

Comparative Assessment of Banking and Corporate Governance Models for Growth

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Abstract— This study examines how banking and corporate governance models influence business dynamics and growth, focusing on Anglo-Saxon (market-based), Continental European (stakeholder-based), and Japanese (network-based) systems. Using World Bank data (2015–2023) for Germany, France, the UK, Ireland, Japan, Poland, and Bulgaria, it analyzes bank consolidation, firm entry/exit, and GDP growth via a weighted rating model. Results show Anglo-Saxon systems drive entrepreneurship but with high turnover, Japanese models foster resilience yet limit new firms, and Continental models balance entry with survival. Bulgaria shows strong activity but weak sustainability, suggesting a hybrid model combining market dynamism, European stability, and Japanese discipline.

Keywords— Banking models, Corporate governance, Anglo-Saxon model, Continental European model, Japanese model, Business dynamics, SME financing, Economic growth

I. INTRODUCTION

Banking and corporate governance models differ significantly across the world, they are influenced by legal systems, cultural norms, regulatory frameworks, and market conditions. The models form the basic backbone and economical structure of the countries that employ them and can have a broad influence on the survivability of business and therefore the economic growth of each nation. In this research we will try to examine and compare some of the key aspects of the major models and how they can affect business registration and bankruptcy and therefore re-industrialization and GDP growth. Finally, a rating model for the examined countries has been developed in order to provide further insight of which banking model tends to be better suited for growth.

II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

A. Types of Banking and Corporate Governance Models

There are different banking and corporate governance across the world. However, these models can be categorized into several frameworks based on the ownership structure, regulatory environment, and corporate control mechanisms. Some of the models that can be seen around the world are:

1. Anglo-Saxon Model (Market-Based)
2. Continental European Model (Stakeholder-Based)
3. Japanese Model (Keiretsu/Network-Based)
4. Family-Controlled Model
5. State-Controlled Model
6. Islamic Banking and Governance Model

The Anglo-Saxon model prioritizes shareholder rights and market-based mechanisms, while the Continental

European and Japanese models focus more on stakeholder involvement and bank-based financing. Family-controlled businesses dominate in parts of Asia and Latin America, while state ownership plays a critical role in countries like China and Russia. Additionally, Islamic banking presents a unique governance model based on Sharia law. These differences reflect the diverse ways in which businesses are governed and financed around the world. Out of these, the major three and the focus of this paper are the Anglo-American, Continental European and Japanese models.

Examining the key characteristics and features of each of the main banking and corporate governance models can give us some understanding on how they can affect the industrial sector and GDP growth of the countries that fall under them.

Beginning with the Anglo-Saxon Model (Market-Based). It can be observed primarily in locations like the United States, United Kingdom, Ireland and Australia. Some of the key Features of the model are, a dispersed ownership, shareholder primacy, board structure, and Market-based financing. In the Anglo-American model, ownership of corporations is typically distributed among a large number of shareholders, while they exist there are fewer cases of concentrated ownership or control by families or governments. The focus of the model is primarily on maximizing shareholder value, with boards of directors accountable to shareholders. Companies in this system have a unitary board structure, where executive and non-executive directors sit on the same board. Companies tend to raise capital through equity and debt markets rather than relying on bank financing.

Finally, the governance framework is managed by corporate governance codes such as the UK Corporate Governance Code and the Sarbanes-Oxley Act in the U.S. which set standards for board composition, financial reporting, and risk management [1].

The Continental European Model (Stakeholder-Based), on the other hand, which can be examined in locations such as Germany, France, Netherlands, Austria, Bulgaria and Poland. Has the key feature like a concentrated ownership of companies. The overall trend is for ownership to be concentrated, often dominated by family owners, banks, or the state.

The main governance is focused on stakeholder. This means that it is not concentrated just on shareholders, but also on employees, creditors, and other stakeholders. Employee representation on boards (co-determination) is common in Germany.

