

AP-FinalMain		29/07/04
Serial number		c1- c4
Card no.	2	c5
Sector		c6
State Sector	1	
Private Sector	2	

TOWN		c7
Capital		1
Other, over 1 million		2
Other, 250,000 - 1,000,000		3
Other, 50,000 – 250,000		4
Under 50,000		5
Country		c8-c9

**Business Environment Survey
Main Questionnaire – Private Sector**

Thank you for agreeing to see me.

The purpose of this survey is to better understand constraints that hinder the development of businesses like yours. This study is being conducted for 100 countries by the European Bank for Reconstruction and Development and the World Bank. The initial goal is to better understand conditions for doing business in your country and how they compare to other countries. The ultimate goal of this research is to advise governments on ways to change policies that impose a burden on private firms and to develop new projects and programs that strengthen support for enterprise growth. Your answers should reflect only your perception and experience of doing business in your country.

I would like to assure you, that the information obtained here will be treated strictly anonymously and confidentially. Neither your name nor the name of your firm will be used in any document based on this surveys. Neither the European Bank for Reconstruction and Development nor the World Bank will be informed of any individual firms' responses or participation in this survey.

I'd like to start by asking some more questions about you and this organisation.

Q.1 What is your job title?

	c10
Chief Executive/President	1
Owner/proprietor	2
Partner	3
Director	4
General Manager	5
Manager	6
Finance Officer/Accountant	7
Other (SPECIFY)	8
.....	
	c11 BLANK

Q.2 Which of the following best describes the control of your firm, where control means making major decisions concerning the enterprise's direction today and three years ago? **SHOW CARD. ONE ANSWER ONLY**

	Today	3 Years Ago
	c12	c15
Individual owner(s)	1	1
A family	2	2
A domestic company group	3	3
A bank	4	4
Its board of directors/supervisory board	5	5
Its managers	6	6
Its workers	7	7
Government or government agency	8	8
A foreign company	9	9
	c13	c16
An investment fund	1	1
Other (SPECIFY)	2	2
.....		
Don't Know/no answer	3	3
	c14 BLANK	c17 BLANK

INTERVIEWER CHECK S.10 IF THE STATE OWNS 50% OR MORE OF THE FIRM'S CAPITAL THEN GO TO Q.6

Q.3 Is the majority ownership in your company held by one shareholder/owner, two to three shareholders/owners, or more?

	c18
One Shareholder/Owner	1
Two to three Shareholders/owners	2
More than three	3

Q.4 Which of the following best describes the type of owner which now has the largest stake in your firm, either directly or indirectly? **SHOW CARD**

INTERVIEWER IF 'GOVERNMENT OR GOVERNMENT AGENCY' ONLY GO TO Q.6

	c19
Individuals	1
Family	2
Domestic company group	3
Foreign company	4
Bank	5
Investment fund	6
Its managers	7
Its workers	8
Government or government agency	9
Other (SPECIFY)	c20
.....	1
Don't Know/no answer	2
	c21 BLANK

Q.5 Has the identity of this shareholder changed over the last three years?

	c22
--	-----

Yes	1
No	2
Don't know	3

Q.6 In what year was your firm founded? **WRITE IN YEAR**

.....

c23	c24	c25	c26	Don't Know	c27
					1

Q.7 How was your firm established ? **ONE ANSWER ONLY**

	c28
Originally private, from time of start up (no state-owned predecessor)	1
Privatization of a state-owned firm	2
Private subsidiary of a formerly state-owned firm	3
joint venture, domestic and foreign private owners	4
Other (SPECIFY)	5
	c29 BLANK

Q.8 Has there been a change in the general manager within the last three years?

	c30	
CONTINUE	Yes	1
GO TO INTRODUCTION	No	2
BEFORE Q.11	Don't know	3

Q.9 What happened to the previous General Manager?

	c31
dismissed on performance grounds	1
recruited by another firm	2
separated from the firm through retirement or death	3
replaced due to merger or takeover	4
Other (SPECIFY)	5
Don't know	6
Refused	7
	c32 BLANK

Q.10 Did the current general manager work in the company prior to being appointed as general manager?

	c33
Yes	1
No	2

Now, I'd like you to think about the quality and integrity of public services.

Q.11 Could you please rate the overall quality and efficiency of services delivered by the following public agencies or services, use the scale on this card. **SHOW CARD WITH SCALE**

So, how would you rate the overall quality and efficiency of

READ OUT PUBLIC SERVICES

		Very Good	Good	Slightly good	Slightly bad	Bad	Very Bad	Don't know
Customs Service/Agency	c34	1	2	3	4	5	6	7
The judiciary/courts	c35	1	2	3	4	5	6	7
Roads Department/Public Works	c36	1	2	3	4	5	6	7
Postal Service/Agency	c37	1	2	3	4	5	6	7
The Telephone Service/Agency	c38	1	2	3	4	5	6	7
The Electric Power Company/Agency	c39	1	2	3	4	5	6	7
The Water/Sewerage Service/Agency	c40	1	2	3	4	5	6	7
Public Health Care Service/Hospitals	c41	1	2	3	4	5	6	7
Education services/Schools	c42	1	2	3	4	5	6	7
The Police	c43	1	2	3	4	5	6	7
The armed forces/military	c44	1	2	3	4	5	6	7
Central Government leadership (President/PM/Cabinet)	c45	1	2	3	4	5	6	7
The parliament	c46	1	2	3	4	5	6	7
The Central Bank (USE THE SPECIFIC NAME OF THE CENTRAL BANK IN EACH COUNTRY)	c47	1	2	3	4	5	6	7

