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**The Business Environment and Enterprise Performance Survey (BEEPS) 2005:
A brief report on observations, experiences and methodology from the survey**

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1 Background

The Business Environment and Enterprise Performance Survey (“BEEPS”) is a joint initiative of the European Bank for Reconstruction and Development (“EBRD”) and the World Bank Group. The survey was first undertaken on behalf of the EBRD and the World Bank in 1999 – 2000, when it was administered to approximately 4,000 enterprises in 26 countries of Central and Eastern Europe (“CEE”) (including Turkey) and the Commonwealth of Independent States (“CIS”) to assess the environment for private enterprise and business development.

In the second round of the BEEPS, the survey instrument was administered to approximately 6,500 enterprises in 27 countries (including Turkey but excluding Turkmenistan).

In this third round the BEEPS instrument was to be administered to approximately 9,500 enterprises in the 28 countries covered by the second round of the BEEPS plus Turkmenistan. In 7 of the countries the survey also included an additional sampling overlay of the manufacturing sector in addition to the main BEEPS sample.

Synovate implemented the BEEPS instrument and provided the EBRD with electronic data sets. As data analysis would be the responsibility of the EBRD, the objective of this report is to summarise Synovate’s observations and experiences arising from the survey and the methodology employed.

2 Specifications of the survey

The survey comprised two separate samples, which would be administered simultaneously using the same survey instrument. The first component (“*Main BEEPS*”) was the main BEEPS sample to be administered in 28 countries. The second component was an overlay of manufacturing firms (“*Manufacturing overlay BEEPS*”), and was to be added to the *Main BEEPS* sample in 7 countries.

2.1 Main BEEPS

The general targeted distributional criteria of the sample in each country, as outlined in the terms of reference were to be as follows:

- **Coverage of countries:** The BEEPS III instrument was to be administered to approximately 9,500 enterprises in 28 transition economies: 16 from CEE (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, FR Yugoslavia, FYROM, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, Slovenia and Turkey) and 12 from the CIS (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan)



- Sector: In each country, the sectoral composition of the sample in terms of manufacturing (including agro-processing)⁽¹⁾ versus services (including commerce)⁽²⁾ was to be determined by their relative contribution to GDP. Firms that operate in sectors subject to government price regulation and prudential supervision, such as banking, electric power, rail transport, and water and waste water, were to be excluded from the design of the sample
- Size: At least 10% of the sample was to be in the small⁽³⁾ and 10% in the large size categories. Firms with only one employee or more than 10,000 employees were to be excluded
- Ownership: At least 10% of the firms were to have foreign control⁽⁴⁾ and 10% state control⁽⁴⁾
- Exporters: At least 10% of the firms were to be exporters⁽⁵⁾, meaning that some significant share of their output is exported
- Location: At least 10% of firms were to be in the category “small city/countryside”⁽⁶⁾
- BEEPS 2002 sample coverage: The BEEPS III survey instrument was to be administered to a given proportion of respondents who participated in BEEPS 2002 and had agreed in principle, at that time, to participate in future rounds of the BEEPS

Enterprises, which began operations in 2002, 2003 and 2004, were to be excluded from the survey.

- (1). Mining and quarrying (Section C: 10-14), Construction (Section F: 45), Manufacturing (Section D: 15-37)
- (2). Transportation, storage and communications (Section I: 60-64), Wholesale, retail, repairs (Section G: 50-52), Real estate, business services (Section K: 70-74), Hotels and restaurants (Section H: 55), Other community, social and personal activities (Section O: selected groups)
- (3). Small=2-49 employees, Medium=50-249, Large=250, 9,999
- (4). More than 50% shareholding
- (5). Exports 20% or more of total sales
- (6). Population under 50,000 inhabitants

2.2 Manufacturing overlay

The general targeted distributional criteria of the sample in each country, as outlined in the terms of reference, were to be as follows:

- Coverage of countries: Over and above the *Main BEEPS* sample, the survey instrument was to be administered to 1,700 manufacturing enterprises in 7 countries: Kazakhstan, Armenia, Azerbaijan, Poland, Hungary, Romania and Moldova
- Geographic coverage: The sample was to be distributed between at least 2 major industrial regions within each country
- Sectors: The survey was to be conducted among manufacturing enterprises only, operating within three sectors: garments, food processing and metal and machinery. The aim was to keep the sectoral composition as similar as possible across countries. Specifically, the sectors were to be constant at the 3-digit ISIC code. However, if it was not possible to obtain enough observations to complete the sampling overlay while limiting it to the 3-digit ISIC code, then firms could be selected from the sectors defined at the 2-digit level



- Distribution: The sample within each country was to be distributed evenly between manufacturing sectors
- BEEPS 2003 extended survey: In Moldova and Poland, the BEEPS III survey instrument was to be administered to a given proportion of respondents who participated in the BEEPS 2003 extended survey and had agreed in principle, at that time, to participate in future rounds of the BEEPS.

The distributional criteria of the main BEEPS sample, in terms of ownership, size, exports, etc, did not apply to the manufacturing overlay survey.

2.3 Targeted number of interviews

Table 1 depicts the targeted number of interviews for both the main BEEPS sample (2002 and 2005) as well as the manufacturing overlay sample (2005).

Table 1. Targeted number of interviews

Country	Main BEEPS Sample			Manufacturing overlay sample	Total country sample
	2005	2002	Additional 2005 sample	2005	2005
Albania	200	170	30		200
Armenia	200	170	30	150	350
Azerbaijan	200	170	30	150	350
Belarus	300	250	50		300
Bosnia	200	170	30		200
Bulgaria	300	250	50		300
Croatia	200	170	30		200
Czech Republic	300	250	50		300
Estonia	200	170	30		200
FR Yugoslavia	300	250	50		300
FYR Macedonia	200	170	30		200
Georgia	200	170	30		200
Hungary	300	250	50	285	585
Kazakhstan	300	250	50	285	585
Kyrgyzstan	200	170	30		200
Latvia	200	170	30		200
Lithuania	200	170	30		200
Moldova	200	170	30	150	350
Poland	550	445	105	395	945
Romania	300	250	50	285	585
Russia	550	445	105		550
Slovak Republic	200	170	30		200
Slovenia	200	170	30		200
Tajikistan	200	170	30		200
Turkey	550	445	105		550
Turkmenistan	200	170	30		200
Ukraine	550	445	105		550
Uzbekistan	300	250	50		300
Total	7,800	6,500	1,300	1,700	9,500

Note: For Turkmenistan see section 3.2

In order to facilitate more flexible and focused analyses in 2005, the main BEEPS targeted sample was increased by 1,300 enterprises. The additional total targeted sample was distributed among countries in the same sample proportions as in 2002 (i.e., based on the population of enterprises in each country).

For consistency purposes, we distributed the total manufacturing overlay sample across countries following the same approach as for the main BEEPS sample.



3 Scope of the Work

3.1 Brief outline of the implementation of the survey

Details of our field operations and quality measures were described in our proposal and therefore no elaboration on these topics is made in this report.

A brief outline of the survey is described below:

- The BEEPS III instrument was reviewed and further developed
- We conducted two 2-day training workshops, one in Moscow and the other in Bucharest. For the training workshop in Moscow, we invited the country and fieldwork managers of the Baltic States and all the Asian and Caucasian Republics to attend, and for the training in Bucharest, the respective managers of all European countries
- Fieldwork supervisors and interviewers were trained locally in each country
- The questionnaires (screener and main) were piloted with 5 enterprises from each country from 23rd February – 10th March 2005
- The survey instruments were further developed based on the results from the pilots
- Refresher training courses were conducted for fieldwork personnel based on the experiences and observations from the pilots
- The main survey was conducted from 10th March – 20th April 2005
- A minimum of 30% call-back checks (100% in Russia and the Asian Republics) were made in order to verify and clarify responses
- Data entry and 1st checking and validation of the results were undertaken locally
- Final checking and validation of the results was made at Synovate Head Office

3.2 Implementation of the survey in Turkmenistan

For reasons already explained in the BEEPS 2002 report, it was not possible to conduct the survey in Turkmenistan in 2002. At the beginning of the project in 2005 we applied twice to obtain entry visas to Turkmenistan, but the authorities rejected both applications. At the time of writing of this report, a Synovate executive is in the process of applying once more for a visa, following an invitation from the EBRD office in Turkmenistan. The inclusion of Turkmenistan in the tables, which follow, is for the purposes of completeness only.

3.3 Sample design

3.3.1 Main BEEPS sample

The principal consideration for the design of the BEEPS 2005 sample was to minimise the changes so as to preserve as much comparability with the BEEPS 2002 sample as possible.

The procedure employed for the design of the sample in 2002 is described in Appendix A. To briefly outline the method:

- The basis for the design of the BEEPS 2002 sample was the targeted number of enterprises in each country
- The size of the samples for Industry and Services was in the same proportion as the total GDP contribution (including sub-sectors which were excluded from the survey) of each sector



- Based on the universe breakdown (i.e., ownership, size, location, sub-sector, etc) of each sector, a sample was designed to be self-weighted to the population of eligible enterprises
- The sample sizes and proportions of each breakdown were refined to accommodate the BEEPS 2002 minimum quotas and to ensure a better representation of smaller sub-sectors

To maintain as much comparability with the BEEPS 2002 data and in consultation with the EBRD we designed the BEEPS 2005 sample of each country based on the achieved sample distribution of BEEPS 2002. In this case, the additional targeted sample in 2005 in each country (see section 2.3) was apportioned to Industry and Services in the same proportions as the final proportions of the achieved sample in BEEPS 2002.

For example, in 2002, in Hungary the achieved sample comprised 36.40% Industrial enterprises and 63.60% Service enterprises. Based on these proportions the additional 50 enterprises (see section 2.3) in BEEPS 2005 were allocated as follows: 18 to Industry and 32 to Services. The 18 Industrial enterprises were allocated proportionally within the Industry sub-sectors of mining, construction and manufacturing. A similar procedure was also employed for the additional Service enterprises.



3.3.2 Manufacturing overlay sample

The manufacturing overlay sample was principally designed based on the numeric distribution of enterprises across sectors and geographies. To the extent possible, every effort was made to keep the sectoral composition as similar as possible across countries. In addition to ensuring that in each sector and region there was enough universe of enterprises we also considered the following:

- In selecting/defining the manufacturing sectors we grouped together sub-industries using similar production technologies (see Appendix B)
- In selecting/defining the regions we grouped together regions, which have similar business environments
- The samples were originally designed to be self-weighted to the universe of enterprises and then these were refined to accommodate more flexibility when analysing the results

The sample designs by region and manufacturing sector for each country are shown in table 2.