Additionally, a two-tier board structure is present. Many

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European countries (especially Germany and the Netherlands) operate with a two-tier board system. There is a supervisory board, which oversees the company's long-term strategy, and a management board, which runs the day-to-day operations.

Financing is Bank-based, meaning companies are more reliant on banks for financing rather than capital markets, especially in countries like Germany.

Finally, the corporate governance framework for example in Germany is shaped by the German Corporate Governance Code, and the "Codetermination Act" governs employee representation in corporate boards [2].

The Japanese Model (Keiretsu/Network-Based) is as the naming suggests primarily based in Japan. It has a specific structure named after the Keiretsu system, where firms are linked by cross-shareholdings and long-term relationships, often centering around a bank. By composition Japanese boards are traditionally more insider-dominated, with fewer independent directors than in Anglo-Saxon models, though recent reforms are pushing for more independent oversight. While the stakeholder orientation is similar to the European model, Japanese governance places importance on the broader stakeholder group, including employees, suppliers, and the community. Financing is bank-based and major Japanese corporations traditionally rely on banks for financing, although in recent decades there has been a shift towards capital markets.

Japan's corporate governance reforms, including the Corporate Governance Code (2015) and the Stewardship Code, aim to strengthen shareholder rights and increase board independence and form the governance framework [3].

B. Global trends in the banking sector

Banking around the world has experienced a general consolidation, with the total number of banks across different countries decreasing over the years. Some of the main force driving these changes have been the acquisition of smaller banks by major banks. A good example is the acquisition of Lehman Brothers by Barclays [4].

The decreasing of the number of banks per country is present in each of the corporate governance models and around the world in general. This consolidation process can be observed in Figure 1.

The decreasing number of banks across the world can be attributed to some of the following factors:

Consolidation and Mergers: A major driver of the decline in the number of banks is industry consolidation. Larger banks are acquiring smaller ones to achieve economies of scale, improve competitiveness, and expand their market share. Mergers and acquisitions in the banking sector have reduced the overall number of institutions, especially in more developed financial markets like the U.S. and Europe.

Increased Regulation: Stricter regulatory requirements, particularly after the 2008 financial crisis, have made it more difficult for smaller banks to survive. These banks often struggle to keep up with compliance costs, leading to more mergers or closures.

Technological Disruption: The rise of fintech and digital banking services has changed the landscape. Many

traditional banks are either merging to strengthen their digital capabilities or being phased out as more consumers turn to non-bank financial institutions for services like payments, loans, and investments.

Globalization and Competitiveness: Globalization has increased competition in the banking industry. In some markets, foreign banks have entered and put pressure on local banks, leading to consolidation or exit from the market.

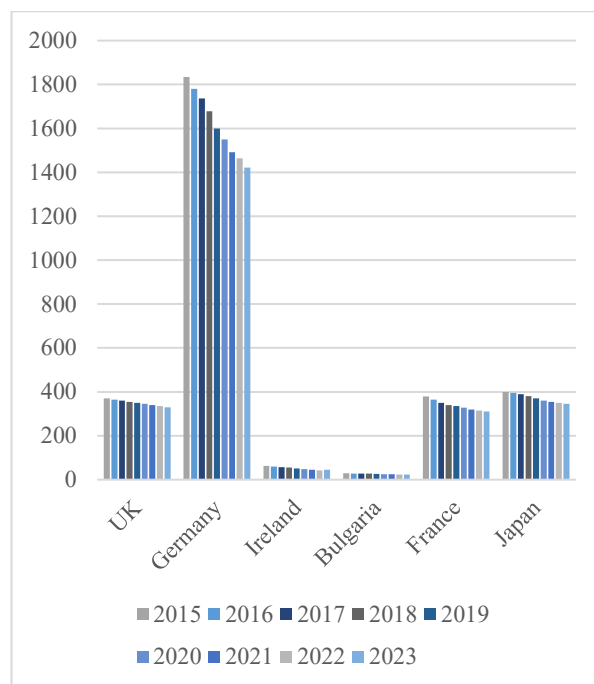


Fig. 1. Number of active banks per country (2015-2023)

Market Saturation: In some developed countries, the banking sector reached a saturation point, with too many banks serving the same customer base. This prompted consolidation and a reduction in the number of banks.