Q.12 Do you import goods directly?

		c48
CONTINUE	Yes	1
GO TO Q.14a	No	2

Q.13 How many days does it typically take from the time your goods arrive in their point of entry (e.g. port, airport) until the time you can claim them from customs? **WRITE IN**

.....

c49	c50	c51	Don't Know	c52
				1

Q.14a Do you export goods (as opposed to services) directly?

		c53
CONTINUE	Yes	1
GO TO INTRODUCTION BEFORE Q.15	No	2

Q.14b How many days does the pre-shipment inspection process take, from the time you submit the goods until the time they are released?

.....

	c54	c55	c56	Don't Know	c57
					1

Now I'd like you to think about the rules and regulations governing your business

Q.15 Using the scale on this card, to what degree do you agree with this statement?
 "Information on the laws and regulations affecting my firm is easy to obtain". **SHOW CARD**

	c58
Fully agree	1
Agree in most cases	2
Tend to agree	3
Tend to disagree	4
Disagree in most cases	5
Strongly disagree	6

Q.16a To what degree do you agree with the statement, "Interpretations of regulations affecting my firm are consistent and predictable"? **SHOW CARD**

Q.16b To what extent would you have agreed with this statement three years ago? **SHOW CARD**

		fully agree	agree in most cases	tend to agree	tend to disagree	disagree in most cases	strongly disagree
Q.16a Now	c59	1	2	3	4	5	6
Q.16b Three years ago	c60	1	2	3	4	5	6

Q.17 Using this four point scale (**SHOW CARD**) can you please tell me how problematic are the following for the operation and growth of your business?
READ OUT EACH IN TURN.

		No Obstacle	Minor Obstacle	Moderate Obstacle	Major Obstacle	Don't know
Business Licensing	c61	1	2	3	4	5
Customs/Foreign Trade Regulations in your country	c62	1	2	3	4	5
Labor regulations	c63	1	2	3	4	5
Foreign currency/exchange regulations	c64	1	2	3	4	5
Environmental regulations	c65	1	2	3	4	5
Fire, safety regulations	c66	1	2	3	4	5
Tax regulations/administration	c67	1	2	3	4	5
High taxes	c68	1	2	3	4	5

Q.18 Which of these do you regard as the MOST important obstacle for your business? **SHOW CARD**

	c69
Business Licensing	1
Customs/Foreign Trade Regulations in your country	2
Labor regulations	3
Foreign currency/exchange regulations	4
Environmental regulations	5
Fire, safety regulations	6
Tax regulations/administration	7
High taxes	8

Q.19 How often does the government intervene in the following types of decisions by your firm? **SHOW CARD WITH FREQUENCIES AND READ OUT DECISION TYPES**

		Always	Usually	Frequently	Sometimes	Seldom	Never	Don't Know	Not applicable
Investment	c70	1	2	3	4	5	6	7	8
Employment	c71	1	2	3	4	5	6	7	8
Sales	c72	1	2	3	4	5	6	7	8
Pricing	c73	1	2	3	4	5	6	7	8
Merger/Acquisitions	c74	1	2	3	4	5	6	7	8
Dividends	c75	1	2	3	4	5	6	7	8
Wages	c76	1	2	3	4	5	6	7	8

CARD	3
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Q.20a Using this scale, (**SHOW CARD**), can you please tell me how helpful do you find Central and National Government towards businesses like yours?

Q.20b And how helpful were they three years ago? **SHOW CARD**

		Very Helpful	Mildly Helpful	Neutral	Mildly unhelpful	Very unhelpful	Don't Know
Q.20a Now	c6	1	2	3	4	5	6
Q.20b 3 Years Ago	c7	1	2	3	4	5	6

Q.21a How helpful do you find local/regional government towards businesses like yours? **SHOW CARD**

Q.21b And how helpful were they three years ago? **SHOW CARD**

		Very Helpful	Mildly Helpful	Neutral	Mildly unhelpful	Very unhelpful	Don't know
Q.21a Now	c8	1	2	3	4	5	6
Q.21b 3 Years Ago	c9	1	2	3	4	5	6

Q.22 Now, thinking about our country's legal system, how often do you associate the following descriptions with the court system in resolving business disputes? **SHOW CARD WITH FREQUENCIES AND READ OUT DESCRIPTIONS**

		Always	Usually	Frequently	Sometimes	Seldom	Never	Don't Know
Fair and impartial	c10	1	2	3	4	5	6	7
Honest/Uncorrupted	c11	1	2	3	4	5	6	7
Quick	c12	1	2	3	4	5	6	7
Affordable	c13	1	2	3	4	5	6	7
Consistent/Reliable	c14	1	2	3	4	5	6	7
Able to enforce its decisions	c15	1	2	3	4	5	6	7

