3	0.5 (New Zealand)	6.5
Cost – Men (% of income per capita)	14.6 (Korea, Rep.)	0.0 (Slovenia)	3.1	0.0 (Slovenia)	16.4
Procedure – Women (number)	9.0 (Germany)	1.0 (New Zealand)	4.8	1.0 (New Zealand)	7.0
Time – Women (days)	37.0 (Poland)	0.5 (New Zealand)	8.3	0.5 (New Zealand)	6.5
Cost – Women (% of income per capita)	14.6 (Korea, Rep.)	0.0 (Slovenia)	3.1	0.0 (Slovenia)	16.4
Paid-in min. capital (% of income per capita)	45.5 (Hungary)	0.0 (Korea, Rep.)	9.2	0.0 (127 economies*)	10.2

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the Doing Business website (<http://www.doingbusiness.org>). Note: The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. Source: Doing Business database.

When Table 2.1. is analyzed it is seen that Germany, one of the OECD High Income Economies, ranks 114th in 190 countries showing the worst performance in the starting a business ranking. The best performance in this ranking in 2017 is of New Zealand. Turkey is 79th of 190 countries in the ranking. It is seen that Turkey, which is the 69th in the general world ranking, has dropped by 10 places in the sub-index rankings. the worst performance is of Germany with 9 documents and the best performance is of New Zealand with 1 document, looking at the procedures required for starting a business in which the number doesn't change according to the gender. The number of documents required to start a business in Turkey is 7. Considering the number of days to start a business, Poland has the worst performance with 37 days. Half a day is enough to start a business in New Zealand. In Turkey, 6.5 days are required to start any business. The performance of Turkey and OECD in the last 5 years is stated in the following parts. The worst performance in the share of the start-up costs in per capita income is of Korea with 14.6 %, and the best performance is of Slovenia with 0%. It is 16.4% in Turkey. This rate is quite high compared with OECD countries. Turkey generally seems to be a country with a high number of procedures and high transaction costs. Reducing the number of procedures, reducing the duties received and shortening the time required to start a business will provide increase in the efficiency of production.

b- Dealing with Construction Permits

Factors such as the processes required to construct the simplest workplace necessary to start a business, and the days, procedures and costs required to make these processes work are considered in "Construction Permits Index" (Yardımcıoğlu, et al., 2013:7). In Table 2.2., the list according to the indexes related to construction permits in OECD High Income Economies and Turkey is stated.

Table 2.2. OECD High Income-Turkey Doing Business: Dealing With Construction Permits Lowest And Best Performance

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance	Turkey
Dealing with Construction Permits (rank)	130 (Czech Republic)	1 (New Zealand)	48.19	1 (New Zealand)	102
Dealing with Construction Permits (DTF Score)	62.76 (Czech Republic)	87.40 (New Zealand)	75.60	87.40 (New Zealand)	67.86
Procedures (number)	21.0 (Czech Republic)	7.0 (Sweden)	12.1	7.0 (4 Economies*)	18.0
Time (days)	286.0 (Slovak Republic)	28.0 (Korea, Rep.)	152.1	28.0 (Korea, Rep.)	103.0
Cost (% of warehouse value)	5.4 (Ireland)	0.1 (Slovak Republic)	1.6	0.1 (Trinidad and Tobago)	3.5
Building quality control index (0-15)	8.0 (Norway)	15.0 (Luxembourg)	11.3	15.0 (Luxembourg*)	9.5

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the Doing Business website (<http://www.doingbusiness.org>). Note: The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. Source: Doing Business database.