The decrease in the number of banks, primarily due to consolidation, mergers, and the rise of digital financial services, has several effects on the industrial sector and GDP growth, both positive and negative. These effects are largely dependent on the size of the economy, the structure of the banking system, and the specific industries involved.

1. Effects on the Industrial Sector:

Positive Effects:

- **Improved Access to Capital for Large Firms:** Larger, consolidated banks often have more resources and capacity to offer significant loans to large industrial firms. This can be beneficial for capital-intensive industries like manufacturing, infrastructure, and energy, which require substantial funding for expansion, modernization, and innovation. In their study "Measuring the Impact of Bank Consolidation on Lending" Berger and Udell examine how bank mergers and consolidations enhance the lending capacity of larger banks, thereby improving access to capital for large firms [5].

- **Better Risk Management:** Larger banks typically have more sophisticated risk management systems. This can result in more stable financing conditions for industrial firms, especially during economic downturns. A stronger

banking sector might prevent credit shortages during financial crises, helping industries sustain growth and productivity. Examining how larger banks with more sophisticated risk management frameworks contribute to financial stability, benefiting industrial firms through more reliable financing. (Demirgüç-Kunt, & Detragiache, 1998)

- Efficiency and Innovation: Bank mergers and the adoption of fintech solutions can lead to more efficient financial services, potentially reducing transaction costs for industrial companies. Streamlined banking processes, faster credit assessments, and innovative financial products can help industrial firms manage their finances more effectively. [6]

Negative Effects:

- Reduced Credit Availability for SMEs: Small and medium-sized enterprises (SMEs), including those in the industrial sector, may find it more difficult to access credit as banks consolidate. Larger banks often prioritize lending to bigger corporations with lower credit risk, potentially leaving smaller firms underserved. This could hamper the growth and innovation of SMEs, which are often critical drivers of industrial activity in many economies [7].

- Concentration of Power: As fewer banks dominate the market, the industrial sector may face challenges due to increased concentration of financial power. These banks may have more leverage over loan terms and conditions, making it harder for businesses to negotiate favorable borrowing conditions. This has been examined by Laeven and Levine who examine how fewer banks in the market can lead to increased concentration of financial power, affecting loan terms and conditions for businesses [8].

- Less Relationship Banking: Smaller banks are often more involved in "relationship banking," where they have close, personal ties with local businesses and industries. As consolidation occurs, this personalized service might diminish, making it harder for smaller industrial firms to build strong, long-term financial partnerships. [9]

2. Effects on GDP Growth:

Positive Effects:

- Increased Financial Stability: A more consolidated banking system with stronger institutions can promote financial stability, which is critical for long-term GDP growth. Strong banks are better equipped to handle economic shocks, minimizing the risk of financial crises that can severely impact GDP growth [8].

- Efficiency Gains: Bank mergers often result in cost efficiencies, which can translate into lower borrowing costs and improved financial intermediation. As the financial system becomes more efficient, capital can be allocated more effectively to productive sectors, boosting overall economic growth [10].

- Support for Large-Scale Investments: Consolidated banks often have greater capacity to finance large-scale investments in infrastructure, technology, and energy, which can have a multiplier effect on GDP growth. Such projects can create jobs, stimulate demand for raw materials, and enhance productivity in the broader economy [11].

Negative Effects:

- Reduced Competition: Fewer banks may lead to reduced competition in the financial sector, potentially

leading to higher interest rates or less favorable loan terms. This can increase the cost of capital for businesses, limiting investment and growth, which could slow down GDP growth over time [12].