Q.23a To what degree do you agree with this statement? "I am confident that the legal system will uphold my contract and property rights in business disputes". **SHOW CARD**

Q.23b And to what degree would you have agreed with it 3 years ago? **SHOW CARD**

		Fully agree	Agree in most cases	Tend to agree	Tend to disagree	Disagree in most cases	Strongly disagree
Q.23a Now	c16	1	2	3	4	5	6
Q.23b 3 Years Ago	c17	1	2	3	4	5	6

Q.24 What percentage of senior management’s time per year is spent in dealing with government officials about the application and interpretation of laws and regulations? **SHOW CARD**

	c18
Up to 1%	1
1 to 5%	2
6 to 10%	3
11 to 25%	4
26 to 50%	5
More than 50%	6
Don’t know	7

We now want to ask your opinion on “Unofficial Payments” to officials in this country. Can I please reassure you that:

- We are interested in your opinions in a personal capacity
- We do not imply in any way that your company makes unofficial payments
- We recognise that your company as well as AC Nielsen neither approves of nor condones the use of unofficial payments
- The responses that you give will be aggregated and presented in purely statistical terms; any comments you give me cannot be attributed to either you or your company.

Q.25 Thinking about officials, would you say the following statement is always, usually, frequently, sometimes, seldom or never true?

“It is common for firms in my line of business to have to pay some irregular “additional payments” to get things done”. **SHOW CARD**

	c19
Always	1
Mostly	2
Frequently	3
Sometimes	4
Seldom	5
Never	6
Don’t know	7

CONTINUE
GO TO Q.28

And would you say the following statements are always, usually, frequently, sometimes, seldom or never true:

Q.26a “Firms in my line of business usually know in advance about how much this “additional payment” is.”

SHOW CARD

Q.26b “If a firm pays the required additional payment to a particular government official, another government official will subsequently require an additional payment for the same service” **SHOW CARD**

Q.26c “If a firm pays the required “additional payments” the service is usually also delivered as agreed.”

This is true . **SHOW CARD**

		Always	Usually	Frequentl y	Someti mes	Seldom	Never	Don’t Know
Q.26a	c20	1	2	3	4	5	6	7
Q.26b	c21	1	2	3	4	5	6	7
Q.26c	c22	1	2	3	4	5	6	7

Q.27 On average, what percent of revenues do firms like yours typically pay per annum in unofficial payments to public officials? **SHOW CARD.**

	c23
0%	1
Less than 1%	2
1 - 1.99%	3
2 – 9.99%	4
10 – 12%	5
13 – 25%	6
Over 25%	7
Don't know	8

Q.28 How often do firms like yours nowadays need to make extra, unofficial payments to public officials for any of the following?: **SHOW CARD. READ OUT LIST BELOW.**

		Always	Mostly	Frequentl y	Sometimes	Seldom	Never	Don't Know/no answer
To get connected to public services (electricity, telephone)	c24	1	2	3	4	5	6	7
To get licenses and permits	c25	1	2	3	4	5	6	7
To deal with taxes and tax collection	c26	1	2	3	4	5	6	7
To gain government contracts	c27	1	2	3	4	5	6	7
When dealing with customs / imports	c28	1	2	3	4	5	6	7
When dealing with courts	c29	1	2	3	4	5	6	7
To influence the content of new laws decrees or regulations	c30	1	2	3	4	5	6	7
Other (SPECIFY)	c31	1	2	3	4	5	6	7
c32 – c40 BLANK								

IF NEVER TO ALL, GO TO Q.31

Q.29 Of the total unofficial payments that a firm like yours would make in any given year, can you please give me an estimate of what share/percentage of those payments would be spent on each of the following purposes **SHOW CARD AND RECORD A PERCENTAGE FOR EACH PURPOSE**
INTERVIEWER PLEASE ADVISE RESPONDENT THAT WHAT WE NEED FOR THIS QUESTION ARE ROUGH ESTIMATES

To get connected to and maintain public services (electricity and telephone)	c41-c43 %
To get licenses and permits	c44-c46 %
To deal with taxes and tax collection	c47-c49 %
To gain government contracts	c50-c52 %
To deal with customs/imports	c53-c55 %
To deal with courts	c56-c58 %
To deal with health/fire inspectors	c59-c61 %
To influence the content of new legislation rules decrees etc.	c62-c64 %
Other important unofficial/additional payments	c65-c67 %
(SPECIFY)	c68-c70 %
.....	c71-c73 %
.....	c74-c76 %
.....	C77-c79 %

CHECK TOTAL IS 100%

c5

CARD

4

- Q.30 When firms in your industry do business with the government, how much of the contract value would they typically offer in additional or unofficial payments to secure the contract? **SHOW CARD.**

	c6
0%	1
Up to 5%	2
6-10%	3
11-15%	4
16-20%	5
Greater than 20%	6
Don't Know	7
Don't do business with the government	8

ASK ALL:

- Q.31 How often is the following statement true? "If a government agent acts against the rules I can usually go to another official or to his superior and get the correct treatment without recourse to unofficial payments." **SHOW CARD**

	c7
Always	1
Mostly	2
Frequently	3
Sometimes	4
Seldom	5
Never	6
Don't Know	7

- Q.32 Are you a member of a trade association or lobby group?

		c8
CONTINUE	Yes	1
GO TO Q.34a	No	2

- Q.33 If so, when a new law, rule, regulation, or decree is proposed that would have a substantial impact on your firm, which channel would you typically rely on to try to affect the outcome? **SHOW CARD**

trade association or lobby group	c9 1
your firm's direct ties to public officials	2
Other	3

Q.34a When a new law, rule, regulation, or decree is being discussed that could have a substantial impact on your business, how much influence does your firm typically have at the national level of government to try to influence the content of that law, rule, regulation or decree?

Please use the scale on this card. **SHOW CARD. READ OUT EACH IN TURN.**

IF RESPONDENT UNAWARE OF THE EXISTENCE OF A REGULATORY AGENCY IN HIS/HER SECTOR CODE AS 'NOT APPLICABLE'

1 = *not applicable*

2 = *never influential*

3 = *seldom influential*

4 = *influential*

5 = *frequently influential*

6 = *very influential*

	<i>National level</i>						
<i>Executive</i>	c10	1	2	3	4	5	6
<i>Legislature</i>	c11	1	2	3	4	5	6
<i>Ministry</i>	c12	1	2	3	4	5	6
<i>Regulatory agency</i>	c13	1	2	3	4	5	6

ASK Q.34b FOR RUSSIA ONLY

Q.34b When a new law, rule, regulation, or decree is being discussed that could have a substantial impact on your business, how much influence does your firm typically have at the local level of government to try to influence the content of that law, rule, regulation or decree?

Please use the scale on this card. **SHOW CARD. READ OUT EACH IN TURN.**

IF RESPONDENT UNAWARE OF THE EXISTENCE OF A REGULATORY AGENCY IN HIS/HER SECTOR CODE AS 'NOT APPLICABLE'

	<i>Local level</i>						
<i>Executive</i>	c14	1	2	3	4	5	6
<i>Legislature</i>	c15	1	2	3	4	5	6
<i>Ministry</i>	c16	1	2	3	4	5	6
<i>Regulatory agency</i>	c17	1	2	3	4	5	6

Q.35 Using this scale, how predictable are changes in the government's economic and financial policies which materially affect your business? **SHOW CARD**

Q.36 And how predictable are changes in rules, laws or regulations, which materially affect your business? **SHOW CARD**

	Q.35	Q.36
	c18	c19
completely predictable	1	1
highly predictable	2	2
fairly predictable	3	3
fairly unpredictable	4	4
highly unpredictable	5	5
completely unpredictable	6	6
Don't Know	7	7

Using the scale on this card (**SHOW CARD**), how often are the following statements true:

Q.37a “The process of developing new rules, regulations or policies is usually such that businesses are informed in advance of changes that will affect them”

Q.37b “In case of important changes in laws or policies affecting my business operation the government takes into account concerns voiced either by me or by my business association.”

		Always	Mostly	Frequently	Some- times	Seldom	Never	Don't Know
Q.37a	c20	1	2	3	4	5	6	7
Q.37b	c21	1	2	3	4	5	6	7

Q.38a Using this scale (**SHOWCARD**), can you please tell me, how have the laws, regulations and policies affecting your business changed over the past three years? **SHOW CARD**

	c22
Much more predictable	1
Somewhat more predictable	2
Unchanged	3
Somewhat less predictable	4
Much less predictable	5
Don't Know	6

Q.38b What proportion of your firm's fixed investment have been financed from each of the following sources, over the past year? **SHOW CARD AND RECORD A PERCENTAGE FOR EACH SOURCE**
INTERVIEWER PLEASE ADVISE RESPONDENT THAT WHAT WE NEED FOR THIS QUESTION ARE ESTIMATES

Internal funds/Retained earnings	c23-c25 %
Equity, sale of stock	c26-c28 %
Local commercial banks	c29-c31 %
Investment Funds/Special Development Finance	c32-c34 %
Foreign banks	c35-c37 %
Family/friends	c38-c40 %
Money lenders, traditional or informal sources	c41-c43 %
Supplier credit	c44- c46 %
Leasing arrangement	c47-c49 %
The State	c50-c52 %
Other (SPECIFY)	c53-c55 %
	c56-c58 %
	c59-c61 %
	c62-c64 %
	c65-c67 %

CHECK TOTAL IS 100%

Q.39a Has the financing of your firm's fixed investments changed over the past three years?

		c68
CONTINUE	Yes	1
GO TO Q.40a	No	2

Q.39b To what extent have the following persons/ organisations/ institutions have increased, or decreased their investment in your organisation over the past three years? **SHOW CARD AND RECORD AN ANSWER FOR EACH SOURCE**