When Table 2.2. is analyzed, it is seen that Czech Republic, one of the OECD High Income Economies, has the worst performance ranking 130th among 190 countries in the construction permits index. According to the 2017 doing business report, New Zealand has the best performance in construction permits index. Turkey is 102th among 190 countries in the ranking. It is seen that Turkey, which is the 69th in the general world ranking, has dropped by 40 places in the sub-index rankings. Czech Republic has the worst performance with 21 procedures and Sweden has the best performance with 7 procedures considering the procedures required for construction permits. It is seen that the number of procedures for construction permits in Turkey is 18. Slovakia has the worst performance with 286 days in terms of the number of days required for construction permits. 28 days are required for construction permits in Korea. It is 103 days in Turkey. Considering the share of costs of construction permits in per capita income, Ireland has the worst performance with 5.4% and Slovakia has the best performance with 0.1%. The rate is 3.5% in Turkey. Assessed by the quality indexes (0-15) of constructed constructions, it is seen that Norway has the worst performance with 8 values. It is 15, which is the best performance value, in Luxembourg. And it is 9.5 in Turkey.

c - Getting Electricity

The index using the data on the procedures for a newly established local business to access electricity and the time and costs required for these procedures is expressed as "Access to Electricity Index" (İKV, 2016). Table 2.3. shows the rankings according to the indicators of access to electricity in OECD High Income Economies and Turkey.

Table 2.3. OECD High Income-Turkey Doing Business: Getting Electricity Lowest And Best Performance

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance	Turkey
Getting Electricity (rank)	121 (Hungary)	1 (Korea, Rep.)	37.22	1 (Korea, Rep.)	58
Getting Electricity (DTF Score)	60.13 (Hungary)	99.88 (Korea, Rep.)	84.37	99.88 (Korea, Rep.)	79.66
Procedures (number)	7.0 (Portugal)	3.0 (Korea, Rep.)	4.8	3.0 (15 Economies*)	4.0
Time (days)	257.0 (Hungary)	18.0 (Korea, Rep.)	76.2	18.0 (Korea, Rep.)*	63.0
Cost (% of income per capita)	216.1 (Spain)	0.0 (Japan)	62.5	0.0 (Japan)	617.3
Reliability of supply and transparency of tariff index (0-8)	6.0 (Hungary)	8.0 (Portugal)	7.5	8.0 (26 Economies*)	5.0

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of

these economies, see the Doing Business website (<http://www.doingbusiness.org>). Note: The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. Source: Doing Business database.

When table 2.3. analyzed, it is seen that Hungary, one of the OECD High Income Economies, has the worst performance ranking 121st in the access to electricity index among 190 countries. In the 2017 doing business report, Korea has the best performance in access to electricity index. Turkey is the 58th in the ranking among 190 countries. Portugal has the worst performance in 32 countries with 7 documents required to get electricity, and Korea has the best performance with 3 documents. The number of documents to get electricity in Turkey is 4. Hungary has the worst performance with 37 days considering the number of the days required to get electricity. 18 days are enough to get electricity in Korea. In Turkey, to get electricity, 63 days are required. Considering the share of costs of getting electricity in per capita income, Hungary has the worst performance with 216.1% and Japan has the best performance with 0%. It is 617.3% in Turkey. This rate is quite high compared with OECD countries. Turkey generally seems to be a country with a high number of procedures and high transaction costs to get electricity. Reducing the number of processes, reducing the duties received and shortening the time necessary to get electricity will provide faster investment initiations.

d- Registering Property

The necessary procedures for a business to buy the property of another business and acquire the property right are evaluated by "Registration of Property Index" (İKV,2016). Table 2.4. shows the rankings according to the indicators of Registration of Property in OECD High Income Economies and Turkey.

Table 2.4. OECD High Income-Turkey Doing Business: Registering Property Lowest And Best Performance

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance	Turkey
Registering Property (rank)	141 (Greece)	1 (New Zealand)	44.22	1 (New Zealand)	54
Registering Property (DTF Score)	49.67 (Greece)	94.46 (New Zealand)	76.60	94.46 (New Zealand)	73.01
Procedures (number)	10.0 (Greece)	1.0 (Sweden)	4.7	1.0 (4 Economies*)	7.0
Time (days)	81.0 (Israel)	1.0 (Portugal)	22.4	1.0 (3 Economies*)	7.0
Cost (% of property value)	12.7 (Belgium)	0.0 (Slovak Republic)	4.2	0.0 (Saudi Arabia)	4.0
Quality of the land administration index (0-30)	4.5 (Greece)	28.5 (Netherlands)	22.7	29.0 (Singapore)	21.5

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the Doing Business website (<http://www.doingbusiness.org>). Note: The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. Source: Doing Business database.