Table 2. Manufacturing overlay sample designs

Poland

Region	Description	Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Total
		18.2	15.1	28.5	29.2+29.5	28.7	
Region A	Mazowieckie (Warsaw)+Lodzkie	44	15	20	19	27	125
Region B	Slaskie (Katowice)+Malopolskie	43	15	28	23	15	124
Region C	Dolnoslaskie (Wroclaw)	14	15	13	8	15	65
Region D	Wielkopolskie (Poznan)	28	15	20	11	7	81
Total		129	60	81	61	64	395

Hungary

Region	Description	Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Total
		18.2	15.1	28.5	29.2+29.5	28.7	
Region A	Budapest	22	18	20	28	21	109
Region B	West	15	16	23	21	18	93
Region C	East	16	16	18	26	17	93
Total		53	50	61	75	56	295

Romania

Region	Description	Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Total
		15.1	15.6	18.2	28.1	29.2+29.5	
Region A	Bucharest+Muntenia	12	24	25	34	15	110
Region B	Moldova	14	12	24	11	14	75
Region C	Transylvania	13	18	27	27	15	100
Total		39	54	76	72	44	285

Moldova

Region	Description	Sector 1	Sector 2	Sector 3	Sector 4	Total			
		15.1	15.6	15.8	15.9	18.2	28.1	28.7	
Region A	North	28		10	11	4			53
Region B	Chisinau+Centre	30		26	15	26			97
Total		58		36	26	30			150

Armenia

Region	Description	Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Sector 6	Total	
		15.1	15.6	15.8	15.9	18.2	28.1	28.5	28.7
Region A	Whole country (Armenia)	15	15	53	23	20	24		150
Total		15	15	53	23	20	24		150

Azerbaijan

Region	Description	Sector 1	Sector 2	Sector 3	Sector 4	Total
		15.8	17.3	27.1	29.2	29.5
Region A	Capital	38	17	14	15	84
Region B	(Gence,Sumgayit)	29	15	12	10	66
Total		67	32	26	25	150

Kazakhstan

Region	Description	Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Total
		15.6	15.8	18.2	28.1	28.5	28.7
Region A	North	38	32	25	11	23	129
Region B	South	31	42	37	16	30	156
Total		69	74	62	27	53	285



When we designed the above samples we expected that the targeted number of interviews in Poland, Hungary and Romania, would be achieved because the population of eligible enterprises across sectors and regions was high. The samples for the rest of the countries were regarded as very aggressive/unrealistic because of small universes and high number of targeted interviews; our assessment at the time was that it would be highly unlikely that these sample breakdowns would be achieved. However, we avoided designing too diversified samples in terms of sectors before maximum effort was out into achieving the targets. These aggressive samples were provided to the countries primarily as a structured baseline/map to work with.

3.4 Samples and quotas achieved

3.4.1 Main BEEPS

Table 3 depicts the total number of interviews as well as the quotas achieved in each country. The percentages given in the table are calculated based on the completed and not the targeted interviews. To meet the quotas (expressed in absolute numbers than percentages) in some countries it was necessary to over-sample.

Table 3. Number of interviews and quotas achieved

Country	No. of interviews		City/Town			Sector		Main activity		Size of enterprise			Foreign owned	Export
	Target	Completed	Large	Medium	Small	Private	State	Industry	Services	Small	Medium	Large		
Albania	200	204	38.7%	40.2%	21.1%	91.2%	8.8%	49.5%	50.5%	74.0%	18.6%	7.4%	10.8%	20.1%
Armenia	200	201	51.2%	26.4%	22.4%	90.0%	10.0%	46.8%	53.2%	75.1%	13.9%	10.9%	11.4%	12.9%
Azerbaijan	200	200	64.5%	21.5%	14.0%	90.0%	10.0%	48.5%	51.5%	74.0%	18.0%	8.0%	11.0%	11.5%
Belarus	300	325	32.0%	52.0%	16.0%	88.6%	11.4%	42.2%	57.8%	71.4%	17.8%	10.8%	10.2%	16.3%
Bosnia	200	200	34.5%	49.0%	16.5%	90.0%	10.0%	45.5%	54.5%	61.0%	29.0%	10.0%	12.0%	18.0%
Bulgaria	300	300	23.7%	39.0%	37.3%	90.0%	10.0%	28.3%	71.7%	74.0%	16.0%	10.0%	10.3%	15.0%
Croatia	200	236	29.7%	31.8%	38.6%	89.0%	11.0%	44.9%	55.1%	64.8%	21.2%	14.0%	8.9%	19.1%
Czech Republic	300	343	21.9%	31.2%	46.9%	91.3%	8.7%	38.5%	61.5%	76.1%	16.0%	7.9%	9.0%	14.6%
Estonia	200	219	51.6%	21.0%	27.4%	90.9%	9.1%	32.4%	67.6%	74.4%	16.0%	9.6%	15.1%	14.2%
FR Yugoslavia	300	300	45.0%	35.3%	19.7%	86.3%	13.7%	37.3%	62.7%	65.7%	20.7%	13.7%	11.0%	16.3%
FYROM	200	200	60.5%	23.0%	16.5%	91.5%	8.5%	36.0%	64.0%	73.5%	16.5%	10.0%	10.5%	17.0%
Georgia	200	200	50.5%	32.5%	17.0%	88.0%	12.0%	30.0%	70.0%	74.5%	17.5%	8.0%	13.0%	13.5%
Hungary	300	312	34.6%	43.6%	21.8%	94.2%	5.8%	35.3%	64.7%	74.0%	16.3%	9.6%	13.8%	17.0%
Kazakhstan	300	300	40.3%	45.7%	14.0%	90.3%	9.7%	43.7%	56.3%	73.3%	16.0%	10.7%	11.0%	5.0%
Kyrgyzstan	200	202	32.3%	39.6%	28.2%	89.1%	10.9%	43.6%	56.4%	63.4%	26.2%	10.4%	14.4%	13.4%
Latvia	200	205	55.6%	10.7%	33.7%	88.8%	11.2%	22.9%	77.1%	74.1%	15.6%	10.2%	9.8%	12.2%
Lithuania	200	205	30.7%	37.6%	31.7%	87.8%	12.2%	36.1%	63.9%	68.3%	22.0%	9.8%	10.7%	19.0%
Moldova	200	200	44.0%	25.0%	31.0%	90.5%	9.5%	31.5%	68.5%	69.0%	21.5%	9.5%	10.5%	12.5%
Poland	550	580	14.1%	62.2%	23.6%	89.3%	10.7%	37.9%	62.1%	68.4%	21.9%	9.7%	9.5%	15.3%
Romania	300	315	19.0%	49.2%	31.7%	88.9%	11.1%	41.3%	58.7%	62.5%	27.0%	10.5%	11.7%	11.7%
Russia	550	599	56.9%	28.0%	15.0%	90.0%	10.0%	40.9%	59.1%	66.3%	21.9%	11.9%	10.0%	9.7%
Slovak Republic	200	220	41.4%	40.9%	17.7%	89.1%	10.9%	26.8%	73.2%	67.7%	22.3%	10.0%	11.8%	17.7%
Slovenia	200	223	21.1%	22.0%	57.0%	89.2%	10.8%	39.0%	61.0%	70.9%	16.6%	12.6%	7.6%	29.6%
Tajikistan	200	200	37.0%	41.0%	22.0%	90.5%	9.5%	44.0%	56.0%	61.5%	28.5%	10.0%	10.0%	12.5%
Turkey	550	559	54.4%	27.0%	18.6%	90.2%	9.8%	36.5%	63.5%	71.6%	18.8%	9.7%	9.8%	15.7%
Ukraine	550	594	36.5%	47.5%	16.0%	90.2%	9.8%	42.8%	57.2%	70.9%	19.0%	10.1%	10.9%	10.1%
Uzbekistan	300	300	29.0%	39.3%	31.7%	89.7%	10.3%	37.7%	62.3%	73.0%	17.0%	10.0%	11.0%	9.7%

Total 7600 7942

In consultation with the EBRD during the course of fieldwork, some of the quotas (e.g., Albania: state owned, large, Hungary: state-owned, etc) were eased because of small universes.

Meeting quotas for 7 interlocking quotas presented many challenges to the majority of countries. The quotas, which presented the biggest problem, were:

- **State-owned:** Due to fast diminishing numbers as a result of privatisation
- **Large:** In some of the smaller countries with less developed economies, large companies were hard to find. Also, arranging appointments for interviews often required the approval of many senior managers and/or the Board of Directors



- Foreign-owned: Very few databases were available in order to find these enterprises. Also, often approval for an interview had to be given by the foreign owners/head office who frequently were located outside the country
- Exporting: Few details were given in the available databases and often many “blind telephone calls” had to be made in order to find these enterprises

3.4.2 Panel component

One of the biggest challenges of this survey was to interview respondents who participated in BEEPS 2002 and had in principle, at that time, agreed to participate in future rounds of the BEEPS. Our BEEPS 2002 panel lists, in addition to the enterprise contact details, also contained the serial numbers of each enterprise in 2002. For panel enterprises we recorded both the 2002 and the 2005 serial numbers. This approach allowed comparisons between 2002 and 2005 performances at the enterprise level. With the exception of Bosnia where the serial numbers in 2002 were not available, (only contact details of each firm were available) the lists of the other countries were complete (serial number in 2002 and contact details).

The priority of the sampling strategy for the main BEEPS survey was to collect the maximum possible panel data in each country. This end, we contacted all panel enterprise first and to the extent possible our objective was to interview all of them. Once the panel lists were exhausted, we continued with non-panel firms and aimed to meet the overall distributional criteria of the total sample (as in table 3).

On completion of the fieldwork, the panel component in some key countries namely, the Czech Republic, Poland, Romania, Russia and the Slovak Republic turned out to be smaller than hoped. In consultation with the EBRD it was decided to contact again all those panel enterprises in the above mentioned countries, which either refused or were unable to take part in the survey within our original timescales. The final interview completion rate among the panel enterprises is shown in table 4.

Table 4. Interview completion rate

Country	BEEPS 2000 panel	Number of completed interviews	% of completed interviews
Albania	119	65	55%
Armenia	107	49	46%
Azerbaijan	157	68	43%
Belarus	185	46	25%
Bosnia	126	44	35%
Bulgaria	217	89	41%
Croatia	156	61	39%
Czech	144	38	26%
Estonia	131	69	53%
FR Yugoslavia	158	43	27%
FYROM	95	34	36%
Georgia	163	58	36%
Hungary	158	60	38%
Kazakhstan	224	60	27%
Kyrgyzstan	131	40	31%
Latvia	133	55	41%
Lithuania	170	56	33%
Moldova	122	32	26%
Poland	295	79	27%
Romania	213	64	30%
Russia	327	40	12%
Slovakia	103	29	28%
Slovenia	136	75	55%
Tajikistan	150	23	15%
Turkey	430	47	11%
Ukraine	365	147	40%
Uzbekistan	237	28	12%
Total	4,952	1,499	30%



In some countries our database of panel firms prepared in 2002 contained a few more establishments than the database of respondents who agreed to be interviewed again in BEEPS 2005. The BEEPS 2002 database contained 4,866 enterprises, whilst our lists contained 86 more, that is a total number of 4,952. Realising the importance to interview as many panel enterprises as possible, we contacted all enterprises in our panel lists.

As shown in table 4, we managed to interview 30% of the panel enterprises. The completion rates varied from a high of 55% in Albania and Slovenia, down to a low of 11% in Turkey. As mentioned earlier in this section, in Russia we re-contacted again panel enterprises, but the maximum panel component that could be achieved was 12%. For all those enterprises, which we did not manage to interview we kept a detail record of the reasons. These are discussed in section 3.5.2.

3.4.3 Manufacturing overlay

The final samples as a percentage of the targeted samples are shown in table 5. Please note that percentages shown in the table may appear deceiving because these are based on very small numbers in each cell.