		Increased	Decreased	No Change	Not Used
Internal funds/Retained earnings	c69	1	2	3	4
Equity, sale of stock	c70	1	2	3	4
Local commercial banks	c71	1	2	3	4
Investment Funds/Special Development Finance	c72	1	2	3	4
Foreign banks	c73	1	2	3	4
Family/friends	c74	1	2	3	4
Money lenders, traditional or informal sources	c75	1	2	3	4
Supplier credit	c76	1	2	3	4
Leasing arrangement	c77	1	2	3	4
The State	c78	1	2	3	4
Other (SPECIFY)	c79	1	2	3	4
.....					

	c5
CARD	5

Q.40a How many days does it take to transfer money through the financial system to a domestic supplier? **WRITE IN.**

.....

c6	c7	c8	Don't Know	c9
				1

Q.40b And how many days did it take three years ago? **WRITE IN.**

.....

c10	c11	c12	Don't Know	c13
				1

Q.40c How long does it take to transfer money to a supplier in a another country through the financial system? **WRITE IN.**

.....

c14	c15	c16	Don't Know	c17
				1

Q.40d And how many days did it take three years ago? **WRITE IN.**

.....

c18	c19	c20	Don't Know	c21
				1

Q.41 Using this scale (**SHOWCARD**), can you tell me how problematic are these different financing issues for the operation and growth of your business. **READ OUT ISSUES.**

		No Obstacle	Minor Obstacle	Moderate Obstacle	Major Obstacle	Don't know/no answer
Collateral requirements of banks/financial institutions	c22	1	2	3	4	5
Bank paperwork/bureaucracy	c23	1	2	3	4	5
High interest rates	c24	1	2	3	4	5
Need special connections with banks/financial institutions	c25	1	2	3	4	5
Banks lack money to lend	c26	1	2	3	4	5
Corruption of bank officials	c27	1	2	3	4	5
Lack access to foreign banks	c28	1	2	3	4	5
Lack access to non bank equity/investors/Partners	c29	1	2	3	4	5
Lack access to specialised export finance	c30	1	2	3	4	5
Lack access to lease finance for equipment	c31	1	2	3	4	5
Inadequate credit/financial information on customers	c32	1	2	3	4	5
Lack access to long-term bank loans	c33	1	2	3	4	5

Q.42 And which of these would you say is the biggest obstacle for your business? **SHOW CARD ONE ANSWER ONLY**

	c34
Collateral requirements of banks/financial institutions	1
Bank paperwork/bureaucracy	2
High interest rates	3
Need special connections with banks/financial institutions	4
Banks lack money to lend	5
Corruption of bank officials	6
Lack access to foreign banks	7
Lack access to non bank equity/investors/partners	8
	c35
Lack access to specialised export finance	1
Lack access to lease finance for equipment	2
Inadequate credit/financial information on customers	3
Lack access to long-term bank loans	4

Q.43 Does your firm use international accounting standards (IAS)?

	c36
Yes	1
No	2
Don't know	3

Q.44 Does your firm circulate either internally or externally annual financial statements that have been reviewed by an external auditor?

	c37
Yes	1
No	2
Don't know	3

Q.45 Thinking of your firm's major product line in the domestic market, how many competitors do you face?

		c38
GO TO Q.48a	None	1
CONTINUE	1-3	2
	More than 3	3

Q.46 From which of the following would you say your company faces the biggest competitive threat?
SHOW CARD ONE ANSWER ONLY

	c39
Domestic small and medium enterprise	1
Domestic large private enterprise	2
Foreign firm producing in domestic market (not imports)	3
State-owned enterprise	4
Micro-enterprise/informal sector	5
Legal imports	6
Smuggled goods	7
My firm has no effective competitors	8
Other (SPECIFY)	9
	c40 BLANK

Q.47 Using the scale on this card (**SHOWCARD**) can you tell me how serious a problem are the following practices of your competitors for your firm? **READ OUT EACH PRACTICE**

		No Obstacle	Minor Obstacle	Moderate Obstacle	Major Obstacle	Don't Know	Not applicable
They avoid sales tax or profits tax	c41	1	2	3	4	5	6
They do not pay duties or observe trade regulations	c42	1	2	3	4	5	6
Foreign producers sell below international prices	c43	1	2	3	4	5	6
Domestic producers unfairly sell below my prices	c44	1	2	3	4	5	6
They avoid labor taxes/regulations (e.g social security)	c45	1	2	3	4	5	6
They violate my copyrights, patents or trademarks	c46	1	2	3	4	5	6
They collude to limit my access to credit, supplies, land, equipment or customers	c47	1	2	3	4	5	6
They receive subsidies (including the toleration of tax arrears) from national/ local government	c48	1	2	3	4	5	6
They have favored access to credit, infrastructure services or customers	c49	1	2	3	4	5	6

Q.48a What percentage of the sales of a typical firm in your area of activity would you estimate is reported to the tax authorities, bearing in mind difficulties with complying with taxes and other regulations? **SHOW CARD.**

	c50
100%	1
90-99%	2
80-89%	3
70-79%	4
60-69%	5
50-59%	6
25-49%	7
Less than 25%	8

Q.48b In summary, how would you rate the efficiency of government in delivering services?
SHOW CARD

	c51
Very Efficient	1
Efficient	2
Mostly Efficient	3
Mostly inefficient	4
Inefficient	5