When Table 2.4. is analyzed, it is seen that Greece, one of the OECD High Income Economies, has the worst performance ranking 121st in the registration of property index among 190 countries. New Zealand has the best performance in the registration of property index according to the 2017 doing business report. Turkey is the 54th among 190 countries. Greece has the worst performance in 32 countries with 10 procedures required to get electricity, and Sweden has the best performance with 1 procedure. The number of procedures to register property in Turkey is 4. Israel has the worst performance with 81 days considering the number of the days required to register property. 1 day is enough to register property in Portugal. In Turkey, registration can be made in 7 days. Turkey is generally below the OECD average in the ranking of Registration of Property Index. It seems that the reforms in registration processes has had an effect.

e- Getting Credit

The sharing of the information about the credits got by individual borrowing or giving loans and the legal rights of those individuals are assessed by "Getting Credit Index" (İKV, 2016). Table 2.5. shows the rankings according to the indicators of Getting Credit in OECD High Income Economies and Turkey.

Table 2.5. OECD High Income-Turkey Doing Business: Getting Credit Lowest And Best Performance

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance	Turkey
Getting Credit (rank)	170 (Luxembourg)	1 (New Zealand)	57.03	1 (New Zealand)	82
Getting Credit (DTF Score)	15.00 (Luxembourg)	100.00 (New Zealand)	62.19	100.00 (New Zealand)	50.00
Strength of legal rights index (0-12)	2.0 (Italy)	12.0 (New Zealand)	6.0	12.0 (3 Economies*)	3.0
Depth of credit information index (0-8)	0.0 (Luxembourg)	8.0 (Germany)	6.5	8.0 (30 Economies*)	
Credit registry coverage (% of adults)	0.0 (Australia)	100.0 (Portugal)	12.1	100.0 (3 Economies*)	7.0
Credit bureau coverage (% of adults)	0.0 (Luxembourg)	100.0 (Sweden)	67.1	100.0 (23 Economies*)	0.0

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the Doing Business website (<http://www.doingbusiness.org>). Note: The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. Source: Doing Business database.

When Table 2.5. is analyzed, it is seen that Luxembourg, one of the OECD High Income Economies, has the worst performance ranking 170th in the getting credit index among 190 countries. New Zealand has the best performance in the getting credit index according to the 2017 doing business report. Turkey is the 82th among 190 countries. The worst performance in protecting the legal rights of the borrowers belongs to Italy with 2 values (between the values of 0-12). This value is 12 in New Zealand. The value of protecting the legal rights of borrowers in Turkey is 3. Turkey is generally below OECD average in the Getting Credit Index.

f- Protecting Minority Investors

The power related to the protection of the rights of minority shareholders in a business in exchange for managers' directing the business by taking care of their own interests is assessed by the "Protection of Minority Shareholder Investors Index" (İKV, 2016). Table 2.6. shows the rankings according to the indicators of the Protection of Minority Shareholder Investors in OECD High Income Economies and Turkey.

Table 2.6. OECD High Income-Turkey Doing Business: Protecting Minority Investors Lowest And Best Performance

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance	Turkey
Protecting Minority Investors (rank)	123 (Luxembourg)	1 (New Zealand)	42.72	1 (New Zealand*)	22
Protecting Minority Investors (DTF Score)	45.00 (Luxembourg)	83.33 (New Zealand)	64.62	83.33 (New Zealand*)	70.00
Strength of minority investor protection index (0-10)	4.5 (Luxembourg)	8.3 (New Zealand)	6.5	8.3 (New Zealand*)	7.0
Extent of conflict of interest regulation index (0-10)	3.3 (Switzerland)	9.3 (New Zealand)	6.3	9.3 (New Zealand*)	
Extent of shareholder governance index (010)	4.6 (United States)	8.3 (Norway)	6.6	8.3 (Norway)	6.7

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of

these economies, see the Doing Business website (<http://www.doingbusiness.org>). Note: The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. Source: Doing Business database.