Table 5. Final samples as percentage of targeted samples

Poland

		Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Total
Region	Description	18.2	15.1	28.5	29.2	29.5	28.7
Region A	Mazowieckie (Warsaw) + Lodzkie	95%	100%	110%	109%	125%	107%
Region B	Slaskie (Katowice) + Malopolskie	109%	100%	93%	92%	110%	120%
Region C	Dolnoslaskie (Wroclaw)	93%	100%	92%	100%	33%	67%
Region D	Wielkopolskie (Poznan)	100%	100%	105%	100%	80%	86%
Total		101%	100%	100%	100%	100%	98%

Hungary

		Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Total
Region	Description	18.2	15.1	28.5	29.2+29.5	28.7	
Region A	Budapest	100%	100%	100%	100%	86%	97%
Region B	West	100%	100%	104%	100%	94%	100%
Region C	East	100%	94%	111%	104%	124%	106%
Total		100%	98%	105%	99%	100%	101%

Romania

		Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Total
Region	Description	15.1	15.6	18.2	28.1	29.2	29.5
Region A	Bucharest+Muntenia	100%	100%	100%	100%	100%	100%
Region B	Moldova	100%	100%	100%	100%	100%	100%
Region C	Transylvania	100%	100%	100%	100%	100%	100%
Total		100%	100%	100%	100%	100%	100%

Moldova

		Sector 1	Sector 2	Sector 3	Sector 4	Total	
Region	Description	15.1	15.6	15.8	15.9	18.2	28.1
Region A	North	89%		40%	82%	100%	79%
Region B	Chisinau+Centre	110%		119%	120%	100%	111%
Total		100%		97%	97%	100%	100%

Armenia

		Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Sector 6	Total
Region	Description	15.1	15.6	15.8	15.9	18.2	28.1	28.7
Region A	Whole country (Armenia)	107%	100%	100%	100%	100%	100%	88%
Total		107%	100%	100%	100%	100%	100%	88%

Azerbaijan

		Sector 1	Sector 2	Sector 3	Sector 4	Total
Region	Description	15.8	17.3	27.1	29.2	29.5
Region A	Capital	147%	171%	186%	173%	163%
Region B	(Gence, Sumgayit)	31%	20%	8%	0%	20%
Total		97%	100%	104%	104%	100%

Kazakhstan

		Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Total
Region	Description	15.6	15.8	18.2	28.1	28.5	28.7
Region A	North	89%	94%	96%	118%		78%
Region B	South	113%	105%	103%	94%		113%
Total		100%	100%	100%	104%		98%



As expected (see section 3.3.2), by and large, the targeted samples in Romania, Poland and Hungary were achieved because of the high concentration of eligible enterprises across sectors and regions. As the survey in Armenia covered the whole country the quotas were also achieved. Among the remaining countries, the most significant deviations from the targeted samples were encountered in Azerbaijan in region B where only 20% of the targeted sample was achieved and this because of the very small universe (a total of only 260) of eligible enterprises in this region.

3.5 Interview success rates

3.5.1 Main BEEPS

The interview success rates in each country for non-panel enterprises are summarised in table 6.

Table 6. Interview success rates for non-panel enterprises

Country	Enterprises contacted	Completed interviews	Refused/Not available	Not eligible/quotas already met	Completed interviews	Refused/Not available	Not eligible/quotas already met
Albania	305	139	89	77	45.57%	29.18%	25.25%
Armenia	339	152	139	48	44.87%	40.97%	14.17%
Azerbaijan	366	112	146	108	30.57%	39.85%	29.58%
Belarus	760	279	277	204	36.73%	36.47%	26.80%
Bosnia	308	156	96	56	50.65%	31.17%	18.18%
Bulgaria	531	211	146	174	39.73%	27.49%	32.78%
Croatia	440	175	148	117	39.77%	33.64%	26.59%
Czech Republic	988	305	328	355	30.86%	33.18%	35.91%
Estonia	285	150	99	36	52.62%	34.75%	12.63%
FR Yugoslavia	496	257	154	85	51.81%	31.05%	17.14%
FYR Macedonia	300	166	113	21	55.33%	37.67%	7.00%
Georgia	353	142	125	86	40.26%	35.35%	24.38%
Hungary	646	252	268	126	39.01%	41.49%	19.50%
Kazakhstan	788	249	301	238	31.59%	38.18%	30.19%
Kyrgyzstan	373	162	148	63	43.48%	39.72%	16.80%
Latvia	382	150	183	49	39.29%	47.94%	12.77%
Lithuania	365	149	136	80	40.83%	37.27%	21.91%
Moldova	580	171	257	152	29.48%	44.31%	26.21%
Poland	998	504	286	208	50.50%	28.66%	20.84%
Romania	861	255	382	224	29.62%	44.37%	26.02%
Russia	1826	560	755	511	30.67%	41.35%	27.98%
Slovak Republic	620	191	223	206	30.79%	35.95%	33.21%
Slovenia	495	148	188	159	29.90%	37.98%	32.12%
Tajikistan	431	177	114	140	41.09%	26.41%	32.50%
Turkey	916	512	207	197	55.90%	22.60%	21.51%
Ukraine	1319	447	401	471	33.89%	30.40%	35.71%
Uzbekistan	1013	272	207	534	26.86%	20.44%	52.73%
Total	17083	6443	5915	4724	37.71%	34.63%	27.65%

We contacted 17,083 eligible enterprises and achieved an interview completion rate of 37.71%. Respondents who either refused outright (i.e. not interested) or were unavailable to be interviewed (i.e. on holiday, etc) accounted for 34.63% of all contacts. Enterprises which were contacted but were non-eligible (i.e. business activity, year of establishment, etc) or quotas were already met (i.e. size, ownership etc) or to which “blind calls” were made to meet quotas (i.e. foreign ownership, exporters, etc) accounted for 27.65% of the total number of eligible enterprises contacted.



3.5.2 Panel component

As mentioned in section 3.4.2 we contacted all panel enterprises and we achieved a completion ratio of 30%. For the remaining 70% on panel enterprises, which we did not manage to interview we provided the EBRD with electronic files containing each firm's serial number in 2002, its key demographics and the reasons for non-completion. Table 7 summarises the reasons for non-completion.

Table 7. Reasons for non-completion

Country	BEEPS 2002 panel	Completed		Not completed		Reasons for non completion				
		Number of completed interviews	% of completed interviews	Number of non completed interviews	% of non completed interviews	Refused	Wrong contact details	No longer exists	Non eligible enterprise	Contacted 5 times
Albania	119	65	55%	54	45%	20%	37%	6%	33%	4%
Armenia	107	49	46%	58	54%	22%	3%	36%	21%	17%
Azerbaijan	157	68	43%	89	57%	57%	8%	0%	33%	2%
Belarus	185	46	25%	139	75%	27%	14%	11%	23%	24%
Bosnia	126	44	35%	82	65%	39%	9%	23%	15%	15%
Bulgaria	217	89	41%	128	59%	53%	21%	8%	18%	0%
Croatia	156	61	39%	95	61%	42%	31%	6%	2%	19%
Czech	144	38	26%	106	74%	77%	5%	8%	10%	0%
Estonia	131	69	53%	62	47%	40%	19%	8%	32%	0%
FR Yugoslavia	158	43	27%	115	73%	33%	17%	10%	20%	19%
FYROM	95	34	36%	61	64%	59%	21%	15%	5%	0%
Georgia	163	58	36%	105	64%	21%	7%	20%	45%	8%
Hungary	158	60	38%	98	62%	49%	24%	0%	16%	10%
Kazakhstan	224	60	27%	164	73%	49%	21%	12%	13%	4%
Kyrgyzstan	131	40	31%	91	69%	21%	16%	9%	20%	34%
Latvia	133	55	41%	78	59%	22%	32%	10%	24%	12%
Lithuania	170	56	33%	114	67%	42%	11%	10%	10%	27%
Moldova	122	32	26%	90	74%	28%	28%	8%	10%	27%
Poland	295	79	27%	216	73%	21%	41%	2%	28%	8%
Romania	213	64	30%	149	70%	40%	15%	5%	9%	32%
Russia	327	40	12%	287	88%	26%	46%	3%	24%	0%
Slovakia	103	29	28%	74	72%	54%	45%	0%	1%	0%
Slovenia	136	75	55%	61	45%	75%	2%	13%	10%	0%
Tajikistan	150	23	15%	127	85%	9%	45%	17%	28%	0%
Turkey	430	47	11%	383	89%	32%	26%	0%	11%	30%
Ukraine	365	147	40%	218	60%	30%	2%	16%	49%	3%
Uzbekistan	237	28	12%	209	88%	19%	51%	2%	27%	0%
Total	4,952	1,499	30%	3,453	70%	35%	25%	8%	21%	12%

The principal reason for not been able to interview panel enterprises is outright refusal at 35%. For 25% of the enterprises the contact details recorded in 2002 have changed and we were unable to trace these firms within the timescale of the survey. Enterprises, which did not exist in 2005 accounted for 8% and those, which were no longer eligible for 21%. We contacted 12% of enterprises at least 5 times but for various reasons (i.e., call again, we have yet to decide, etc) we were not able to interview.

The reasons for non-completion were analysed further in order to understand better if there is a correlation between each reason and the type of enterprises (i.e., their key demographics in 2002). The tables, which follow exclude the enterprises in Bosnia because their serials numbers in 2002 were not available and we could not identify their demographic details.



3.5.2.1 Enterprises, which “refused”

The high number of private and small enterprises (see table 8), which refused to be interviewed, is not surprising given that the majority of enterprises are indeed amongst these two sectors.

Table 8. Analysis of enterprises, which “refused”

Country	Total	City/Town			Sector		Main activity		Size of enterprise		
		Large	Medium	Small	Private	State	Industry	Services	Small	Medium	Large
Albania	11	45%	36%	18%	91%	9%	45%	55%	55%	36%	9%
Armenia	13	54%	23%	23%	92%	8%	54%	46%	62%	8%	31%
Azerbaijan	51	94%	6%	0%	84%	16%	45%	55%	65%	22%	14%
Belarus	38	21%	66%	13%	68%	32%	55%	45%	55%	21%	24%
Bulgaria	68	32%	35%	32%	85%	15%	38%	62%	62%	21%	18%
Croatia	40	33%	18%	50%	80%	20%	28%	73%	60%	25%	15%
Czech Republic	82	21%	34%	45%	85%	15%	39%	61%	70%	20%	11%
Estonia	25	56%	32%	12%	92%	8%	32%	68%	60%	20%	20%
FY Yugoslavia	38	42%	47%	11%	79%	21%	37%	63%	58%	24%	18%
FYROM	36	61%	25%	14%	94%	6%	33%	67%	67%	17%	17%
Georgia	22	73%	23%	5%	82%	18%	23%	77%	77%	9%	14%
Hungary	47	43%	45%	13%	91%	9%	47%	53%	45%	11%	45%
Kazakhstan	81	53%	32%	15%	88%	12%	36%	64%	73%	14%	14%
Kyrgyzstan	19	37%	32%	32%	79%	21%	47%	53%	47%	37%	16%
Latvia	17	59%	0%	41%	76%	24%	24%	76%	53%	18%	29%
Lithuania	48	44%	27%	29%	92%	8%	31%	69%	63%	17%	21%
Moldova	25	28%	24%	48%	84%	16%	52%	48%	64%	16%	20%
Poland	45	9%	71%	20%	80%	20%	38%	62%	58%	9%	33%
Romania	59	15%	53%	32%	92%	8%	46%	54%	66%	22%	12%
Russia	75	52%	32%	16%	77%	23%	51%	45%	28%	31%	41%
Slovak Republic	40	45%	40%	15%	85%	15%	25%	75%	68%	20%	13%
Slovenia	46	35%	13%	52%	100%	0%	26%	74%	89%	7%	4%
Tajikistan	12	75%	17%	8%	58%	42%	58%	42%	0%	8%	92%
Turkey	124	51%	27%	23%	94%	6%	31%	69%	72%	19%	10%
Ukraine	65	34%	45%	22%	91%	9%	45%	55%	66%	17%	17%
Uzbekistan	40	48%	35%	18%	80%	20%	58%	43%	28%	25%	48%
Total	1167	42%	34%	24%	86%	14%	39%	60%	61%	19%	20%

3.5.2.2 Enterprises with “wrong contact details”

As one might expect, small enterprises are likely to change their address details hence the high percentage of 75% that could not be found (see table 9). These enterprises may or may not exist in 2005.

