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Export risk perceptions of SMEs in selected Visegrad countries

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Abstract

Research background: Export activities are crucial for SMEs' growth and income since they enable businesses to expand abroad. However, SMEs encounter some export impediments, including legislative, tax-related, and cultural-linguistic differences, which increase their export risk. Moreover, since different legislative, tax-related, and cultural conditions affect SMEs' export activities, SMEs' perceptions regarding export obstacles might also differ.

Purpose of the article: This paper aims to determine whether the SMEs' perceptions of export barriers in selected Visegrad countries differ.

Methods: The researchers employ a random sampling method to create the research sample and create an Internet-mediated questionnaire to collect the re-search data, including 408 SMEs from

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the Czech Republic, Slovakia, and Hungary. The researchers ran ANOVA analyses with the Gabriel Post Hoc test to find differences between those SMEs.

Findings & value added: The results reveal that the perceptions of Czech and Slovak SMEs differ regarding legislative and tax-related export barriers. On the other hand, the perceptions of SMEs from various countries do not differ concerning cultural-linguistic export barriers. Unfortunately, there is a lack of studies comparing the perceptions of SMEs from Visegrad countries regarding legislative, tax-related, and cultural barriers. Thus, evaluating this topic from an international perspective brings novel findings and fills this research gap. Therefore, policymakers, SMEs, governments, public institutions, and academicians might gain benefits from the results of this unique research.

Introduction

Although SMEs play the leading role in labor creation (Civelek *et al.*, 2021; Ključnikov *et al.*, 2021), sales, and production of value-added goods and services, SMEs face many export barriers that are increasing their export risk level. Those barriers might stem from legal, political, and cultural circumstances of a market that determine export operations of foreign businesses (Čepel *et al.*, 2018) and signal the quality of the business environment (Dvorský *et al.*, 2021). Therefore, those factors impact firms' financial performance, success, and competitiveness (Dvorský *et al.*, 2020a; Dvorský *et al.*, 2020b; Belas *et al.*, 2020a, 2020b). However, depending on countries, those factors, namely, legislation, tax burdens, and cultural-linguistic characteristics that create export barriers, differ (Lobo *et al.*, 2020). In this regard, this paper aims to find whether the perceptions of legislative, tax-related, and cultural-linguistic export barriers by SMEs from three of Visegrad countries differ or not. To hit this target, 408 SMEs from the Czech Republic, Slovakia and Hungary are investigated. While the researchers apply the random sampling method to create the research sample, they also use internet-mediated questionnaires to collect the data. In addition, the researchers perform ANOVA analyses with Gabriel Post Hoc test to find the differences in the international context.

Although many studies have investigated tax-related, cultural (Kneller, & Pisu, 2011; Narayanan, 2015) and legislative export barriers (Civelek *et al.*, 2016; Éltető & Udvari, 2018) of SMEs from different countries, including the Czech Republic, Slovakia, and Hungary, most of them are in a country based. On the other hand, some studies mentioned above compare the export barriers perceptions of SMEs in some Visegrad countries. Nevertheless, they do not include legislative, tax-related, and cultural obstacles together in their investigation of export barriers.

According to the European Commission SBA fact sheet for the Czech Republic, Slovakia and Hungary (2019), more than 99% of businesses are

SMEs in those countries. SMEs create more than 65% of the workforce in those economies. Moreover, the lending interest rates for SMEs in those nations differ around 2 to 3% (OECD, 2020). Although SMEs in those countries have similar characteristics and economic conditions look similar when financing, export barriers are country-specific (Uner *et al.*, 2013). SMEs' perceptions regarding export barriers might differ. Thus, different from the studies mentioned above, this paper focuses on international differences in the perceptions of external export obstacles by SMEs from some of Visegrad countries with similar socio-economic and cultural conditions. The research questions are as follows: "Do the perceptions of SMEs in various countries differ depending on legislative, tax-related, and cultural-linguistic export barriers?" Although those countries have some socio-economic similarities, and entrepreneurs from those countries have some similar entrepreneurial characteristics, finding differences in those countries might be noteworthy. In this regard, this is the research gap that this study aims to fill. Since this paper brings new scientific findings regarding the comparison of export risk perceptions of SMEs from different countries with similar socio-economic characteristics, academicians, SMEs, and policy makers might benefit from this paper's results.