- Underinvestment in SMEs: As mentioned earlier, the reduction in the number of banks can lead to a concentration of lending to large firms at the expense of smaller businesses. Since SMEs are often key drivers of innovation, employment, and overall economic dynamism, underinvestment in this sector can dampen GDP growth. [7]

- Regional Disparities: Bank consolidation can exacerbate regional disparities in economic growth. Large banks may focus on more profitable urban or industrial centers, leaving rural areas and smaller cities with less access to credit and financial services. This can result in uneven GDP growth across regions within a country [13].

The decrease in the number of banks globally, driven by consolidation and technological advancements, has mixed effects on both the industrial sector and GDP growth. For the industrial sector, large firms may benefit from better access to credit and financial services, but SMEs and certain regions may face challenges in obtaining financing. This can create disparities in industrial development. As for GDP growth, financial stability and efficiency gains can support long-term growth, but a lack of competition and underinvestment in small businesses may limit the dynamism of the economy, reducing the potential for sustained and inclusive growth.

Ultimately, the net effect depends on how well the banking sector balances the needs of different types of industries and whether regulatory frameworks ensure competition and inclusivity in access to financial services.

III. MATERIAL AND METHODS

A. New Business Registration and Deaths statistics

We can further explore the effects of banking models by examining new businesses registered and business deaths over the years across different economies by size and level of development in several countries that use the three different banking and corporate governance models.

Beginning with the Anglo-Saxon model, in figure 2 we can see the numbers for both Ireland and the United Kingdom. A steady increase in company registration and can be observed with the only drop registered from 2019 to 2020. This drop can be attributed to the COVID global pandemic and its consequences as confirmed in a report by the World Bank [14].

New businesses registered in Ireland have increased steadily from 20 000 in 2015 to 26 000 in 2023, which is a yearly increase of 3% and an overall of 30%. Businesses deaths have increased by 1 500. While in the UK an overall increase of 17.5% can be observed over the examined 12 years. Taking the new businesses registered per year from 400 000 in 2015 to 470 000 in 2023. This amounts to an average yearly increase of 1.75%. The businesses deaths also experience a similar trend an overall increase from 2015 to 2023 by 20 000.

Similar trends can be observed in economies part of the Continental European and Japanese models show in figure

3 and figure 4.

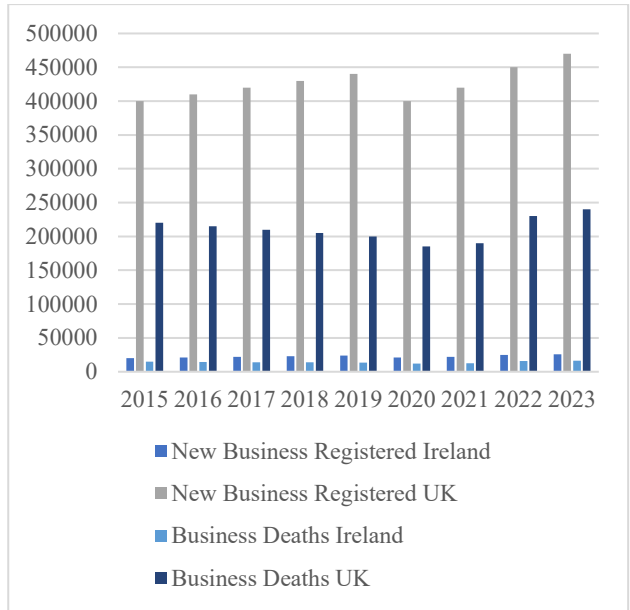


Fig. 2. New Businesses Registered Ireland and UK (2015-2023)

The developed counties with economies of scale such as France and Germany show a larger number of new businesses registered in comparison to their developing counterparts Poland and Bulgaria. However, a general positive trend can be observed across the board with a short drop in business registrations during the years of the epidemic.