Table 9. Analysis of “wrong contact details”

Country	Total	City/Town			Sector		Main activity		Size of enterprise		
		Large	Medium	Small	Private	State	Industry	Services	Small	Medium	Large
Albania	20	35%	60%	5%	95%	5%	65%	35%	65%	35%	0%
Armenia	2	0%	0%	100%	100%	0%	0%	100%	100%	0%	0%
Azerbaijan	7	57%	43%	0%	100%	0%	0%	100%	100%	0%	0%
Belarus	20	0%	70%	30%	90%	10%	25%	75%	65%	35%	0%
Bulgaria	27	37%	30%	33%	96%	4%	33%	67%	78%	11%	11%
Croatia	29	21%	28%	52%	97%	3%	41%	59%	86%	7%	7%
Czech Republic	5	20%	80%	0%	80%	20%	40%	60%	40%	60%	0%
Estonia	12	58%	17%	25%	92%	8%	17%	83%	92%	8%	0%
FY Yugoslavia	20	55%	20%	25%	90%	10%	40%	60%	65%	25%	10%
FYROM	13	69%	31%	0%	100%	0%	23%	77%	92%	8%	0%
Georgia	7	43%	43%	14%	100%	0%	29%	71%	86%	14%	0%
Hungary	24	33%	38%	29%	96%	4%	33%	67%	71%	29%	0%
Kazakhstan	35	46%	31%	23%	86%	14%	37%	63%	69%	17%	14%
Kyrgyzstan	15	47%	40%	13%	100%	0%	47%	53%	67%	33%	0%
Latvia	25	68%	8%	24%	84%	16%	24%	76%	72%	20%	8%
Lithuania	13	23%	23%	54%	92%	8%	8%	92%	100%	0%	0%
Moldova	25	32%	44%	24%	96%	4%	16%	84%	88%	8%	4%
Poland	88	15%	52%	33%	89%	11%	34%	66%	80%	15%	6%
Romania	22	32%	41%	27%	82%	18%	36%	64%	59%	27%	14%
Russia	133	54%	32%	14%	89%	11%	41%	57%	72%	24%	4%
Slovak Republic	33	36%	42%	21%	82%	18%	15%	85%	79%	12%	9%
Slovenia	1	0%	100%	0%	100%	0%	0%	100%	100%	0%	0%
Tajikistan	57	51%	33%	16%	81%	19%	33%	67%	60%	40%	0%
Turkey	99	45%	27%	27%	94%	6%	39%	61%	72%	20%	8%
Ukraine	5	40%	60%	0%	80%	20%	20%	80%	60%	40%	0%
Uzbekistan	107	12%	41%	47%	94%	6%	36%	64%	87%	12%	1%
Total	844	37%	37%	27%	91%	9%	34%	65%	75%	20%	5%



3.5.2.3 Enterprises, which “no longer exists”

It is interesting to note that in total 20% (medium and large) of enterprises which “no longer exist” (table 10), whilst as one might expect the majority (80%) of enterprises falling in this category are small.

Table 10. Analysis of “no longer exists”

Country	Total	City/Town			Sector		Main activity		Size of enterprise		
		Large	Medium	Small	Private	State	Industry	Services	Small	Medium	Large
Albania	3	33%	33%	33%	100%	0%	100%	0%	67%	0%	33%
Armenia	21	52%	24%	24%	71%	29%	52%	48%	81%	10%	10%
Azerbaijan	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Belarus	15	47%	47%	7%	93%	7%	40%	60%	80%	13%	7%
Bulgaria	10	10%	50%	40%	90%	10%	20%	80%	90%	0%	10%
Croatia	6	17%	50%	33%	67%	33%	33%	67%	100%	0%	0%
Czech Republic	8	0%	38%	63%	88%	13%	13%	88%	88%	13%	0%
Estonia	5	40%	60%	0%	100%	0%	40%	60%	60%	40%	0%
FY Yugoslavia	12	50%	50%	0%	92%	8%	33%	67%	92%	0%	8%
FYROM	9	44%	22%	33%	100%	0%	33%	67%	67%	11%	22%
Georgia	21	67%	33%	0%	81%	19%	19%	81%	76%	19%	5%
Hungary	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Kazakhstan	20	40%	20%	40%	90%	10%	25%	75%	85%	15%	0%
Kyrgyzstan	8	63%	25%	13%	100%	0%	25%	75%	88%	13%	0%
Latvia	8	50%	0%	50%	75%	25%	0%	100%	100%	0%	0%
Lithuania	11	18%	36%	45%	82%	18%	45%	55%	73%	27%	0%
Moldova	7	29%	14%	57%	86%	14%	14%	86%	86%	14%	0%
Poland	5	20%	40%	40%	100%	0%	40%	60%	60%	20%	20%
Romania	7	43%	29%	29%	86%	14%	29%	71%	71%	29%	0%
Russia	8	88%	0%	13%	100%	0%	63%	38%	88%	0%	13%
Slovak Republic	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slovenia	8	13%	38%	50%	88%	13%	63%	38%	75%	13%	13%
Tajikistan	22	9%	68%	23%	82%	18%	55%	45%	86%	9%	5%
Turkey	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Ukraine	35	37%	54%	9%	91%	9%	37%	63%	63%	23%	14%
Uzbekistan	5	20%	20%	60%	100%	0%	0%	100%	100%	0%	0%
Total	254	38%	37%	25%	87%	13%	35%	65%	80%	13%	7%

3.5.2.4 Enterprises, which were “not eligible”

The data suggest (table 11) that enterprises engaged in the service sector and were small were no longer within the distributional criteria of the sample. It is rather surprising that 19% of medium firms and 15% large were no longer eligible either.

Table 11. Analysis, of “non-eligible”

Country	Total	City/Town			Sector		Main activity		Size of enterprise		
		Large	Medium	Small	Private	State	Industry	Services	Small	Medium	Large
Albania	18	50%	39%	11%	61%	39%	28%	72%	61%	17%	22%
Armenia	12	50%	50%	0%	75%	25%	42%	58%	75%	25%	0%
Azerbaijan	29	52%	34%	14%	52%	48%	59%	41%	38%	17%	45%
Belarus	32	34%	47%	19%	88%	13%	47%	53%	78%	9%	13%
Bulgaria	23	9%	35%	57%	83%	17%	30%	70%	74%	9%	17%
Croatia	2	100%	0%	0%	100%	0%	0%	100%	100%	0%	0%
Czech Republic	11	9%	55%	36%	55%	45%	27%	73%	55%	36%	9%
Estonia	20	45%	15%	40%	60%	40%	45%	55%	40%	25%	35%
FY Yugoslavia	23	35%	48%	17%	78%	22%	43%	57%	74%	17%	9%
FYROM	3	67%	0%	33%	100%	0%	0%	100%	100%	0%	0%
Georgia	47	45%	28%	28%	85%	15%	32%	68%	72%	11%	17%
Hungary	16	31%	69%	0%	94%	6%	56%	44%	50%	25%	25%
Kazakhstan	22	32%	50%	18%	68%	32%	59%	41%	59%	14%	27%
Kyrgyzstan	18	17%	50%	33%	72%	28%	33%	67%	33%	33%	33%
Latvia	19	42%	21%	37%	74%	26%	26%	74%	63%	16%	21%
Lithuania	11	36%	27%	36%	82%	18%	27%	73%	64%	27%	9%
Moldova	9	33%	22%	44%	56%	44%	44%	56%	33%	33%	33%
Poland	60	10%	60%	30%	88%	12%	37%	63%	77%	20%	3%
Romania	14	21%	21%	57%	79%	21%	43%	57%	57%	21%	21%
Russia	70	44%	36%	20%	91%	9%	34%	66%	87%	6%	7%
Slovak Republic	1	0%	100%	0%	100%	0%	100%	0%	100%	0%	0%
Slovenia	6	17%	17%	67%	83%	17%	33%	67%	67%	33%	0%
Tajikistan	36	36%	44%	19%	89%	11%	50%	50%	61%	28%	11%
Turkey	44	66%	16%	18%	64%	36%	30%	70%	57%	32%	11%
Ukraine	107	31%	51%	18%	84%	16%	36%	64%	64%	21%	15%
Uzbekistan	57	18%	56%	26%	77%	23%	33%	67%	67%	19%	14%
Total	710	34%	42%	24%	79%	21%	38%	62%	66%	19%	15%



3.5.2.5 Enterprises, which were “contacted 5 times”

Enterprises, which we contacted a minimum of 5 times included 26% of medium enterprises and 16% of large firms (see table 12).

Table 12. Analysis of “contacted 5 times”

Country	Total	City/Town			Sector		Main activity		Size of enterprise		
		Large	Medium	Small	Private	State	Industry	Services	Small	Medium	Large
Albania	2	50%	50%	0%	100%	0%	100%	0%	50%	0%	50%
Armenia	10	80%	10%	10%	60%	40%	70%	30%	40%	20%	40%
Azerbaijan	2	50%	0%	50%	100%	0%	0%	100%	100%	0%	0%
Belarus	34	41%	53%	6%	79%	21%	56%	44%	68%	15%	18%
Bulgaria	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Croatia	18	44%	33%	22%	78%	22%	28%	72%	39%	22%	39%
Czech Republic	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Estonia	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
FY Yugoslavia	22	45%	23%	32%	73%	27%	18%	82%	36%	36%	27%
FYROM	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Georgia	8	25%	63%	13%	88%	13%	25%	75%	88%	13%	0%
Hungary	10	10%	70%	20%	100%	0%	0%	100%	70%	20%	10%
Kazakhstan	6	0%	100%	0%	67%	33%	50%	50%	50%	17%	33%
Kyrgyzstan	31	32%	32%	35%	77%	23%	45%	55%	71%	23%	6%
Latvia	9	56%	11%	33%	89%	11%	11%	89%	78%	11%	11%
Lithuania	31	23%	35%	42%	94%	6%	45%	55%	55%	32%	13%
Moldova	24	63%	13%	25%	88%	13%	17%	83%	75%	13%	13%
Poland	18	11%	67%	22%	83%	17%	56%	44%	22%	72%	6%
Romania	47	36%	40%	23%	91%	9%	45%	55%	60%	23%	17%
Russia	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slovak Republic	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slovenia	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Tajikistan	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Turkey	115	51%	31%	17%	92%	8%	43%	57%	59%	28%	13%
Ukraine	6	17%	50%	33%	83%	17%	0%	100%	50%	33%	17%
Uzbekistan	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	393	41%	37%	22%	86%	14%	40%	60%	58%	26%	16%

3.5.3 Manufacturing overlay

Table 13 summarises the interview success rates for the manufacturing overlay sample. We contacted 4,214 enterprises and achieved an interview completion rate of 40.65%. We had a relatively high refusal rate at 44.92%, whilst 14.43% of enterprises were not eligible for inclusion in the survey.

Table 13. Interview success rates for manufacturing overlay enterprises

Country	Enterprises contacted	Completed interviews	Refused/Not available	Not eligible	Completed interviews	Refused/Not available	Not eligible
Poland	741	395	267	79	53.31%	36.03%	10.66%
Hungary	774	298	373	103	38.50%	49.01%	13.31%
Romania	802	285	377	140	35.54%	47.01%	17.46%
Moldova	439	150	215	74	34.17%	48.97%	16.86%
Armenia	341	150	157	34	43.99%	46.01%	10.00%
Kazakhstan	751	285	349	117	37.95%	46.47%	15.58%
Azerbaijan	366	150	155	61	40.98%	42.35%	16.67%
Total	4214	1713	1893	608	40.65%	44.92%	14.43%



3.6 Permission to include enterprise details in database for future BEEPS

The percentage (table 14) of respondents (total sample) who agreed to include their firms' details in our database for future BEEPS is almost identical (73.67%) to that of 2002 (73.05%).