Very Inefficient	6
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Q.49 Using this scale (**SHOW CARD**) can you tell me how problematic are these different factors for the operation and growth of your business. **READ OUT STATEMENTS**

		No Obstacle	Minor Obstacle	Moderate Obstacle	Major Obstacle	Don't know/no answer	
	Financing	c52	1	2	3	4	5
	Infrastructure (e.g. telephone, electricity, water, roads, land)	c53	1	2	3	4	5
	Taxes and regulations	c54	1	2	3	4	5
	Policy instability/uncertainty	c55	1	2	3	4	5
	Inflation	c56	1	2	3	4	5
	Exchange rate	c57	1	2	3	4	5
	Functioning of the judiciary	c58	1	2	3	4	5
	Corruption	c59	1	2	3	4	5
	Street crime/theft/disorder	c60	1	2	3	4	5
	Organized crime/Mafia	c61	1	2	3	4	5
	Anti-competitive practices by government or private enterprises	c62	1	2	3	4	5
	Other (Specify)	c63	1	2	3	4	5

I would now like to ask a few more classification questions.

Q.50a Have your company’s sales, investment, exports, employment and debt changed in real terms over the last three years.
IF ANY OF THE ABOVE ITEMS MENTIONED CHANGED, THEN CONTINUE ELSE GO TO Q.50e
FOR ALL THE ITEMS THAT CHANGED ASK Q.50b

IF RESPONDENT SAYS THAT ACTIVITY NOT PERFORMED OR NOT PRESENT, ASK IF IT EXISTED 3 YEARS AGO.
IF NO: CODE Q.50a AS ‘NOT CHANGED’;
IF YES: CODE Q.50a AS ‘CHANGED’ AND CODE Q.50d AS 100

Q.50b Have increased or decreased?

IF INCREASED ASK Q.50c, IF DECREASED ASK Q.50d

Q.50c By what percentage have increased?

Q.50d By what percentage have decreased?

		Q.50a Changed?			Q.50b Increased/Decreased			Q.50c By what percentage increased		Q.50d By what percentage decreased
		Changed	Not Changed		Increased	Decreased				
Sales	c6	1	2	c7	1	2	c8-c10		c11-c13	
Investment	c14	1	2	c15	1	2	c16-c18		c19-c21	
Exports	c22	1	2	c23	1	2	c24-c26		c27-c29	
Employment	c30	1	2	c31	1	2	c32-c34		c35-c37	
Debt	c38	1	2	c39	1	2	c40-c42		c43-c45	

Q.50e Do you expect your company's sales, investment, exports, employment and debt to change in real terms over the next three years.

IF ANY OF THE ABOVE ITEMS MENTIONED CHANGED THEN CONTINUE ELSE GO TO Q.51

FOR ALL THE ITEMS THAT CHANGES ASK Q.50f –h

IF RESPONDENT SAYS THAT ACTIVITY WILL NOT BE PERFORMED OR PRESENT BUT NOT PERFORMED CODE Q.50e AS 'NOT TO CHANGE'

Q.50f Do you expect to increase or decrease?

IF INCREASE ASK Q.50g, IF DECREASE ASK Q.50h

Q.50g By what percentage do you expect to increase?

Q.50h By what percentage do you expect to decrease?

		Q.50e Change?			Q.50f Increase/Decrease			Q.50g By what percentage increase		Q.50h By what percentage decrease
		Change	Not to Change		Increase	Decrease				
Sales	c6	1	2	c7	1	2	c8-c10		c11-c13	
Investment	c14	1	2	c15	1	2	c16-c18		c19-c21	
Exports	c22	1	2	c23	1	2	c24-c26		c27-c29	
Employment	c30	1	2	c31	1	2	c32-c34		c35-c37	
Debt	c38	1	2	c39	1	2	c40-c42		c43-c45	

Q.51 For classification purposes please could you tell me, on the scale on this card. **SHOW CARD**

- a) The estimate of your firm's total sales in the last one year
- b) The estimate of your firm's fixed assets (land, building, equipment)
- c) The estimate of your firm's debts

Dollars	Table in Local Currency	Q.51a Sales c6	Q.51b Fixed assets c8	Q.51c Debts c10
Under \$250,000		1	1	1
\$250-\$499,000		2	2	2
\$500-999,000		3	3	3
\$1-1.99 million		4	4	4
\$2-4.99 million		5	5	5
\$5-9.99 million		6	6	6
\$10-19.99 million		7	7	7
\$20-49.99 million		8	8	8
\$50-499 million		9	9	9
\$500 million or more		c7 1	c9 1	c11 1
Don't know		2	2	2

Q.52a Given your firm's current level of output and existing capital stock, how does the current level of skilled workers in your firm compare with the desired level in your firm?

SHOW CARD. ONE ANSWER ONLY.

Q.52b Given your firm's current level of output and existing capital stock, how does the current level of unskilled workers in your firm compare with the desired level in your firm?

SHOW CARD. ONE ANSWER ONLY.