This research is structured in the following sequence. Section 1 summarizes essential facts from the current literature and develops research hypotheses. Methodological approaches and data collection processes that the researchers performed are explained in Section 2. Section 3 clearly outlines the main results of this paper. Section 4 discusses the findings and provides some policy implementations and suggestions. Finally, the researchers conclude the key points of this paper in the Conclusion section by mentioning the limitations of the research and the recommendations for new studies.

Literature review

External export barriers arise from the outside of businesses, including foreign countries where firm do their operations (Leonidou, 2004). The external barriers are categorized as the procedural, governmental, task, and environmental, while environmental export obstacles consist of economic, political, and sociocultural factors (Wach, 2015; Narayanan, 2015). Export obstacles related to tariff and non-tariff barriers, linguistic-cultural differences, and legislative factors belong to those political, economic, and sociocultural factors (Leonidou, 2004). According to European Commission (2014), legislative obstacles such as laws and regulations, the costs includ-

ing taxes, and cultural differences are also obstacles for the internationalization of European SMEs.

Concerning legislative export obstacles, states' approaches and regulations might be related to the existence of complicated custom processes, unfamiliar exporting rules, documentation, restriction for the entrance of some products, price controls (Leonidou, 2004; Cooney *et al.*, 2009), and non-tariff barriers (Carbaugh, 2005), including licensing, certification and safety, labeling standards (Martinez & Bañados, 2004; Feng & Viksne, 2016), anti-dumping laws or domestic content requirements (Korneliusson & Blasius, 2008) in a market that SMEs want to enter. These procedures make SMEs negatively perceive foreign governments' approaches to them (Éltető & Udvari, 2018). In addition, many countries from all over the world have created some safety regulations for specific products. For instance, food exporting businesses have to care about safety regulations (Martinez & Bañados, 2004), hygiene certificates, and packaging and labeling requirements (translation to the Chinese language etc.) when exporting to China (Feng & Viksne, 2016). Similarly, when exporting Latin American countries, some businesses from Europe have been required to provide additional certification for exporting food, medicinal and pharmaceutical products (Kaprálová, 2017). All those implementations of states increase the exporting costs of SMEs (Schröder & Sørensen, 2014). However, the differences in these procedures or intensity in these requirements can make SMEs perceive those obstacles differently in various countries (Leonidou, 2004; Fedorko *et al.*, 2018). In this regard, Narayanan (2015) views the perceptions of SMEs from various countries, including Turkey, New Zealand, Portugal, and Spain, and highlights that export obstacles might be country-specific.

Moreover, some studies compare SMEs in Visegrad countries regarding their perception of legislative conditions (Virglerova *et al.*, 2020b; Gavurova *et al.*, 2020a; Čepel *et al.*, 2018). For instance, Éltető and Udvari (2018) reveal that although SMEs in the Czech Republic perceive bureaucratic procedures as an obstacle, SMEs in Slovakia and Hungary feel that high transportation costs, foreign competition, and insufficient infrastructure are the primary external hindering factors of export. Virglerova *et al.* (2020a; 2021) also remark that Czech SMEs have the lowest level of internationalization compared with other Visegrad countries, while Slovak SMEs have the highest performance levels. Virglerova *et al.* (2020b), Čepel *et al.* (2018), and Belas *et al.* (2020) also compare SMEs from Slovakia and the Czech Republic and prove the fact that Slovakian SMEs more positively perceive legislative-political environments, judicial system, and state approach to them than their Czech counterparts. Furthermore, Belas *et al.*

(2020) express that Czech SMEs face more bureaucratic tasks and spend more hours to fulfill those bureaucratic procedures compared to Slovak SMEs. Moreover, Virglerova *et al.* (2020a) substantiate that Czech SMEs are more interested in using insurance when internationalizing than Slovakian and Hungarian SMEs. Khan *et al.* (2019) also declare the differences in the perceptions of Czech and Slovakian SMEs regarding the quality of the business environment. The empirical arguments of the studies mentioned above allow to set a research hypothesis as follows:

H1: There are statistically significant differences between the perceptions of SMEs from different countries regarding legislative export barriers.