Table 14. Permission to include firms' details in database

Country	Completed	Permission	
		Granted	Refused
Albania	204	86.3%	13.7%
Armenia	351	78.6%	21.4%
Azerbaijan	350	94.9%	5.1%
Belarus	325	75.1%	24.9%
Bosnia	200	87.0%	13.0%
Bulgaria	300	86.0%	14.0%
Croatia	236	85.6%	14.4%
Czech Republic	343	43.7%	56.3%
Estonia	219	75.8%	24.2%
FR Yugoslavia	300	82.7%	17.3%
FYROM	200	76.0%	24.0%
Georgia	200	92.5%	7.5%
Hungary	610	58.2%	41.8%
Kazakhstan	585	74.5%	25.5%
Kyrgyzstan	202	85.1%	14.9%
Latvia	205	82.4%	17.6%
Lithuania	205	78.0%	22.0%
Moldova	350	92.6%	7.4%
Poland	975	40.2%	59.8%
Romania	600	85.3%	14.7%
Russia	599	62.9%	37.1%
Slovak Republic	220	63.6%	36.4%
Slovenia	223	84.8%	15.2%
Tajikistan	200	76.5%	23.5%
Turkey	559	73.7%	26.3%
Ukraine	594	87.2%	12.8%
Uzbekistan	300	80.3%	19.7%
Total	9,655	73.67%	26.33%

4 Overall observations and experiences from the survey

This section summarises the overall observations and experiences from the survey. Specific experiences and observations from each country can be found in Appendix C. Where deemed prudent, we summarised political, business, social, or other factors of each country, which preceded or took place during fieldwork, so as to provide the EBRD with additional “insights” when evaluating and interpreting the results.

4.1 Enterprise recruitment

In most countries screener interviews were carried out over the phone with the remainder being done face-to-face.

4.1.1 Questions asked by respondents during recruitment

Questions asked by respondents during recruitment included:

- What is the duration of the interview?
- What is the objective of this survey?
- Would responses be confidential?



- Would the information be disclosed to tax or government authorities?
- What questions would you be asking?
- We want to see the questionnaire - can you fax/e-mail it?
- Who will see the questionnaires?
- Who is the sponsor of the survey?
- Can I self-complete the questionnaire?
- Can we conduct the survey over the phone?
- Why is your company conducting this survey?
- Why should I participate?
- When and how can I see the results of the survey?
- How and why was my company selected?
- Will you give me an incentive for my time?
- What would be the benefits for our company?
- What would be the outcome of the study?
- Can you fax us the EBRD letter?

4.1.2 Reasons for which respondents could not/would not take part in the survey

Reasons for which respondents could not/would not participate in the survey included the following:

- The interview duration is too long (recruiters mentioned approximately 1 hour)
- Potential eligible respondent not available
- No free time to take part
- Suspiciousness
- Not interested in the topic of this survey
- Do not like market research studies in general
- No specific reason or explanation given
- Need approval from the ministry (State-owned enterprises)
- Need approval from headquarters/board of directors/director/CEO
- Need permission from the foreign owner
- Distrust of World Bank and EBRD
- We can not disclose any company confidential information
- We don't trust that the results will be confidential
- The survey will not change anything
- The survey will be of no use for business/company
- As a rule do not participate in surveys
- Preferred to self-complete the questionnaire
- National mourning period (Poland)
- No changes were noted since 2002 so why take part
- This type of survey is 'industrial espionage'
- Employment of delay tactics instead of outright refusal (call me tomorrow, no decision)

4.2 Main interview

4.2.1 Overall attitude of respondents

With a few exceptions, interviews were carried out in a calm and constructive atmosphere. Respondents who agreed to be interviewed were quite attentive and interested in the survey. However, as will be explained in the following section, the length of interview was a major source of complaint by respondents.



4.2.2 Length of interview

The minimum time taken to administer an interview was about 1 hour with an average of 1.5 hours or even longer. Some interviews were completed over a 2-3 day period in various sittings.

The actual length of interview was one of the major complaints made by respondents. In many cases, prospective respondents refused to be interviewed just because the anticipated length of interview was estimated at 1 hour.

Due to the length of interview, some respondents were getting extremely tired, lost concentration and interest and often irritated and as a result towards the end of the questionnaire their responses were suspiciously quick, inaccurate or less attentive than before.

4.2.3 Respondent profile

At each enterprise, interviews were conducted with the “person who normally represents the company for official purposes, that is who normally deals with banks or government agencies/institutions”.

At small enterprises, interviewing one respondent was often adequate to complete the questionnaire. However, in many cases and especially in larger enterprises it was impossible for the principal respondent to answer all questions. In order to enhance the quality of responses to specific topics of the questionnaire, the principle respondent often had to consult with accountants and personnel managers. The quest for accurate information, which needed the attendance of 2-3 respondents, meant that the length of interview was often well beyond the 1 hour planned. The need to have more than respondent present also meant that we had to “arrange” appointments with not just one respondent but also with accountants, lawyers and personnel managers who were not always available.

In many cases respondents had to perform their work duties (answer the phone, respond to intruders, etc) interrupt to deal with unplanned emergencies and this added to the overall time required to complete an interview.

4.2.4 Terminated interviews

Some interviews were terminated mainly for the following reasons:

- The respondent was angry and irritated and not prepared to answer “sensitive” questions
- The interview was too long and had other more urgent business to attend to

4.2.5 Questionnaire content

Besides of the length of the questionnaire, which was a major concern to respondents, some respondents commented that the questionnaire content was more applicable to manufacturing enterprises and less to firms within the services industry.

Some respondents of service industries felt that the issues of ‘exporting’, ‘material inputs’ and ‘custom issues’, ‘product lines’ was confusing or difficult for them to answer.

Questions related to referring back to 36 months ago were difficult for respondents who could not recall.



By and large the “sensitive” questions on financial results, unofficial payments, corruption, tax evasion, protection payments etc, were received with obvious discomfort, suspicion and mistrust from respondents. Conclusions from responses to the above type of questions should be treated with caution.

Despite our frequent re-assurances about confidentiality, some respondents appeared to be less convinced than others.

Respondent who were very keen to give precise answers, complained about the questions where financial data had to be given as percentage of total sales and where answers to employee related questions had to be given as percentages; they considered the exercise as complicated and tiresome.

Less educated respondents (normally managers of small companies) had difficulties in understanding financial/complicated terminology. Problems were also encountered with long questions especially those concerned with hypothetical scenarios.

4.3 Other comments made by respondents

- The majority of respondents expressed an interest in obtaining access to the final results of the survey
- Few respondents believed that this survey would change anything, solve business problems or bring benefits to their countries or to the business environment
- Some respondents believed/asked if participation to this survey will make it easier for them to obtain loans from the World Bank/EBRD.

5 Recommendations

5.1 Questionnaire

- ◆ Make the questionnaire shorter - maximum 45 minutes
- ◆ Simplify some questions (i.e. finance terminology) of the questionnaire so that this is better understood by all respondents regardless of their educational backgrounds
- ◆ Develop different questionnaires for the manufacturing and service sectors or skip questions which are not applicable to each sector
- ◆ Develop a questionnaire which could be answered by a single respondent
- ◆ Make all questions closed. For questions on financial results which were the least welcomed by respondents have pre-coded answers with range of values.
- ◆ Reduce the number of questions which require calculations
- ◆ Questions that require answers in % should be converted to absolute numbers (they can be converted to % after data entry stage)

5.2 Administration of the survey

- ◆ Avoid conducting fieldwork during period of financial year end as many potential respondents are overloaded
- ◆ Provide incentives to enhance cooperation

5.3 Communication

- ◆ Publish the results of survey and communicate these to the business community in each country
- ◆ Prepare a report that states, which factors were improved with regards to results of previous studies and communicate to participants



5.4 Analysis

The questionnaire contains many attitudinal questions (rated on a scale), for example on corruption, lobbying activities, infrastructure, etc. Using these questions one can create a dichotomous or other dependent variable and then use “Attributable effects” or regression analyses in order to determine if interactions with government authorities have an impact on the success of a firm.

One can also consider creating a segmentation scheme to identify systems/processes where the government has created a favourable business environment and those who have not. This type of analysis would work across countries.

Alternatively one could create segmentation schemes from the standpoint of firms. This analysis would segment enterprises in terms of how they perceive the favourability of the political climate. Here the policy issue is one of determining whether there is something systematic about firms finding their political system as being favourable or not. This analysis would be particularly interesting across countries to determine if various economies have different distributions across the enterprise classification categories. Some questions that could be used for the segmentation analysis include scaled questions along with some relevant questions of “Yes/No” (i.e., Q20, 21, 22, 27, 28, 34, 35c, 36a, 36b, 37, 38, 38b, 39, 40, 41, 42, 44, 53, 54, 60, 63 and 64).

The dependent variable(s) for these analyses should be the identifiers of whether or not firms are successful/profitable/growing. Once the dependent variables are identified, one can analyse the results as described above in order to find relationships.

Factor analysis may also be employed to analyse respondent perceptions on infrastructure/regulations (Q54) and determine which are the key overall factors driving the overall ratings. One may argue that among the overall factors rated in Q54 are Financing (access to financing, cost of financing), Public Services (telecommunication, electricity, transportation), Taxation (tax rates, tax administration), Regulation (...) and Crime (...). It would be interesting to see if – as a result of - factor analysis the attributes in Q54 are grouped together into the overall factors mentioned above, or if some of these are grouped with sub-factors, which may at this stage appear not correlated. For example, factor analysis may group together “corruption” with “business licensing and permits”. In this example, one can draw the conclusion that corruption goes hand in hand with business licensing and that this is not associated with “customs and trade regulation” or the “functioning of the judiciary”.

From our experience we sometimes find that respondents rate some factors (Q54) as being minor obstacles to the operation and growth of their firm - for example “transportation”. If one were to analyse the results based on the frequency scores (minor to major obstacle) only, may draw the conclusion that indeed “transportation” is not a major problem, therefore no recommendations for improvement should be made. In our view, although the “transportation” system of some countries is quite bad, some respondents take this for granted without realising how much they can benefit with improvements in the system. For this reason, it may be beneficial to analyse not just the obstacle ratings but also to determine the impact/importance of the “transportation” system on an overall dependent variable, whether this is a perception or a factual variable.



APPENDIX A

Sample design guidelines – BEEPS 2002



A1 Sample design considerations

The sample structure for BEEPS II was designed to be as representative (self-weighted) as possible to the population of firms within the industry and service sectors subject to the various minimum quotas for the total sample. This approach ensured that there was sufficient weight in the tails of the distribution of firms by the various relevant controlled parameters (sector, size, location and ownership). This was also the broad approach used in BEEPS I.

As pertinent data on the actual population or data, which would have allowed the estimation of the population of foreign-owned and exporting enterprises, were not available, it was not feasible to build these two parameters into the design of the sample guidelines from the onset. The primary parameters used for the design of the sample were:

- Longitudinal
 - ◆ Total population of enterprises
 - ◆ Ownership: private and state-owned
 - ◆ Size of enterprise: Small, medium and large
 - ◆ Geographic location: Capital, over 1 million, 1million-250,000, 250-50,000 and under 50,000
- Latitudinal
 - ◆ Sub-sectors (e.g. mining, construction, wholesale, etc)

Due to the nature of the available information, parameters were interlocked to each other in the sense that, for example, if the total number of private enterprises was known there was no information on how many of these firms were small, medium and large, nor how many firms were located in the capital city, small cities/countryside etc.