When Table 2.6. is analyzed, it is seen that Luxembourg, one of the OECD High Income Economies, has the worst performance ranking 123rd in the Protection of Minority Shareholders index among 190 countries. New Zealand has the best performance in the protection of minority shareholders index according to the 2017 doing business report. Turkey is the 22nd among 190 countries. Turkey's ranking seems to be quite above the average of the region.

g: Paying Taxes

Taxes required to be paid for the activities of small and medium-sized enterprises and what the burden of these taxes are on the enterprise are evaluated by the "Paying Taxes Index" (IKV, 2016). Table 2.7. shows the rankings according to the indicators of the Paying Taxes Index in OECD High Income Economies and Turkey.

Table 2.7. OECD High Income-Turkey Doing Business: Paying Taxes Lowest And Best Performance

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance	Turkey
Paying Taxes (rank)	129 (Italy)	6 (Ireland)	41.63	1 (United Arab Emirates)	128
Paying Taxes (DTF Score)	66.06 (Italy)	94.97 (Ireland)	83.07	99.44 (United Arab Emirates)	60.83
Payments (number per year)	33.0 (Israel)	4.0 (Norway)	10.09	3.0 (Hong Kong SAR, China*)	11.0
Time (hours per year)	291.0 (Chile)	55.0 (Luxembourg)	163.4	55.0 (Luxembourg)	216.5
Total tax rate (% of profit)	62.8 (France)	21.0 (Canada)	40.9	26.1 (32 Economies*)	41.1
Postfiling index (0-100)			85.1	98.5 (Estonia)	3.9

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the Doing Business website (<http://www.doingbusiness.org>). Note: The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. Source: Doing Business database.

When Table 2.7. is analyzed, it is seen that Italy, one of the OECD High Income Economies, has the worst performance ranking 129th in the Paying Taxes index among 190 countries. Ireland has the best performance in the paying taxes index according to the 2017 doing business report. Turkey is the 128th among 190 countries. It is seen that the United Arab Emirates is the 1st in the ranking in the Paying Taxes Index. Israel has the worst performance in the region with 33 considering the number of taxes paid in a year. While the number of taxes paid in a year is 1 in Norway, it is 11 in Turkey. In terms of tax rate as a percentage of total profits, France has the worst performance with 62.8%, and Canada has the best performance with 21%. It is seen that 41.1% of the profit in Turkey is paid as tax.

h- Trading across Borders

What the documents required for foreign trade of goods by sea sold by enterprises and the time and costs of the shipment of goods are assessed by the "Cross-Border Trade Index" (IKV, 2016). Table 2.8. shows the rankings according to the indicators of the Cross-border Trade Index in OECD High Income Economies and Turkey.

Table 2.8. OECD High Income-Turkey Doing Business: Trading across Borders Lowest And Best Performance

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance	Turkey
Trading across Borders (rank)	91 (Australia)	1 (Spain)	24.41	1 (10 Economies*)	70
Trading across Borders (DTF Score)	70.65 (Australia)	100.00 (Spain)	93.87	100.00 (10 Economies*)	79.71
Time to export: Border compliance (hours)	60 (Chile)	0 (Austria)	12	0 (18 Economies*)	16
Cost to export: Border compliance (USD)	749 (Australia)	0 (Italy)	150	0 (18 Economies*)	376
Time to export: Documentary compliance (hours)	24 (Chile)	1 (Austria)	3	1 (25 Economies*)	5
Cost to export: Documentary compliance (USD)	264 (Australia)	0 (Czech Republic)	36	0 (19 Economies*)	87
Time to import: Border compliance (hours)	64 (Israel)	0 (Hungary)	9	0 (25 Economies*)	41
Cost to import: Border compliance (USD)	655 (Iceland)	0 (Sweden)	115	0 (28 Economies*)	655
Time to import: Documentary compliance (hours)	44 (Israel)	1 (Canada)	4	1 (29 Economies*)	11
Cost to import: Documentary compliance (USD)	163 (Canada)	0 (Italy)	26	0 (30 Economies*)	142

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the Doing Business website (<http://www.doingbusiness.org>). Note: The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. Source: Doing Business database.