Corresponding to tax-related export obstacles, tariffs and customs that belong to political factors of environmental export barriers are major obstacles for SMEs when making exports (Leonidou, 2004; Gavurova *et al.*, 2017; Kaprálová, 2017; Pinho & Martins, 2010). Although World Trade Organization has performed many activities to reduce tariff and customs barriers in export, many governments still implement some taxes to protect their domestic producers. Tariffs can be imposed on both export and import activities (Carbaugh, 2005), and it is the prominent factor that sets governments' budgets. Therefore, it enables policymakers to stimulate and enhance the economic conditions of countries (Bilan *et al.*, 2017; Sinicakova & Gavurova, 2017). However, higher tax rates (Buno *et al.*, 2015) and ineffective tax approaches of governments regarding export create barriers for foreign firms to enter such a market and decrease their performance (Tee *et al.*, 2016); thus, they reduce investments and entrepreneurial activities of SMEs (OECD, 2015). Tax increases the costs of SMEs when accessing various markets (European Commission, 2014). Except that, the high tax burden and the existence of other documents to prepare regarding taxation hinder the performance of SMEs (Sanusi *et al.*, 2017). Under these dangerous circumstances, the perception of SMEs regarding tax-related factors might make SMEs reluctant to export, and this issue might be perceived differently by SMEs under various tax systems that countries have (Tan *et al.*, 2018; Gavurova *et al.*, 2020b).

For instance, Buno *et al.* (2015) compares the tax system in Visegrad countries and express that although the tax rate is the lowest in Slovakia, this country's ranking regarding the tax system is the third between Visegrad countries. Moreover, Éltető and Udvari (2018) elucidate that Czech SMEs perceive the tariffs as an obstacle more intensively than their Slovak and Hungarian counterparts. Similar to this study, Dvorský *et al.* (2019) also verify the fact that the perceptions of SMEs in Slovakia and the Czech

Republic differ regarding the tax burden that the states impose on them. For these reasons, another research hypothesis might be set as follows:

H2: There are statistically significant differences between the perceptions of SMEs from different countries regarding tax-related export barriers.

Although historical and cultural ties between countries have enabled firms to have easier export conditions (Arteaga-Ortiz *et al.*, 2016), the differences in language, cultures, values, and norms among countries have also been perceived as barriers by many exporters around the globe (Lobo *et al.*, 2020; Feng & Viksne, 2016; Cooney *et al.*, 2009). In this regard, export obstacles regarding cultural differences include lack of familiarity with the language, lifestyle, cultural standards (Morgan & Katsikeas, 1997), and values and norms (Leonidou, 2004). By analyzing SMEs in different European countries, Cooney *et al.* (2009) also declare that linguistic and cultural differences hinder SMEs' exporting capabilities. This obstacle becomes more intense for SMEs when entering a country that consists of many sub-cultures (Leonidou, 2004). Understanding cultural differences also enable SMEs to reduce their bankruptcy risk (Polak, 2019).

Regarding language differences, Kaprálová (2017) emphasizes that it is beneficial for SMEs to speak Spanish or Portuguese language to minimize linguistic export obstacles when exporting Latin American countries. Firms with a lack of Spanish or Portuguese-speaking workers see this fact as an obstacle when exporting those countries (Kaprálová, 2017). Language also enables businesses to fulfill the needs of local people and stimulate marketing activities of businesses regarding branding, advertising, and packaging. Other differences in communication styles such as using body language or gestures might also create obstacles for firms when keeping in touch with their suppliers, customers, and intermediary firms (Leonidou, 2004).