For certain parameters where statistical information was not available, enterprise populations and distributions were estimated from other accessible demographic (e.g. human population concentrations in rural and urban areas) and socio-economic (e.g. employment levels) data.

In some cases, for the design of the sample guidelines there was a need to apply judgmental adjustments. These adjustments were carefully structured and were done systematically and consistently based on the available data and not arbitrarily. In order to ensure consistency in the design of samples both in terms of methodology and judgmental adjustments, the samples of all countries were designed at Synovate's Head Office. All countries provided the Head Office with their universe data in a pre-specified format as well with demographic and socio-economic information.

For Russia, Tajikistan, Azerbaijan, FYROM, Turkey, Yugoslavia, Uzbekistan and Latvia detailed information of universe breakdowns (by sector activity, size, etc) was not readily available. For these countries we designed samples by considering the designs of other countries with similar demographic / socio-economic profiles.

The methodology and the sample designs of each country were sent to /and approved by the EBRD.



A2 Procedure for designing the sample guidelines

The procedure described in this section was aimed to generate sample guidelines, and not definitive sample designs. The objective of the sample guidelines was to meet the 7 interlocking BEEPS quotas and at the same time maintain representativeness to the population of firms, to the extent possible.

Step 1

The first step was to design a total sample, which was in the same proportion as the total GDP contribution of industry and services. As data on GDP contributions of each country could vary from source to source, for consistency purposes we used the GDP figures published by the World Bank.

Step 2

As firms within agriculture (or any other sector) were excluded from the survey, these were also excluded from the GDP contribution by re-weighting Industry and Services so that Industry+Services=100%.

Step 3

From the re-weighted GDP and the total targeted number of enterprises we calculated the sector quotas for Industry and Services.

Step 4

Populations of eligible enterprises were obtained from the Statistical Office and other sources and were broken down in the longitudinal and latitudinal parameters.

Step 5

Based on the universe data, the proportions of longitudinal (i.e. state-owned, private, small, medium, large, etc) and latitudinal parameters (i.e. sub-sector, mining, construction, manufacturing, etc) within the main sectors of industry and services were calculated.

Step 6

Using the proportions calculated in Step 5, and the number of enterprises apportioned to each sector (Step 3) a self-weighted sample within each sector and across all parameters was constructed.

Step 7

The sample size of various parameters resulting from the self-weighted universe from Step 6 was often outside the BEEPS minimum quotas. For example, considering the ownership parameter, 5% of enterprises might have been state-owned and 95% private. In this example, we had to specify a minimum of 15% state-owned and 85% private enterprises and hence had to re-weight the latitudinal parameter (i.e. sub-sector) with the revised total samples (quotas) but still maintain the proportions of the original self-weighted universe. The same procedure was applied across enterprise size, and location.

At this stage of the design, and due to the imposition of the tail end quotas the “representativeness” of the sample to the population of firms was distorted.



Step 8

Until this step, the sample was designed on carefully structured mathematical techniques and no judgmental adjustments were applied.

In step 8, however, some adjustments deemed prudent. On many occasions the wholesale, retail and repairs sub-sector dominated the services sector with 60-80% enterprises while the remaining sub-sectors (transportation, hotels, real estate, etc) commanded a share ranging from 2-15% each. In this case we considered the trade-off between representativeness and a better “mix” of other sub-sectors within the service industry.

Also, the wholesale/retail/repairs sector was often associated with small private enterprises (i.e wholesale/retail/repairs universe, approximately equal to the universe of private small firms). Due the nature of the interlocking quotas, this in reality meant that if 60-80% interviews within the service where actually conducted with wholesalers/retails/repairs, the quotas for medium and large enterprises were not likely to be met. For this reason we decreased judgmentally the number of interviews with wholesale/retail/repairs and increased the number of interviews with transportation, real estate, etc in the same proportion as that obtained at step 7. By doing these adjustments we ensured that the problems, concerns, perceptions of all service industries would be accounted in the survey and also improve our chances in meeting the minimum quotas, especially those on enterprise size.



APPENDIX B

Manufacturing overlay



B1 Definition of manufacturing sectors

Poland

Sector	NACE Code	Description
Sector 1	18.2	Manufacture of other wearing apparel and accessories
Sector 2	15.1	Production, processing and preserving of meat and meat products
Sector 3	28.5	Treatment of coating of metals; general mechanical engineering
Sector 4	29.2	Manufacture of other general purpose machinery
	29.5	Manufacture of other special purpose machinery
Sector 5	28.7	Manufacture of other fabricated metal products

Hungary

Sector	NACE Code	Description
Sector 1	18.2	Manufacture of other wearing apparel and accessories
Sector 2	15.1	Production, processing and preserving of meat and meat products
Sector 3	28.5	Treatment of coating of metals; general mechanical engineering
Sector 4	29.2	Manufacture of other general purpose machinery
	29.5	Manufacture of other special purpose machinery
Sector 5	28.7	Manufacture of other fabricated metal products

Romania

Sector	NACE Code	Description
Sector 1	15.1	Production, processing and preserving of meat and meat products
Sector 2	15.6	Manufacture of grain mill products, starches and starch products
Sector 3	18.2	Manufacture of other wearing apparel and accessories
Sector 4	28.1	Manufacture of structural metal products
Sector 5	29.2	Manufacture of other general purpose machinery
	29.5	Manufacture of other special purpose machinery

Moldova

Sector	NACE Code	Description
Sector 1	15.1	Production, processing and preserving of meat and meat products
	15.6	Manufacture of grain mill products, starches and starch products
	15.8	Manufacture of other food products
Sector 2	15.9	Manufacture of beverages
Sector 3	18.2	Manufacture of other wearing apparel and accessories
Sector 4	28.1	Manufacture of structural metal products
	28.5	Treatment and coating of metals; general mechanical engineering
	28.7	Manufacture of other fabricated metal products

Armenia

Sector	NACE Code	Description
Sector 1	15.1	Production, processing and preserving of meat and meat products
Sector 2	15.6	Manufacture of grain mill products, starches and starch products
Sector 3	15.8	Manufacture of other food products
Sector 4	15.9	Manufacture of beverages
Sector 5	18.2	Manufacture of other wearing apparel and accessories
Sector 6	28.1	Manufacture of structural metal products
	28.5	Treatment and coating of metals; general mechanical engineering
	28.7	Manufacture of other fabricated metal products

Azerbaijan

Sector	NACE Code	Description
Sector 1	15.8	Manufacture of other food products
Sector 2	17.3	Finishing of textiles
Sector 3	27.1	Manufacture of basic iron and steel and of ferro-alloys (ECSC
Sector 4	29.2	Manufacture of other general purpose machinery
	29.5	Manufacture of other special purpose machinery

Kazakhstan

Sector	NACE Code	Description
Sector 1	15.6	Manufacture of grain mill products, starches and starch products
Sector 2	15.8	Manufacture of other food products
Sector 3	18.2	Manufacture of other wearing apparel and accessories
Sector 4	28.1	Manufacture of structural metal products
	28.5	Treatment and coating of metals; general mechanical engineering
	28.7	Manufacture of other fabricated metal products



APPENDIX C

Country reports on observations and experiences



C1 Albania

No major or unusual political, social or business events occurred before or during the survey.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- Chamber of Commerce registries (Membership Year Book)
- ALBIC Directory of Business (www.adresar.albic.net)

The BEEPS 2002 panel database contained information that was outdated for some enterprises, i.e. some companies had ceased operations, while others had changed their contact numbers. Because, the address system in Albania could be described as “informal” and not well developed, it was difficult to find a company (whether in the panel or not) if its phone numbers were not correct.

Some difficulties were encountered in meeting the quotas, especially for large companies and to a lesser extent for state-owned companies. The universe of all large companies is relatively small (60 companies), and it includes companies not eligible for the survey (state-owned energy company, banks, insurance and railway companies).

With regards to state owned companies, the major problem faced was the split between the industrial and service sectors. Evidently most companies are in the industrial sector with fewer in the services sector. As was the case with large companies there were also instances where companies in certain sectors were not eligible, e.g. insurance, energy, railway, stock exchange etc.

The average length of the interview was 1 hour. There were cases however when the interview took more than 2 hours to complete, which was due to the fact that colleagues other than the principle respondent had to provide assistance in answering some of the questions, this being the case primarily in large companies. In general, respondents showed signs of impatience and a lack of concentration because of the length and complexity of the questionnaire.

Many respondents within the service sector commented that some questions were not applicable to their industry, but were more relevant to manufacturing enterprises.

Because of power shortages and frequent outages (Q23) many enterprises have their own generators. Some respondents had difficulties estimating the % of total sales lost (Q23) because production does not actually stop. In the event of power failure from the public grid stand-by generators come automatically on, so instead of respondents talking about % sales lost, some answered in terms of “additional cost” of running the generators. Also on Q23, some enterprises have their own water wells, so they never experienced insufficient water supply.

Questions on financial information (Q57) were met with unease by respondents in that some of companies operate with two 'accounting books', one for their use (real figures) and the other for the tax office. We suspect that the majority of the figures provided were those reported to the tax office.

Respondents also appeared to be uncomfortable with questions on corruption/bribes and were reluctant to provide answers, especially managers of state-owned enterprises. Furthermore questions on unofficial payments and taxation also caused obvious discomfort to respondents and they either refused to answer or provided answers of questionable sincerity.



Despite the reassurances of confidentiality, some respondents were concerned that if they provided honest answers to the sales and investment questions, the survey could harm them. *“Right now I have very few competitors in Albania. If EBRD would find out from my figures that this is a profitable business they might give this information to other investors (foreign) who may come and enter this market and this is not good for me”.*

C2 Armenia

No major or unusual political, social or business events occurred before or during the survey.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- State Statistical Committee
- State Register
- Business catalogue “Spyur” (of RA enterprises)
- Internet
- Yellow Pages
- Telephone directories

The majority of the data provided in the sample frame lists were accurate.

I was difficult to meet some of the BEEPS quotas, especially those for state enterprises and foreign controlled because of small universes.

Interviewing respondents of private companies proved to be more difficult than interviewing those in state companies because the latter had nothing to hide like those in private companies.

Some difficulties were faced when setting-up the appointments. However, the use of official letter from the EBRD inevitably made it much easier to make appointments.

Interviews lasted from 1 hour and 15 minutes to 2 hours, with the average interview duration being in the region of 1 hour and 30 minutes. In most cases, the primary respondent answered all the questions although in some cases 2-3 persons participated in the interview.

Respondents had difficulties answering questions relating to importance of potential sources of information for new customers (Q21), financial information (Q57), accounting standards (Q48) and employees (Q66-Q69). In these instances other colleagues (primarily from the finance and personnel departments) were requested to provide their input. With regards to questions on the judicial system (Q31e) and protection payments (Q32b) respondents appeared hesitant and afraid to answer.

In general, respondents were perceived as giving honest and reliable responses. In some cases, however, their responses were questionable, especially with respect to questions on protection and unofficial payments.



C3 Azerbaijan

No major or unusual political, social or business events occurred before or during the survey.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- Reference guides of State Statistics Committee
- Yellow Pages
- Kompas Azerbaijani
- Information database of the Ministry of Economic Development

In general, it was difficult meeting the quotas for the industrial sector. The main difficulties encountered were due to the small universes of mining, construction and manufacturing enterprises. No major problems were encountered meeting the quotas for the service sector.

Most of the problems faced with setting appointments were with state-owned enterprises and senior management of large establishments.