This is also reflected in the businesses deaths the larger economies have a higher businesses deaths number however also a much higher Net Growth when it comes business survivability.

Additionally, in the Continental European model a better sustainability is observed. This is expressed by the lower number of business deaths when compared to registrations. The leader in this aspect is France with a yearly average of more than 70%, followed by Germany in between 55% and 65%. In this aspect the Bulgarian economy shows promise as it also follows a 50% difference between business registrations and deaths. The only country lagging behind is Poland with an average of around 25%.

Finally, the Japanese model follows a similar trend that the other two with one major exception, the survivability of businesses. The trend for Japan is slower growth as lower number of businesses are registered and lower percentage of them survive each year.

An additional conclusion can be formed upon observing the three models and more specifically the Anglo-Saxon and Continental European models. Developing countries have a lower number of new businesses opening and closing each year and have a much harder time keeping the businesses alive. The Continental European model is better suited for the survivability of companies and businesses; however, the Anglo-Saxon model is better suited for starting a new business.

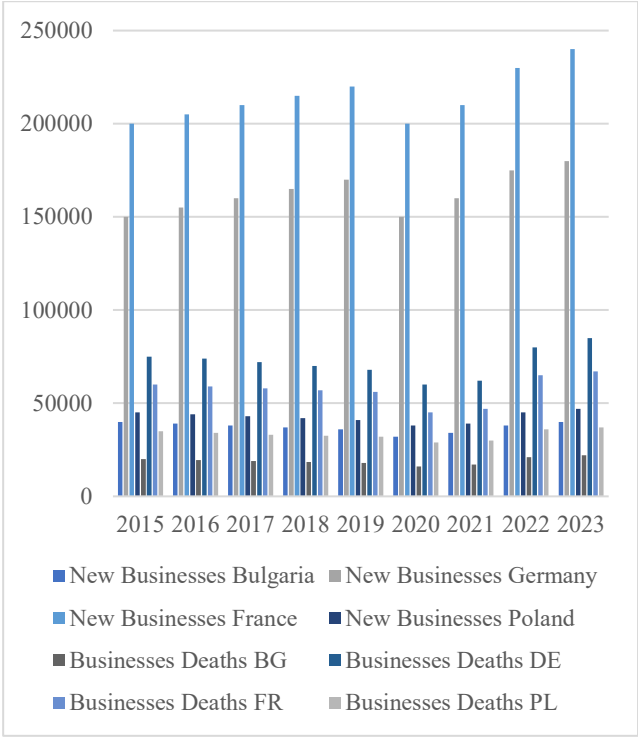


Fig. 3. New Businesses Registered Selected Countries EU (2015-2023)

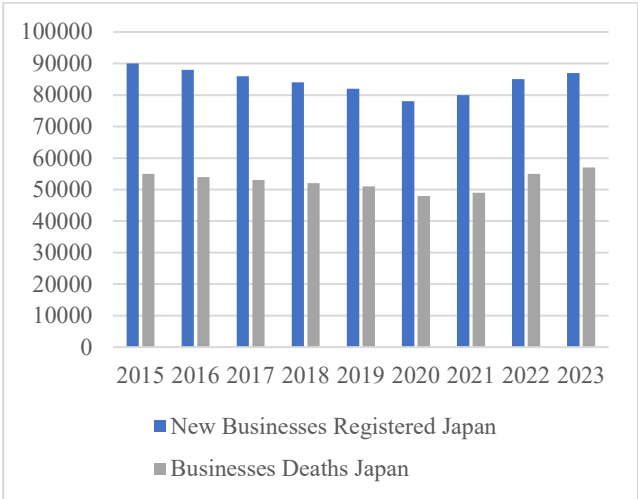


Fig. 4. New Businesses Registered Japan (2015-2023)

B. Comparing GDP Growth and Business Statistics

We can now isolate periods during which the industrial sector of the economies has increased in size and importance which has led to GDP growth and periods of industrial decline during which the industrial sector has shrunk and cross reference the impact on new businesses registration and businesses deaths. Table 1 shows the Annual GDP growth of the different countries over the examined period and allows us to make a comparison with new businesses registered.