Concerning Visegrad countries, some studies also shed light on the fact that language is one of the main obstacles for SMEs from the Czech Republic (Pavláková, 2018), Slovakia (Kaputa *et al.*, 2016) and Hungary (Éltető & Udvari, 2018) when exporting. Therefore, Hofstede's index might be an essential indicator to explain country differences in the perception of cultural barriers since it impacts exporting behavior of businesses (Alrashidi, 2017; Kristjánsdóttir *et al.*, 2017). For instance, Hofstede *et al.* (2010) and Kreiser *et al.* (2010) profess that managers living in a country with a masculine culture and low power distance are more likely to be risk-takers and behave more proactively than their counterparts living in countries with feminine and high power distance cultures. Moreover, according to Hofstede's index (2021), the volumes of counties regarding those cultural di-

mensions differ depending on countries, including the Czech Republic, Slovakia, and Hungary. For these reasons, companies operating in masculine and low power distance cultures might not perceive cultural and linguistic differences as obstacles as their counterparts in nations with high uncertainty avoidance, feminine, and high power distance do (Stefko *et al.*, 2017). In this regard, firms' perceptions in various countries regarding obstacles that stem from cultural and linguistic differences might differ. This fact makes this paper set another hypothesis as follows:

H3: There are statistically significant differences between the perceptions of SMEs from different countries regarding cultural-linguistic export barriers.

Research method

This research aims to analyze the export risk perceptions of SMEs that operate in different countries. This paper applies the random sampling method to create a research sample in line with this aim. This research sample was collected from the Cribis database. The sample of the analysis in this research are SMEs that do their business activities in the Czech Republic, Slovakia, and Hungary. An online questionnaire survey created by the researchers was directed via emails to the randomly selected SMEs to collect the research data. As a result, 408 SMEs executives (managers, owners) have fulfilled this online questionnaire (176 Czech, 123 Slovak, 109 Hungarian).

To analyze the export risk (legislative, tax, and linguistic-cultural differences) perceptions of those SMEs, Czech, Slovak, and Hungarian SMEs were addressed by the following statements; "Legislative differences are not an obstacle to the export of our products," "The differences in tax policy are not an obstacle to the export of our products," "Linguistic and cultural differences are not an obstacle to the export of our products." The researchers employed a five-point Likert scale ("1 — strongly disagree, 2 — disagree, 3 — hold no position, 4 — agree, 5 — strongly agree") to scale responses of survey participants regarding the statements mentioned above. When the survey respondents select higher volumes, they do not perceive legislative, tax, and linguistic-cultural differences as obstacles in their exports vice versa.

The researchers selected a 5% significance level to support or fail to support research hypotheses. Thus, p-values lower than this significance level enable the researchers to support those hypotheses. In the case of

higher p-values, the null hypotheses are supported, assuming the nonexistence of significant differences in the perceptions of SMEs from different countries regarding legislative, tax-related, and cultural-linguistic export barriers.

The researchers consider the volumes from Skewness and Kurtosis to find out whether the research data has normal distribution or not. The values from those indicators are illustrated in Table 1. Since Skewness and Kurtosis values differ between -1 to +1 (-0.777 to 0.871), this research employs one of the parametric tests, namely, ANOVA, to compare export risk perceptions of SMEs from three different countries. On the other hand, this paper employs Levene's test to measure the homogeneity of variance that is one of the assumptions of ANOVA. The values from Levene's Test are higher than the 5% level of significance (differ between 0.488 to 0.903 as presented in the table). Therefore, the groups have equal variances.

Since sample sizes are not equal, and equal variances are assumed between groups, this paper uses the Gabriel test for post hoc analyses that indicate which country's SMEs have perceived legislative, tax, and linguistic-cultural differences as obstacles in export more than other countries' SMEs. The details about the sample profile are presented in Table 2.