Interviews on average lasted between 1 and 1.5 hours. Some interviews were terminated because respondents, complained about the length of the questionnaire and had no more time to spare and others because they had more “important things to do” than answer questions. Interviews, which were terminated, were not resumed.

Overall, respondents were not pleased with the length of the questionnaire, perceived some questions as repetitive and were not prepared to provide us with financial information. Despite of our reassurances on confidentiality, respondents were reluctant to provide us with their financial information (Q57 and Q58). Some respondents did provide their financial data but after checking and validating the data we had to discard the information, as this appeared grossly inaccurate, misleading and of no real value.

In Azerbaijan we conducted call back visits/telephone checks twice, but respondents were reluctant to answer questions that they originally refused to answer or to reconsider some of the answers that they have given initially. As a result, the data file of Azerbaijan does not contain any financial information and this despite our efforts to convince respondents to cooperate.

C4 Belarus

The political situation in the country and the strong involvement of the state in the economy do not allow individual enterprises (except for government-owned and very large private ones) any possibility of influencing government decisions in any significant manner. The same can be said for the informal trade unions, associations, and the like. Because of the current political system and the fear of the authorities we believe that some respondents may have been “economical” with the truth.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- Statistical Institute
- Yellow Pages

Some respondents took the survey very seriously and often requested the help of their chief accountants and HR managers to provide complete and accurate information.



Some respondents who agreed to be interviewed asked for reassurances of confidentiality on several occasions during the course of the interview. This obviously was an indication of how much entrepreneurs fear governmental bodies and the oppression of those who think differently in the country.

On average the interviews lasted from 1 hour 20 minutes to 1hour 30 minutes.

Question Q 38b turned out to be a favourite among many respondents. They told us jokes, and some of them went into great lengths describing the visits of tax inspectors in a lot of detail. Some respondents were most joyful and proud to admit that the tax inspectors could not find irregularities in their accounts, which was contrary to the reality.

Respondents seemed reluctant to answer questions on unofficial payments and we suspect and those who did may not have provided us with truthful answers. It should be noted that it is likely that small companies with limited business connections were either not truly not aware of such payments or may have had the experience and were afraid to disclose such information for fear that this information would end up in the hands of government officials.

Managers of state-owned enterprises mentioned that due to protectionist regulations they do not consider private companies as competitors and therefore answers to Q12 and Q13 should be interpreted in light of these comments.

Respondents also appeared to be uneasy with questions concerning taxation declarations (Q43a, Q43b and Q43c), since the government can take strict punitive measures if companies break the law. State-owned companies had no reason to conceal the truth and as such their responses may be regarded as more sincere than private enterprises.

Furthermore some respondents refused to provide answers to the financial questions (Q57 and Q58) citing confidentiality reasons but we suspect that respondents were also trying to conceal their true accounts especially if they were dealing with imports (either openly or covertly) as explained below.

To protect Belarusian products the government increased taxes on imported goods between 20-50%. During the course of the survey, some respondents admitted in confidence that they import goods (mainly food and household chemicals) from Russia without paying tax. According to their estimates the “grey” market of imported goods accounts for approximately 80% of all imports.

Many respondents commented that nothing would change and it would be better to adapt to the situation rather than spend time and effort in a fruitless struggle to improve the business environment.

C5 Bosnia and Herzegovina

Problems encountered during field were not connected to the type of enterprises being surveyed or the political situation but rather to respondents' sincerity and willingness to give honest answers.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- Chamber of Economy of Federation of Bosnia & Herzegovina/ Republika Srpska
- Statistical Office of Federation of Bosnia & Herzegovina/ Republika Srpska
- Business Directory – Foreign Trade Chamber of Bosnia & Herzegovina
- Yellow Pages BIH



State owned companies presented the most difficulties in that many of them had been privatised.

The average length of the interviews was 1 to 1.5 hours. In most cases, respondents showed signs of frustration with the length of the interview.

There was little enthusiasm among respondents to answer questions because they believed that this survey would not result in any changes in the business environment. However, some respondents were keen to cooperate mainly because they expressed an interest in getting loans from the EBRD/WB and in some cases they were answering questions to this aim.

There were mixed feelings on unofficial payments, but as one respondent commented, “ *our company is not giving gifts and that is why our business is not doing well* “.

Some respondents considered the financial questions (Q14 and Q57) to be confidential in nature and consequently were evasive or unwilling to answer. There were also questions that were thought to be inappropriate and not needed, namely potential sources of information (Q21-22), unofficial payments, accounting standards and importance of key decisions (Q63 and Q64).

C6 Bulgaria

No major or unusual political, social or business events occurred before or during the survey.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- Statistical Yearbook 2003 - NIS, 2004
- The NIS official website and its links: www.nsi.bg; www.bulstat.nsi.bg
- Who is Who in Bulgarian Business Encyclopedia 2004 – 2005
- SFB Capital Market JSC Database.
- Domino Business Directory 2003 – 2004 (26 356 firms, shops, organizations in the region of Sofia)
- www.econ.bg – Internet Business Directory (15 000 firms)
- www.government.bg - Official Internet site of the Bulgarian Government and Local Authorities
- Regional Telephone Directories / Yellow Pages – regions of Pleven, Burgas, Plovdiv, Blagoevgrad, Haskovo, Montana and Varna
- State Gazette

Setting up appointments was the most difficult part of this project because respondents needed a lot a persuasion to participate in the survey, as they could not see the reason for taking part.

With the exception of state owned firms, meeting the BEEPS quotas was not difficult as they reflected the composition of the various sectors of the GDP. However, difficulties were faced in meeting requirements concerning the breakdown of enterprises by number of employees, ownership and location because no single database in Bulgaria contained this kind of detailed information. Since there was no available information on the number of employees in establishments, many ‘blind calls’ had to be carried out to meet the quotas.



Companies that were difficult to locate were mainly:

- State/municipal companies – these needed a lot of / too much time to react because they had to coordinate their decisions with the principal holder of the firm – a ministry, government agency, etc.
- Large and medium companies - many of the presumed large companies were actually medium sized. As noted, the absence of data on the number of employees in available information sources resulted in many 'blind calls'. Within large companies it was hard to reach an appropriate person having the authority to participate or delegate this responsibility to somebody else. Managers of these organizations appeared to be very busy and hard to convince.
- Companies in towns / villages also posed problems in that there is no accurate database of these companies. The owners / managers of such companies were highly suspicious and unwilling to cooperate.

Generally, small firms were harder to interview, especially in towns/villages because respondents had more difficulties in understanding the topics of the questionnaire, considering it as being 'too academic / hypothetical'.

The average interview length was approximately 1.5 hours. In some interviews, the chief accountant and HR managers were approached to confirm some of the answers the respondents provided. There were also a few cases of interviews being conducted with two respondents.

In general, respondents were honest and truthful when answering the questions. However the section on 'unofficial payments' caused inconvenience to some respondents. Those who felt uncomfortable answering often replied, "*I do not know*" or "*I do not want to answer this question*". Respondents answered questions relating to company finances and workforce 'suspiciously quickly'. Moreover, there was a tendency to provide rough estimates rather than actual figures to these questions. Some respondents expressed the view that the survey would not be of any benefit to Bulgarian firms.

C7 Croatia

There were a number of developments in Croatia before and during BEEPS fieldwork. Chief amongst these was the EU's decision to postpone indefinitely entry negotiations due to a claimed lack of co-operation with The Hague's war crimes tribunal and the government's announcement of its 2005 subsidies plan for small and medium size enterprises.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- State Office for Statistics
- Business Croatia – Institute for Business Intelligence

By and large the databases were accurate, though not completely updated, especially in the case of contact details.

The most challenging BEEPS quotas to achieve were those involving interviews with foreign ownership and state-owned enterprises.



Respondents in non-manufacturing companies, as well as those in services, state owned companies were unable to answer some types of questions.

The average length of interview was 1 hour and 15 minutes. In most interviews only the principle respondent was required to answer all the questions.

The most frequent comment made by respondents concerned the length of the questionnaire. They found the interview to be tiresome, and lost their concentration and patience by the end of the interview.

In general, interviewers felt that respondents did the best they could to give full and honest answers, except when fatigue set in due to the length of the interview.

There were, however, a few cases where respondents were offended or refused to give answers to questions relating to “black market business”, tax evasion, financing, financial information, bribery and corruption.

C8 Czech Republic

At the time the study was conducted the Czech Republic was in the midst of a government crisis caused by alleged property discrepancies engaged in by the Prime Minister.

Also, some companies were still struggling to overcome the business changes caused by joining the EU in May 2004, particularly the significant increase of the Value Added Tax in some business sectors from 5% to 19%. Moreover, the value of the Czech Koruna (CZK) was strengthening in relation to other currencies, and exporting companies were facing a difficult situation.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- Czech Statistical Institute
- Ministry of Industry and Commerce websites
 - www.czso.cz
 - www.mpo.cz

The most difficult enterprises to recruit were state and foreign-owned enterprises. Difficulties experienced in recruiting eligible state-owned companies were due to the fact that many of these enterprises were either in the process of being privatised or in bankruptcy.

In the case of foreign-owned companies, recruitment was made difficult due to the requirement of finding a relevant percentage of foreign ownership in those companies.

With regard to medium and large sized businesses, managers frequently did not have the time to devote to the survey and this resulted in the termination of a number of interviews.

Overall the service companies proved to be the most difficult to interview in that the questionnaire content was more relevant to manufacturing enterprises. Respondents were often confused by some of the questions and this gave them a feeling that they were not the right company to be interviewed. They felt that the questionnaire should be modified so as to relate more to service enterprises.

The average length of the interview was approximately 60-90 minutes. In some interviews, two respondents were interviewed so as to provide the required information.



Difficulties were faced in answering questions concerning estimation of percentages from total sales. There were also cases that these questions were negatively received and respondents therefore refused to provide an answer.

There were also some questions that were considered pointless, such as Q24 (communication equipment), Q23 (energy), and Q72 (strikes and civil disorders).

In general the respondent's answers were considered to be truthful and honest.

C9 Estonia

During the survey the country experienced some political uncertainty when the government resigned and there was a 2-week political vacuum until a new government was appointed.

Corruption in state institutions was widely reported in the local media. The Minister of Justice wanted to launch a new system to fight corruption in the public sector and because this was not acceptable to other political parties, the government was forced to resign.

The source of information used to prepare the sample frames and carry out the sampling was the Estonian Business Register. This database consists of company information dating from 2002 and of course there have been many changes in the composition of companies since then. Nevertheless, the Register is considered to be the most accurate and reliable source available in Estonia.

Difficulties were encountered in interviewing service companies and suppliers in that the questionnaire was more relevant to manufacturing enterprises.

The average length of an interview was between 60-90 minutes. In general, two respondents were responsible for answering the questionnaire.

There were questions that were not well received by respondents and which they did not want to answer. These were questions relating to unofficial payments (they stated their companies had no experience in that area) and questions disclosing financial data, which were regarded as being too confidential (and which their parent companies would not allow them to disclose).

Questions, which required calculations (percentages) caused frustration among some respondents. Some other respondents were troubled by questions involving events in the past, especially those concerning loans ("how long it took to obtain a loan and the date the loan was approved").

The most common comment made by respondents was that the interview was too long and that they did not have enough time to complete the interview. There were many cases where respondents requested that they receive the questionnaire via e-mail and fill it in, or just to be able to review it so as to see what topics were covered so that they could prepare the information.

In general respondents were considered to be honest when answering the questions. In those cases where respondents declined to answer questions, the interviewer indicated NA..



C10 FYROM

FYROM was facing parliamentary elections at the time the study was conducted. As such some of the respondents were involved with the campaigns and had no time to participate in the survey because they were candidates or party representatives.