When Table 2.8. is analyzed, it is seen that Australia, one of the OECD High Income Economies, has the worst performance ranking 91st in the Cross-border Trade index among 190 countries. Spain has the best performance in the cross-border trade index according to the 2017 doing business report. Turkey is the 70th among 190 countries. In terms of time required for export, Chile has the worst performance with 60 days, and Austria has the best performance with 0 days. The necessary time for export in Turkey is 16 days. It is seen that export cost (\$ per container) in Australia is 740 USD, and 0 USD in Italy. It is 376 USD in Turkey. The time required for import in Israel is 64 days, and 0 in Hungary. It is 41 days in Turkey. It is seen that import cost (\$ per container) in Iceland is 655 USD, and 0 USD in Sweden. The cost of import in Turkey is 655 USD.

i: Enforcing Contracts

The effectiveness of local courts in resolving any commercial case is assessed by "Enforcing Contracts Index" (IKV, 2016). Table 2.9. shows the rankings according to the indicators of the Enhancing Contracts Index in OECD High Income Economies and Turkey.

Table 2.9. OECD High Income Doing Business: Enforcing Contracts Lowest And Best Performance

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance	Turkey
Enforcing Contracts (rank)	133 (Greece)	1 (Korea, Rep.)	44.66	1 (Korea, Rep.)	33
Enforcing Contracts (DTF Score)	50.19 (Greece)	84.15 (Korea, Rep.)	67.48	84.15 (Korea, Rep.)	68.87
Time (days)	1,580.0 (Greece)	216.0 (New Zealand)	553.0	164.0 (Singapore)	580.0
Cost (% of claim)	43.9 (United Kingdom)	9.0 (Iceland)	21.03	9.0 (Iceland)	24.9
Quality of judicial processes index (0-18)	7.0 (Netherlands)	15.5 (Australia)	11	15.5 (Australia)	13.0

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the Doing Business website (<http://www.doingbusiness.org>). Note: The global best

performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. Source: Doing Business database.

When Table 2.9. is analyzed, it is seen that Greece, one of the OECD High Income Economies, has the worst performance ranking 133rd in the Enforcing Contracts index among 190 countries. Korea has the best performance in the enhancing contracts index according to the 2017 doing business report. Turkey is the 33rd among 190 countries. 1580 days are required in Greece for the conclusion of a commercial case. Any commercial case is concluded in 216 days in New Zealand. And in Turkey, 580 days is necessary for a conclusion.

o: Resolving Insolvency

The duration and the cost of liquidation related to the domestic assets of the business is evaluated by the "Resolving Insolvency Index" (IKV, 2016). Table 2.10. shows the rankings according to the indicators of the Resolving Insolvency Index in OECD High Income Economies and Turkey.

Tablo 2.10. OECD High Income Doing Business: Resolving Insolvency Lowest And Best Performance

Indicator	Lowest regional performance	Best regional performance	Regional average	Best global performance	Turkey
Resolving Insolvency (rank)	82 (Luxembourg)	1 (Finland)	23.34	1 (Finland)	126
Resolving Insolvency (DTF Score)	45.40 (Luxembourg)	93.89 (Finland)	77.15	93.89 (Finland)	34.98
Recovery rate (cents on the dollar)	33.5 (Chile)	92.9 (Norway)	73.0	92.9 (Norway)	18.5
Time (years)	4.0 (Slovak Republic)	0.4 (Ireland)	1.7	0.4 (22 Economies*)	4.5
Cost (% of estate)	23.0 (Israel)	1.0 (Norway)	9.1	1.0 (22 Economies*)	14.5
Strength of insolvency framework index (0-16)	7.0 (Luxembourg)	15.0 (United States)	12.1	15.0 (6 Economies*)	8.0

* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, see the Doing Business website (<http://www.doingbusiness.org>). Note: The global best performer on time for paying taxes is defined as the lowest time recorded among all economies in the DB2017 sample that levy the 3 major taxes: profit tax, labor taxes and mandatory contributions, and VAT or sales tax. Source: Doing Business database.