Results

The results from the ANOVA analyses are illustrated in Table 3. The result for legislative and tax differences are significant at 5% level of significance (legislative: $Df= 2$, $F = 4.707$, $p < 0.05$; tax: $Df= 2$, $F = 6.953$, $p < 0.05$). Therefore, there are significant differences between SMEs of different countries depending on their perceptions of legislative and tax issues when exporting. On the other hand, the result for the perceptions of SMEs regarding linguistic and cultural differences is not significant since the p-value for this variable is higher than the 5% level of significance (linguistic-cultural difference: legislative: $Df= 2$, $F = 2.074$, $p > 0.05$). This research fails to support the H1 and H2 hypotheses, because the country differences were identified only in the Czech Republic and Slovakia cases. On the other hand, since there are no statistical differences between the perceptions of SMEs regarding cultural-linguistic export barriers, this paper also fails to support the H3 hypothesis that assumes the existence of the significant differences between countries.

This paper employs Gabriel Test with ANOVA analyses to explore which country's SMEs perceive legal, tax, linguistic-cultural differences

more intensively as obstacles than other countries' SMEs. Concerning legislative differences, the results are presented in Table 4. According to Table 4, significant results exist only between Slovakian and Czech SMEs since volumes from the significance are lower than the 5% significance level (0.008). As indicated in the "mean difference" column, the mean volume of Slovakian SMEs is higher than Czech SMEs (the mean difference between them: 0.41782); thus, legislative differences are not obstacles for Slovakian SMEs when making exports compared with their Czech counterparts. In other words, Czech SMEs have more propensities to perceive legislative differences as an obstacle when exporting. On the other hand, since other p-values (significant volumes) are not significant at a 5% significance level, the perceptions of legal differences do not differ between Czech-Hungarian and Slovak-Hungarian SMEs.

Concerning tax differences and the perceptions of SMEs from the Czech Republic, Slovakia, and Hungary, the results from Gabriel Test are demonstrated in Table 5. According to this table, the perceptions of Czech-Hungarian and Slovak-Hungarian SMEs do not differ (Significance for Czech-Hungarian = $0.159 > 0.05$; Significance for Slovak Hungarian = $0.326 > 0.05$). However, when it comes to the mean difference between Czech and Slovakian SMEs, Slovakian SMEs have higher volumes than Czechs and this result is significant at 5% significance. Thus, Czech SMEs have more tendencies to perceive tax differences as an obstacle when exporting in comparison with their Slovakian counterparts.

Regarding the perceptions of linguistic-cultural barriers, the findings from Gabriel Test are presented in Table 6. The perceptions of SMEs regarding linguistic-cultural barriers do not differ. As indicated in Table 6, all p values are higher than the 5% significance level (p-value for Czech and Slovak SMEs is 0.170; p-value for Czech and Hungarian SMEs is 0.361; p-value for Slovak and Hungarian SMEs is 0.985). Therefore, Czech, Slovak, and Hungarian SMEs have similar propensities to perceive linguistic-cultural differences as obstacles when making exports.

Discussion

Regarding legislative and tax-related export barriers, this paper confirms that compared with Czech SMEs, Slovakian SMEs have lower propensities to perceive legislative and tax-related differences as an obstacle when doing export. Therefore, this research is compatible with Tan *et al.* (2018) Narayanan (2015), since these studies declare that SMEs' differences in the perceptions of legislative and tax-related export barriers might be country-

specific. Furthermore, comparing with the studies in Visegrad countries, this paper finds similar results with the findings of Virglerova *et al.* (2020b) and Belas *et al.* (2020) since those studies posit the fact that Czech SMEs more negatively perceive differences in the legislative-political environment, judicial system and state approach on them than their Slovak counterparts. Moreover, the result of this paper regarding tax-related export barriers such as tariffs are in line with the studies of Éltető and Udvari (2018) and Dvorský *et al.* (2019). While Dvorský *et al.* (2019) substantiate the differences between the perceptions of SMEs from those countries regarding tax burden, Éltető and Udvari (2018) reveal that Slovakian SMEs perceive the tariffs as an export barrier less intensively than Czech SMEs. Moreover, since Civelek *et al.* (2016) explain that the perceptions of market risk (including legislative and tax concerns) by Czech and Slovakian SMEs do not differ, the results of this paper regarding legislative and tax-related issues object to the findings of Civelek *et al.* (2016).