	Q.52a Skilled workers c12	Q.52b Unskilled Workers c13
too high by more than 20%	1	1
too high by 10 – 20%	2	2
too high by 5 – 10%	3	3
employment level about right	4	4
employment level too low	5	5
Don't employ this kind of worker	6	6

Q.53a Is the amount of payments overdue (by more than 90 days) by your company to each of the following substantial, manageable, modest or non-existent? **SHOW CARD WITH SCALE**

		Substantial amount	Manageable amount	Modest amount	None	Don't know
Utilities	c14	1	2	3	4	5
Suppliers	c15	1	2	3	4	5
Government taxes	c16	1	2	3	4	5
Local taxes	c17	1	2	3	4	5
Workers	c18	1	2	3	4	5

Q.53b And is the amount overdue accounts receivable (by more than 90 days) from customers substantial, manageable, modest or non-existent?

		Substantial amount	Manageable amount	Modest amount	None	Don't know
Customers	c19	1	2	3	4	5

MODULE ON RESTRUCTURING AND COMPETITION

Q.54. Has your company undertaken any of the following initiatives in the last three years? **SHOW CARD MULTIPLE ANSWERS POSSIBLE**

	c20
A reduction in the company workforce of greater than 10%	1
An increase in the company workforce of greater than 10%	2
successful development of major new product line	3
upgrading of existing product line	4
Discontinuation of at least on product line	5
change of identity of main supplier	6
change of identity of main customers (>20% of sales)	7
export to new country	8
change of main bank	9
Opening of new plant	c21
	1
closure of at least one existing plant	2
joint venture with foreign partner	3
licensing agreement	4
outsourcing of production activity that was previously conducted in-house	5
quality accreditation (ISO 9000)	6

Q.55 Of your current total sales, approximately what proportion is accounted for by products launched on this market over the last three years? **SHOW CARD**

	c22
All	1
>80%	2
50%-80%	3
20%-50%	4
<20%	5
None	6

Q.56a Of your current customers, approximately what proportion were already your customers 3 years ago? **SHOW CARD**

Q.56b Of your current suppliers, approximately what proportion were already your suppliers 3 years ago? **SHOW CARD**

INTERVIEWER: IF LESS THAN 80% OF CURRENT SUPPLIERS WERE ALREADY SUPPLIERS 3 YEARS AGO, GO TO Q.58

	Q.56a Customers	Q.56b Suppliers
	c23	c24
All	1	1
>80%	2	2
50%-80%	3	3
20%-50%	4	4
<20%	5	5
None	6	6

Q.57 To the extent that your firm has retained suppliers from three years ago, which of these answers better describes the reason for the lack of change? **SHOW CARD**

	c25
Our firm has been satisfied with the suppliers' performance and prices	1
Our firm has been dissatisfied with the suppliers' Performance and prices, but have been unable to switch to alternative suppliers.	2

Q.58 Which of the following best describes the organization of departments (in terms of the allocation of responsibilities, budgetary resources and staff) within your firm during the last three years?

SHOW CARD ONE ANSWER ONLY

	c26
My firm is organized in much the same way as it was three years ago	1
My firm has had some reallocation of responsibility and resources between departments	2
My firm has had major reallocations of responsibility and resources between departments	3
My firm has had a completely new organizational structure	4

Q.59 What proportion of your current full-time workers were employed by your firm 3 years ago?

WRITE IN PERCENTAGE.

%

.....

c27	c28	c29		c30
			Don't Know	1

Q.60 If you were to raise your prices of your main product line 10% above their current level (after allowing for any inflation and assuming that your competitors maintained their current prices), which of the following would best describe the result? **SHOW CARD ONE ANSWER ONLY**

	c31
Many of our customers would buy from our competitor(s) instead	1
Our customers would continue to buy from us, but at much lower quantities	2
Customers would continue to buy from us, but at slightly lower quantities	3
Customers would continue to buy from us in the same quantities as now	4

Q.61 Considering your main product line, what share of the total (COUNTRY NAME) market sales does your firm have?

%

.....

c32	c33	c34		c35
			Don't Know	1

Q.62 Considering your main product line, by what margin does your sales price exceed your operating costs (i.e., the cost material inputs plus wage costs)?

%

.....

c36	c37	c38		c39
			Don't Know	1

Q.63 Please rate on a scale of 1 (not at all important) to 4 (very important) the influence of each of the following factors on key decisions about your business with respect to "Developing new products and markets": **SHOW CARD AND READ OUT STATEMENTS**

		Not at all important	Slightly important	Fairly important	Very important	Don't know
Pressure from domestic competitors	c40	1	2	3	4	5
Pressure from foreign competitors	c41	1	2	3	4	5
Pressure from customers	c42	1	2	3	4	5
Pressure from creditors	c43	1	2	3	4	5
Pressure from shareholders	c44	1	2	3	4	5
Pressure from government or government agencies	c45	1	2	3	4	5

Q.64 Please rate on a scale of 1 (not at all important) to 4 (very important) the influence of each of the following factors on key decisions about your business with respect to “Reducing the production costs of existing products”: **SHOW CARD AND READ OUT STATEMENTS**

		Not at all important	Slightly important	Fairly important	Very important	Don't know
Pressure from domestic competitors	c46	1	2	3	4	5
Pressure from foreign competitors	c47	1	2	3	4	5
Pressure from customers	c48	1	2	3	4	5
Pressure from creditors, including bankruptcy	c49	1	2	3	4	5
Pressure from shareholders	c50	1	2	3	4	5
Pressure from government or government agencies	c51	1	2	3	4	5

Q.65a Does your enterprise receive subsidies (including tolerance of tax arrears) from local or national government?