Several observations can be made. During periods of economic expansion, the developed countries tend to have an increase in the number of new businesses registered, while the developing economies tend to ignore this and could experience a drop in registrations.

The larger increases in GDP growth stimulate new business registrations and they in turn experience a large increase. This can be seen in all countries from 2020 to

2021. The increase of new businesses registered doubled for most economies.

Finally, when the economy shrinks the Birth-Death ratio increases which means that the sustainability of businesses and their survival rate increases.

TABLE I
ANNUAL GDP GROWTH COMPARISON

	Bulgaria	Germany	France	Poland
2015	3.43%	1.65%	1.11%	4.38%
2016	3.04%	2.29%	1.10%	2.95%
2017	2.76%	2.72%	2.29%	5.14%
2018	2.68%	1.12%	1.87%	5.95%
2019	4.04%	0.99%	1.84%	4.45%
2020	-3.96%	-4.10%	-7.78%	-2.02%
2021	7.63%	3.67%	6.82%	6.85%
2022	3.36%	1.37%	2.56%	4.87%
2023	1.87%	-0.27%	0.94%	0.14%

	Ireland	UK	Japan
2015	24.37%	2.22%	1.56%
2016	2.01%	1.92%	0.75%
2017	9.01%	2.66%	1.68%
2018	8.53%	1.41%	0.64%
2019	5.44%	1.62%	-0.40%
2020	6.18%	-10.30%	-4.28%
2021	13.59%	8.58%	2.14%
2022	11.97%	4.84%	1.03%
2023	-5.53%	0.34%	1.68%

The Japanese model is the only one that ignores these rules and has a decreasing number of new businesses registered even during prolonged periods of economic growth, which the country experiences from 2015 to 2019 prior to the world pandemic.

However, these statistical observations are common in all banking models and we can conclude that they are influenced much more by macro-economic factors than the corporate governance and banking model of each country.

IV. MODEL FOR EVALUATION OF THE DIFFERENT BANKING MODELS

Based on the examined data a model for rating the banking sector of each of the examined countries has been build. The model is based on the examined data, number of banks, new business registered and business deaths. The model uses a weighted scoring system and gives each country scores on the scale of 1 to 5.

Bulgaria has been used as an example and the Raw data for economy can be observed in Table 2 as follows:

TABLE II
BULGARIA- BANKING AND BUSINESS REGISTRATION STATISTICS

Year	Number of Banks	New Business Registrations	Business Deaths	Population (millions)
2015	29	40,000	20,000	7,177,520
2016	28	39,000	19,500	7,100,000
2017	27	38,000	19,000	7,075,640
2018	27	37,000	18,500	7,024,740
2019	26	36,000	18,000	6,975,470
2020	25	32,000	16,000	6,933,650
2021	25	34,000	17,000	6,900,000
2022	24	38,000	21,000	6,800,000
2023	23	40,000	22,000	6,795,800

From the raw data, key indicators have been calculated, in order to better compare the impact of the banking model that each country uses. These key indicators are as follows:

1. Banks per 1 million:

$$\text{Banks per million} = \text{Number of Banks} / (\text{Population} / 1000000)$$

2. New Registrations per 1000:

$$\text{Registrations per 1000} = \text{New Business Registrations} / (\text{Population} / 1000)$$

3. Business Deaths per 1000:

$$\text{Business Deaths 1000} = \text{Business Deaths} / (\text{Population} / 1000)$$

4. Birth-Death Ratio:

$$\text{Birth-Death Ratio} = \frac{\text{New Business Registrations}}{\text{Business Deaths}}$$

(For the Birth-Death Ratio higher ratios indicate economic dynamism.)