The reason why Slovakian SMEs perceive legislative and tax-related export barriers less intensively than their Czech counterparts might be related to the education level of entrepreneurs. Entrepreneurs with a lower level of education more intensively perceive the business risk, including legislative and tax-related issues (Civelek *et al.*, 2016). Since more Slovakian SMEs have higher educated respondents than Czech SMEs in the research data. Slovakian SMEs might have perceived legislative and tax-related export barriers less intensively than their Czech counterparts.

Concerning linguistic-cultural barriers in export, although most SMEs in those countries perceive cultural-linguistic differences as an export obstacle, this paper does not prove the differences in the perceptions of SMEs depending on their countries. Thus, this result is not consistent with the deductions of Leonidou (2004) and Lobo *et al.* (2020) since these researchers mention the differences in the perceptions of SMEs from various countries regarding cultural-linguistic barriers. Regarding the studies that analyze SMEs in Visegrad countries, the findings of this research are not compatible with the research by Virglerova *et al.* (2020a), since those scholars state that SMEs in Visegrad countries do not perceive cultural differences, including differences in values, norms, and linguistic factors as an export barrier. On the other hand, SMEs from those countries similarly perceive cultural-linguistic barriers as an export obstacle related to having similar cultural backgrounds, histories, geopolitical ideas, and economic conditions (Éltető & Udvari, 2018).

Conclusions

Although SMEs increase their financial conditions by export activities, they face many export barriers. However, depending on countries, the perceptions of SMEs regarding those barriers might differ. Thus, this paper aims to explore how different tax burdens, cultural-linguistic factors, and legislative environments might affect the perceptions of SMEs from various countries when exporting.

Randomly selected 408 SMEs from the Czech Republic, Slovakia, and Hungary are analyzed to fulfill this aim. The researchers have employed ANOVA analyses and Gabriel Test (for Post Hoc analyses) to explore the differences among SMEs depending on their countries. According to the results, this paper confirms the differences between Czech and Slovakian SMEs regarding the perception of legislative and tax-related export barriers. Compared with their Slovakian counterparts, Czech SMEs more intensively perceive legislative and tax-related differences as obstacles when exporting. The reason for this result might stem education level of company executives. Corresponding to SMEs' perception of cultural-linguistic export barriers, this paper confirms the similarities among SMEs from different countries. The similarities in cultural backgrounds, histories, geopolitical ideas, and economic conditions might be the reasons for the similar perceptions of SMEs from different countries.

Since this paper confirms the similarities and the differences in the perception of export barriers by SMEs in three of Visegrad countries, it makes a valuable addition to entrepreneurship literature. Only a few studies compare export risk perceptions of SMEs from some countries with similar cultural and historical backgrounds and socio-economic conditions. This fact is the point that this research wants to emphasize and which makes this research different from other studies. Therefore, the results of this paper might also draw international readers' attention.

However, this research has some limitations. For instance, SMEs from some European countries are included in this paper's analyses. Furthermore, since the research data includes soft information, it only gives information about the general perspective of survey respondents regarding the studied topics. For these reasons, further studies can examine SMEs and larger enterprises from other continents to indicate the differences between businesses worldwide. Complex hard data that includes specific information about tax burdens and legislative laws of countries might be included in analyses of new studies to express firms' reactions against specific circumstances.