When Table 2.10. is analyzed, it is seen that Luxembourg, one of the OECD High Income Economies, has the worst performance ranking 82nd in the Resolving Insolvency index among 190 countries. Finland has the best performance in the resolving insolvency index according to the 2017 doing business report. Turkey is the 126th among 190 countries. In Table 2.11., Doing Business ranking of Turkey is seen by years.

Tablo 2.11. Türkiye'nin yıllara göre Doing Business Sıralaması

Years	Ease of Doing Business	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit
2012	71	61	155	72	44	78
2013	69	93	148	49	50	86
2014	69	91	148	49	50	87
2015	55	94	98	36	52	79
2016	69	79	102	58	54	82
Years	Getting Credit	Protecting Minority Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
2012	78	65	79	80	51	120
2013	86	34	71	86	38	130
2014	87	34	71	86	38	131
2015	79	20	61	62	36	124
2016	82	22	128	70	33	126

Source: www.doingbusiness.org

When Table 2.11. is analyzed, there has been no significant increase in the place of Turkey in the ranking of Ease of Doing Business in last 5 years. While it was the 55th in 2015, it has fallen to the 69th in the ranking. The reasons of this may be the economic fluctuations in Turkey, elections in 2015, political mobility and terrorism. Reducing the procedures required to start a business has led Turkey to increase its ranking within 190 countries from 94 to 79. Moreover, reducing the number of bureaucratic transactions for construction permits and speeding up of the process caused Turkey to increase its ranking which was 155 in 2012 to 102 in 2016 with an increase of about 50 places. The same is true for the processes of getting electricity. The most significant development with Turkey is in the transactions related to protection of investors. Turkey, ranked 65th in 2012, has guaranteed the protection of investors with the stabilization policies it applied and has risen to 22nd in the list by increasing its rank by 30. It is seen that the current situation of getting credit, resolving insolvency and paying taxes has worsened over the years. Improvements are necessary in these areas. Generally, Turkey is at the upper middle level compared to the OECD High Income Economies.

3. CONCLUSION AND RECOMMENDATIONS

Turkey, ranked 71st in 2012 in the Ease of Doing Business list, has ranked 69th in 2016 rising two places. Doing Business report analyzing the ease of doing business in countries with 10 criteria is regularly prepared by the World Bank and IMF every year. The report covers 190 countries in 2016. With the help of the comparison made according to the regions and income levels, investors decide which country to invest in. Today, when world turned into a small village because of globalization, investors pay attention to the doing business report to make their fixed capital investments at the lowest cost, and with the fastest and the most efficient way. Comparison of OECD High Income Economies and Turkey is important for the investors to decide which of these countries they can invest in more easily. Although Turkey is above OECD countries' average in ease of doing business, it needs to take precautions about getting credit, resolving insolvency and paying taxes.

Tax amnesties, incentives and discounts applied in Turkey have relieved investors in the global crisis. Improvements like reducing bureaucratic procedures day by day and the effects of the government's stabilization policies are considered as positive developments for Turkey. Moreover, despite the fact that extraordinary events like the terrorist incidents and the treacherous coup attempt caused some adverse conditions related to the investment environment, the precautions taken have made it possible for these adverse conditions to quickly disappear. It is necessary to improve the investment environment rapidly to rise the ranking of developing and growing Turkey in the doing business list in the following years. It is planned to make some changes in the system of government in Turkey in future. Presidential system that enables decisions to be taken in a single, centralized and rapid manner in country management and implemented quickly will ensure that improvements in ease of doing business will be made quickly.

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