5. Net Business Growth:

$$\text{Net Growth} = \text{New Business Registrations} - \text{Business Deaths}$$

Positive values indicate economic expansion.

The indicators of the raw data for the Bulgarian economy can be observed in Table 3 and are as follows:

TABLE III
BULGARIA-BANKING AND BUSINESS REGISTRATION STATISTICS KEYS INDICATORS

Banks per Million	Registrations per 1,000	Deaths per 1,000	Birth-Death Ratio	Net Growth
4.0403927	5.57295556	2.7864777	2	20,000
3.9436619	5.49295774	2.7464788	2	19,500
3.8159092	5.37053891	2.6852694	2	19,000
3.8435586	5.26709885	2.6335494	2	18,500
3.7273474	5.16094256	2.5804712	2	18,000
3.6056045	4.61517382	2.3075869	2	16,000
3.6231884	4.92753623	2.4637681	2	17,000
3.5294117	5.58823529	3.0882352	1.8095238	17,000
3.3844433	5.88598840	3.2372936	1.8181818	18,000

Finally, all data has been normalized using the following formula in order to account for the difference in size of economies and allow a weighted score to be given:

$$\text{Normalized Score} = 1 + 4 * ((\text{Max Value} - \text{Min Value}) / (\text{Value} - \text{Min Value}))$$

The weights for each of the indicators of the model have been assigned:

- Banks per Million: 15%
- Registrations per 1,000: 20%
- Deaths per 1,000: 15%
- Birth-Death Ratio: 25%
- Net Growth: 25%

The results for Bulgaria are shown in Table 4.

TABLE IV
BULGARIA- BANKING AND BUSINESS REGISTRATIONS STATISTICS KEY INDICATORS NORMALIZED

Normalized Bank Score	Normalized Registrations Score	Normalized Deaths Score	Normalized Birth-Death Score	Normalized Net Growth Score	Weighted Score
2	4	2	2	1	2.16
2	4	2	2	1	2.15
2	4	2	2	1	2.14
2	4	2	2	1	2.14
2	4	2	2	1	2.13
2	4	2	2	1	2.1

2	4	2	2	1	2.11
2	4	1	2	1	2.01
2	4	1	2	1	2.03

The final step of the model is to assign a rating to each of the countries throughout the examined time period 2015 to 2023. The rating has been assigned based on the following thresholds:

- A (Excellent): 4.25–5.0
- B (Good): 3.5–4.24
- C (Satisfactory): 2.75–3.49
- D (Needs Improvement): <2.75

The final ratings for all of the examined countries as per the model designed are as follows:

TABLE V
BANKING MODELS – RATINGS 2015 TO 2023

Year	Bulgaria	Germany	France	Poland	Ireland	UK	Japan
2015	D	C	C	D	D	C	D
2016	D	C	C	D	D	C	D
2017	D	C	C	D	D	C	D
2018	D	C	C	D	D	C	D
2019	D	C	B	D	D	C	D
2020	D	C	B	D	D	C	D
2021	D	C	B	D	D	C	D
2022	D	C	C	D	D	C	D
2023	D	C	C	D	D	C	D

From the results we can quickly conclude that the developed economies of France, Germany and the UK have an obvious advantage over the still developing economies of Bulgaria, Poland, and Ireland.

Japan stands out as an outlier because of the difference of their banking system and the difficulties in opening a new business, even though their economy is one of the world leaders.

While conducting this research we made several interesting observations. The Anglo-Saxon model allows for easier business access, meaning UK and Ireland are in the overall best at starting new businesses. However, their banking and corporate governance model falls short when it comes to business survivability. As they are at the bottom for business deaths. It is by the sheer number of new businesses opened that they maintain a positive Net-Growth.

Japan on the other hand is the complete opposite; new businesses are hard to start however the banking system allows them to get easier funding and thus provides stability for their continued existence and therefore Japan scored the highest when it came to business deaths.