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Annex

Table 1. Test of Normality

Variable	Variance	Mean	Std. Deviation	95% CI	Skewness	Kurtosis	Levene's Test
Legislative diff.	1.412	2.6127	1.18841	[2.4971 2.7284]	0.405	-0.777	0.903
Tax differences	1.346	2.4877	1.16030	[2.3748 2.6007]	0.499	-0.607	0.488
Linguistic-cultural	1.213	2.1029	1.10135	[1.9958 2.2101]	0.871	0.063	0.693

Table 2. Sample profile

		Czech		Slovak		Hun	
		<i>n</i>	Share	<i>n</i>	Share	<i>n</i>	Share
Firm size	micro	84	47.73%	56	45.53%	41	37.61%
	small	47	26.70%	46	37.40%	28	25.69%
	medium	45	25.57%	21	17.07%	40	36.70%
	Total	176	100%	123	100%	109	100%
Firm age	up to 5years	23	13.07%	16	13.01%	11	10.09%
	6 to 10 years	23	13.07%	18	14.63%	12	11.01%
	more than 10 years	130	73.86%	89	72.36%	86	78.90%
	Total	176	100%	123	100%	109	100%
Firm legal structure	sole prop.	36	20.45%	15	12.20%	10	9.18%
	limited	117	66.48%	92	74.80%	88	80.73%
	joint st.	20	11.36%	10	8.13%	8	7.34%
	other	3	1.71%	6	4.87%	3	2.75%
	Total	176	100%	123	100%	109	100%
Firm sector	transportation	4	2.27%	5	4.07%	15	13.76%
	tourism	4	2.27%	6	4.88%	2	1.83%
	service	27	15.34%	24	19.51%	16	14.68%
	construction	16	9.09%	10	8.13%	6	5.51%
	manufacturing	63	35.80%	39	31.71%	38	34.86%
	agriculture	2	1.14%	0	0.00%	20	18.35%
	retailing	40	22.73%	23	18.70%	4	3.67%
	other	20	11.36%	16	13.00%	8	7.34%
	Total	176	100%	123	100%	109	100%

Table 3. The results of ANOVA test

Variables	Countries	N	Mean	Std Dev.	95% CI	Df	Between Groups	
							F	P
Legislative Differences	Czechia	176	2.4602	1.17040	[2.2861 2.6343]	2	4.707	0.010
	Slovakia	123	2.8780	1.15649	[2.6716 3.0845]			
	Hungary	109	2.5596	1.21283	[2.3294 2.7899]			
Tax Differences	Czechia	176	2.2670	1.11726	[2.1008 2.4333]	2	6.953	0.001
	Slovakia	123	2.7642	1.13860	[2.5610 2.9675]			
	Hungary	109	2.5321	1.19077	[2.3060 2.7582]			
Linguistic-cultural Differences	Czechia	176	1.9773	1.13144	[1.8090 2.1455]	2	2.074	0.127
	Slovakia	123	2.2195	1.06768	[2.0289 2.4101]			
	Hungary	109	2.1743	1.07879	[1.9695 2.3791]			

Table 4. The results regarding legislative differences

Country(I)	Country(J)	Mean difference (I-J)	Std. Error	Significance
Czech Republic	Slovakia	-0.41782	0.13841	0.008
	Hungary	-0.09941	0.14355	0.864
Slovakia	Czech Rep.	0.41782	0.13841	0.008
	Hungary	0.31842	0.15493	0.105
Hungary	Czech Rep..	0.09941	0.14355	0.864
	Slovakia	-0.31842	0.15493	0.116

Table 5. The results regarding tax differences

Country(I)	Country(J)	Mean difference (I-J)	Std. Error	Significance
Czech Republic	Slovakia	-0.49718	0.13441	0.001
	Hungary	-0.26506	0.13940	0.159
Slovakia	Czech Rep.	0.49718	0.13441	0.001
	Hungary	0.23212	0.15045	0.326
Hungary	Czech Rep.	0.26506	0.14178	0.159
	Slovakia	-0.23212	0.15045	0.326

Table 6. The results regarding linguistic-cultural differences

Country(I)	Country(J)	Mean difference (I-J)	Std. Error	Significance
Czech Republic	Slovakia	-0.24224	0.12909	0.170
	Hungary	-0.19704	0.13389	0.361
Slovakia	Czech Rep.	0.24224	0.12909	0.170
	Hungary	0.04520	0.14450	0.985
Hungary	Czech Rep.	0.19704	0.13389	0.361
	Slovakia	-0.04520	0.14450	0.985