Q.65b And did your enterprise receive subsidies (including tolerance of tax arrears) from local or national government three years ago?

	Q.65a Now	Q.65b 3 Years Ago
	c52	c53
Yes	1	1
No	2	2
Don't Know	3	3

INTERVIEWER: IF YES TO Q.65a AND Q.65b ASK Q.66, OTHERWISE GO TO Q.67a

Q.66 Relative to support three years ago, the subsidies now received by your company is (Please tell me the most appropriate phrase to complete the sentence) **SHOW CARD ONE ANSWER ONLY**

	c54
substantially less	1
slightly less	2
about the same	3
slightly more	4
substantially more	5

Q.67a What share of your firm's sales are now conducted in barter, offsets or bills of exchange (money surrogates)? **SHOW CARD.**

Q.67b And what share of your firm's sales were conducted in barter, offsets or bills of exchange (money surrogates) three years ago? **SHOW CARD.**

	Q.67a Now	Q.67b3 Years Ago
	c55	c56
None	1	1
1-9%	2	2
10-25%	3	3
26-50%	4	4
51-75%	5	5
76-100%	6	6

Q.68 Use this scale (**SHOW CARD**), what extent the following forms of corruption have had an impact on your business? **READ OUT STATEMENTS**

		No impact	Minor impact	Significant impact	Very significant impact	Don't know	Not applicable
The Central Bank mishandling of funds (USE THE SPECIFIC NAME OF THE CENTRAL BANK IN EACH COUNTRY)	c57	1	2	3	4	5	6
Sale of Parliamentary votes on laws to private interests	c58	1	2	3	4	5	6
Sale of Presidential decrees to private interests	c59	1	2	3	4	5	6
Sale of decisions of courts in criminal cases	c60	1	2	3	4	5	6
Sale of arbitration courts decisions to litigants	c61	1	2	3	4	5	6
Bribes to public officials to avoid taxes and regulations	c62	1	2	3	4	5	6
Patronage [public officials hiring their friends and relatives into official positions]	c63	1	2	3	4	5	6
Contributions by private interests to political parties and election campaigns	c64	1	2	3	4	5	6

Q.69a How many additional taxes would you be prepared to pay, as a percent of your revenues, if corruption would be eliminated?

%

.....

c65	c66	c67	Don't Know	c68
				1

Q.69b And how many additional taxes would you be prepared to pay, as a percent of your revenues, if crime would be eliminated?

%

.....

c69	c70	c71	Don't Know	c72
				1

Q.69c And how many additional taxes would you be prepared to pay, as a percent of your revenues, if excessive regulations would be eliminated?

%

.....

c73	c74	c75	Don't Know	c76
				1

IN ALL COUNTRIES EXCEPT RUSSIA AND UKRAINE:

INTERVIEWER THANK RESPONDENT:

Thank you very much for having taken the time to complete this questionnaire. The information on your perceptions is a very important input for the evaluation of conditions in the business environment and private sector relations with government, as well as for the formulation of policy advice.

INTERVIEWERS COMMENTS

(Problems occurred/extraordinary circumstances which could influence results)

I certify that this interview has been personally carried out by me with the respondent. I further certify that all the information included herein is truthful and correct.

I understand that any discrepancies during back-checking of this questionnaire will result in the cancellation of this interview.

INTERVIEWER'S SIGNATURE:

DATE:

INTERVIEWER CODE

c77	c78	c79

FOR RUSSIA AND UKRAINE ONLY

Q.70 Did your firm have your primary bank account blocked for non-payment of taxes at any time in 1998?

INTERVIEWER: PLEASE REMIND RESPONDENT TO NOT INCLUDE ACCOUNTS THAT MAY HAVE BEEN FROZEN BECAUSE OF THE RECENT BANKING CRISIS

	c6
Yes	1
No	2
Don't know	3

Q.71 The Federal, oblast, and municipal governments sometimes pay for their purchases from enterprises by reducing the tax liabilities of the selling firm. During 1998, did your firm receive such a tax offset from any level of government?

	c7
Yes	1
No	2
Don't know	3

INTERVIEWER THANK RESPONDENT:

Thank you very much for having taken the time to complete this questionnaire. The information on your perceptions is a very important input for the evaluation of conditions in the business environment and private sector relations with government, as well as for the formulation of policy advice.

INTERVIEWERS COMMENTS

(Problems occurred/extraordinary circumstances which could influence results)

I certify that this interview has been personally carried out by me with the respondent. I further certify that all the information included herein is truthful and correct.

I understand that any discrepancies during back-checking of this questionnaire will result in the cancellation of this interview.

INTERVIEWER'S SIGNATURE:

DATE:

INTERVIEWER CODE

c8	c9	c10