Surprisingly Bulgaria was second only to UK when it came to new businesses registered, only slightly behind was Ireland. Where the banking and corporate governance model falls short in the Bulgarian economy is the Net-Growth and Birth-Death ratio. Having said that Bulgaria's overall score was higher than Japan, Poland, and Ireland.

V. CONCLUSION

A brief conclusion can be made for each of the financial sector models based on these observations:

- The Anglo-Saxon model is more suitable for developed economies with its high levels of new business registrations. However, it experiences high business

turnover, expressed through lower ratios between registrations and closures.

- The Japanese model lags behind with a negative growth rate of newly registered businesses, but it provides a very positive environment for business resilience.

- The Continental European model represents an environment that can be interpreted as the best of both worlds. It offers favorable conditions for registering new businesses while also ensuring resilience for better survival. Its overall value is more balanced and suitable both for new businesses and for long-term sustainability.

This comparison allows us to draw an additional conclusion about the Bulgarian financial model and its influence on the industry. More specifically, the Bulgarian financial model allows for relatively easy registration of new businesses and demonstrates entrepreneurial dynamism, but at the same time it is characterized by high closure rates and low net enterprise growth. This shows that although entrepreneurial activity is significant, there are not enough effective mechanisms for long-term support and business sustainability. Bulgaria occupies an intermediate position between the Anglo-Saxon model, which stimulates the creation of new firms, and the Continental European model, which guarantees a higher degree of stability. In the future, through better regulation, encouraging access to financing for SMEs, and adopting good practices from the European model, the Bulgarian economy could strengthen the resilience of its business sector and achieve a higher long-term contribution to GDP growth.

Finally, we can provide several guidelines for transforming this entrepreneurial energy into a sustainable industrial base and higher GDP. For this purpose, targeted mechanisms are needed that combine the strengths of the Continental and Japanese approaches, without losing the flexibility of the market one:

- Industry-oriented financing for SMEs: Creation/strengthening of guarantee schemes and co-investment funds for manufacturing SMEs (equipment, automation, green capex), with long maturities and grace periods on the principal, tied to productivity and export KPIs.

- Development/Export Credit Bank (operating as a “long arm” to commercial banks): Equity and debt co-financing of cluster projects: industrial parks, shared R&D and testing centers, joint certification infrastructure.

- Co-management and industrial councils following the German model: Incentives for companies that introduce worker representation and long-term training/qualification contracts, linked to tax credits.

- SME Growth Market (capital market for growth): Facilitated listing for manufacturing SMEs, standardized prospectuses, and analytical coverage to diversify capital sources beyond bank loans.

- “Mini-keiretsu”-style supply chains: Encouragement of long-term framework contracts between large Bulgarian/foreign “anchor” manufacturers and local suppliers (metalworking, plastics, electronics), with shared financing for tooling and digital integrations (EDI, traceability).

- Technology diffusion policies: Vouchers for industrial

automation, IoT/SCADA, production cybersecurity, and certification (ISO/IATF) to increase TFP and reduce bankruptcies.

- Counter-cyclical buffers: Agreements with banks for supporting credit lines during shocks (energy, logistics), conditional on maintaining employment and investing in efficiency.

Brief assessment of models for Bulgaria

- What to take from the Continental model: long-term banking relationships, co-management, cluster policies, and export tools — for industry stability and lower closure rates.

- What to retain from the Anglo-Saxon model: easy entry, fast procedures, and access to venture/growth capital — for high innovation dynamics.

- What to adapt from the Japanese model: deep supplier relationships and shared investments in quality and equipment — for resilient, highly reliable production chains.

Summary: The most suitable direction for Bulgaria is a hybrid model: flexible market mechanisms for creating new industrial firms, reinforced by Continental tools for long-term sustainability and clustering, and Japanese discipline in supply chains and quality. This way, entrepreneurial activity is transformed into lasting industrial capacity, higher productivity, and accelerated, more sustainable GDP growth.

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