The sources of information used to prepare the sample frames and carry out the sampling were as follows:

- Economy Chamber of Republic of FYROM
- Republican Department for Statistics

Problems were encountered with completing quotas for state owned companies because the government's privatisation programme is almost complete. Those companies, which were not privatized, had gone bankrupt and other state-owned firms were not eligible for inclusion in the study.

Furthermore, problems were faced with recruiting large companies as these were mostly foreign owned (Greek) and they could not provide any information without approval from the owners. In general, Albanian owned companies declined to participate in the study.

The length of the interview was between 1 to 2 hours, although this varied widely depending on the size of the company being interviewed and how much time the respondent had available for the interview. In the main, one respondent answered the questionnaire, although there were cases in large companies where more than one person was required to answer the questions.

Respondents were not enthusiastic to answer questions on financial results and protection and unofficial payments. Many respondents mentioned that unofficial payments do exist but that their companies are not involved in such matters.

C11 Georgia

No major or unusual political, social or business events occurred before or during the survey.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- Entrepreneurship in Georgia: Statistical Abstract - published by State Department of Statistics of Georgia, 2004.
- Georgia Yellow Pages
- Internet directory (www.directory.ge)
- Local municipalities
- Internet web site of American Chamber of Commerce (www.amcham.ge)

Large enterprise quotas were the most difficult to meet because of the small universe.

Carrying out interviews in large enterprises was difficult because in many cases more than one respondent was needed to answer all questions and there were problems locating another eligible respondent who could or was willing answer these questions. Respondents in these enterprises were also not very cooperative.

Problems were also encountered with completing quotas for state owned enterprises because most of these companies have been privatised or are in the process of being privatised.



In the case of foreign-owned companies, a number of minor difficulties were faced. These mainly involved company managers not willing to participate or key managers being abroad with no one else available who could take the responsibility of participating in the interview.

The majority of the appointments were made face-to-face because in general, respondents in large enterprises could not be reached or interviewed by phone. Personal visits did not always prove to be successful due to the absence of the eligible respondent.

The length of the interview varied by sector, although in general it lasted from 1 hour to 1,5 hours. On the whole, respondents found it tiring to calculate various percentages and figures, and complained about the time taken to finish the interview.

Generally, respondents were considered to be honest when answering the questions especially in the case of 'neutral topics', problematic issues for enterprises and attitudinal questions.

Respondents were reluctant to answer financial questions and to provide real numbers of their employees. Many respondents mentioned that the situation with unofficial payments to state officials has changed considerable (improvement) since the new government was installed and have also noticed reduced incidents of protection payments.

C12 Hungary

Governmental elections are scheduled to take place next year but the pre-election campaign between the two major parties has already started. Since September 2004 Hungary has had a new prime minister, which meant big changes in government personnel.

It must be noted that fieldwork was conducted during the period the companies were preparing their financial statements and consequently potential respondents were very busy and overloaded with work.

The sources of information used to prepare the sample frames and carry out the sampling were as follows:

- Statistical Yearbook of Hungary (Central Statistical Office, 2002)
- D&B (Dun & Bradstreet- April 2004) database
- Internet
- Yellow Pages

A high proportion of the contact details in the lists used for sampling proved to be inaccurate. In such cases the Internet proved to be a useful source to get the correct details.

One of the main problems faced during fieldwork involved the manufacturing sector. All manufacturing companies registered in the database are listed as having many activities but in reality these companies are engaged in one or at most only a few of the listed activities. As such meeting the quotas for manufacturing activities was quite difficult.

However, the main difficulties faced were with identifying large and state-owned enterprises to approach for the study. Only a few large establishments operate in each city.

Furthermore some large sized companies required permission from their headquarters to answer the questions, which was also the case for foreign owned companies.

On average interviews ranged from 60 to 70 minutes, but there were some interviews that lasted between from 1,5 to 2 hours. Many respondents mentioned that if they were aware of



the actual length of the questionnaire they would not have agreed to participate. Only one respondent was required to participate in the interview, although there were a few cases where the finance and HR directors were approached to contribute.

Generally, once the company agreed to take part in the interview it was easy to arrange the meeting. There were cases where 3-4 calls were required to get through to the eligible respondent and to make an appointment. In large companies there were cases where the managers had to postpone or delay their appointments due to hectic schedules.

A majority of respondents had no difficulties in understanding the questionnaire. Questions that caused some difficulties were those requiring respondents to calculate percentages.

Overall, respondents were perceived as giving honest responses. In some cases, however, on questions relating to corruption and “lack economy” respondents tended to be less inclined to give truthful answers.

C13 Kazakhstan

No major or unusual political, social or business events occurred before or during the survey.

The sources of information used to prepare the sample frames and carry out the sampling were as follows:

- The Kazakhstan Companies - by Statistical Agency of the Republic of Kazakhstan - 2004
- Websites
- Yellow Pages and Reference books

Difficulties were encountered in meeting the quota requirement for state-owned companies. The majority of these companies are financial organizations, public authorities, legal bodies, etc, which were not included in the BEEPS quota.

Many companies felt the need to conceal their real incomes and have double-entry bookkeeping. In addition, the companies' top managers distrust such surveys and doubt that confidentiality will be ensured.

There are only a few exporting companies in Kazakhstan that export over 20% of their products. Also, many companies reduced the volume of their exports (to 5-10%) or simply do not export their products anymore.

Difficulties were also faced when having to arrange interviews. Often respondents postponed the interviews in that they did not have enough time to spare. Many refusals were encountered in Astana and Almaty. A lack of willingness to participate in the interviews was particularly noted with regard to foreign and state-owned companies.

One manager was often in position to answer all the questions. However, there were some cases where the assistance of accountants and personnel managers was required to answer some questions. Approximately 10% of the interviews were terminated as a result of the respondent's unwillingness to provide certain information such as financial data.

Respondents appeared to be uncomfortable with questions referring to commercial secrets (Q57-58), taxation and the firm's financials. Questions that required calculations (Q66-69) were problematic too in that they took a great deal of the respondent's time to complete.



C14 Kyrgyz Republic

Fieldwork was disrupted for two weeks by the revolution that took place in the Kyrgyz Republic after the parliamentary elections. Some of the prospective enterprises were ruined and/or burned, closed for safety reasons for a certain period of time or experienced changes in management. This led to many refusals and difficulties in arranging appointments with managers.

The sources of information used to prepare the sample frames and carry out the sampling were as follows:

- National Statistical Committee
- Yellow Pages
- Kompas Kyrgyzstan
- Kyrgyzstan Web sites

State-owned and large enterprises were the most difficult types of establishment to find. The universe of state-owned companies is small and not all of them agreed to be interviewed.

The length of interview varied from 1.5 to 2.5 hours. The length of the interview depended on the activity and size of the company. There were cases where respondents did not understand the questions and interviewers had to repeat them, which increased the length of the interview.

Interviewing a small company took less time than interviewing a large company. In most cases, one person was able to answer all the questions. However there were instances where input was required from another 2-3 participants. It was common that directors of large and medium companies required the assistance of their chief accountants and human resource managers to provide information on financial issues or employees. No interviews were terminated, but complaints were received about the length of the questionnaire.

Respondents appeared very uncomfortable with questions on financial results, taxation and unofficial payments/ gifts and refused to answer.

In general respondents were considered to be honest when answering the questions.

C15 Latvia

Municipal elections took place in Latvia in March 2005 and some potential respondents who stood as candidates refused to participate in the survey.

The source of information used to prepare the sample frames and carry out the sampling was the Central Statistical Bureau of Latvia, which had a high degree of accuracy.

In general, difficulties were encountered in meeting the quotas for foreign-owned companies. Many large enterprises asked to review the questionnaire before the interview.

The average length of interview was about 1 hour; the maximum length was 1 hour and 40 minutes. Either one or two respondents were required to answer all the questions. In cases where a second person was required to provide input, this proved to be the accountant.

Questions on competitors (Q12c, Q13c), finance (Q45a, Q46c, Q58) and employees (Q66-Q69) presented dilemmas for some. Respondents also refused to answer questions on financial issues, which they considered to be confidential.



In general, respondents were sincere in their answers. Respondents did not answer questions if they felt uncomfortable in answering.

C16 Lithuania

No major or unusual political, social or business events occurred before or during the survey.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- State Social Insurance Fund Board of Lithuania, Statistics Lithuania
- NRD Baltic
- Lietuvos Telekomas register of companies, registers Lietuvos (moniu Katalogas and Visa Lietuva)
- Company Register of Statistics, Lithuania

Arranging appointments with large companies was the most difficult aspect of the study because eligible respondents more often than not had to get permission from company owners to disclose financial data. Also, a number of companies registered in the Company Register of Statistics, Lithuania had either terminated their business or had changed their contact details.

The average length of an interview was 1.5 hours.

In most cases, the principle respondent was able to answer all questions although at times there was a need to consult with accountants or financial officers who were more acquainted with specific topics of the questionnaire. There were only a few questionnaires that were answered by two or three managers who consulted each other.

Most respondents were considered to be sincere when providing answers to the questions. They adopted a serious attitude towards this survey. There were a few respondents however who felt that the data provided by them could be used for wrong purposes.

C17 Moldova

No major or unusual political, social or business events occurred before or during the survey.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- Yellow Pages
- VARO

The above-mentioned sources contained inaccurate information, and as a result quotas were difficult to meet. In a number of cases, the sources did not classify companies into the right sectors and the correct classification only became apparent after completion of the interview and subsequent review of the questionnaire.

Refusals were encountered at both the initial contact stage (lack of time, lack of interest, confidentiality reasons, no perceived benefit, no trust in institutions) and at the time of the interview when respondents saw the length of the questionnaire.

The length of interview was on average 2 to 2,5 hours, although some interviews took much longer and required multiple visits to complete.



The major concern of respondents was the confidentiality of the information requested by the survey. Respondents were concerned that the authorities would double check the information provided by them in the interview. As one respondent commented “ *I answered a similar questionnaire and after a week I received a visit from the secret police*”.

Respondents found questions on financial matters difficult to answer. They claimed either that they did not know the answers or did not want to disclose the requested information for reasons of confidentiality. Questions on unofficial payments caused respondents some degree of discomfort, preferring to avoid the subject matter altogether. However, one respondent admitted “ *if we respect the law we will close our business tomorrow*”

On the positive side, indications are that answers to all other questions were truthful and sincere.

C18 Poland

Normal business was disrupted by the period of mourning declared by the government following the death of Pope John Paul II.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- Statistical agency
- Yellow Pages

Problems were also encountered with securing interviews. Eligible respondents wanted to see the official letter provided by the EBRD before agreeing to be interviewed or were difficult to reach with some having to be contacted numerous times before an appointment was arranged. Some companies believed that our interviewers were from the treasury department and the aim of the visit would have been to check their accounts.

Setting appointments with respondents in medium and large sized companies was time consuming and requiring multiple contacts before actually agreeing to participate.

In general, large state-owned companies were difficult to find because the data received from the statistical agency were outdated.

In a number of cases involving foreign-owned companies, the person who could authorise the principle respondent to participate in the survey was abroad. Many small companies refused to participate in the survey because they did not prepare annual reports and were suspicious of the objectives of the survey.

In general, respondents expressed doubts that this survey would bring about any significant changes in the business environment.

The average length of the interview was 1 hour, although for some respondents the interview lasted for 2 hours because the survey coincided with preparation of their financial reports and hence they were frequently disrupted.

Questions relating to taxation, labour regulations and financial data were not easily understood and proved to be the most difficult questions to be answered. Questions relating to financial data were received with negative reactions or distrust as well as the fact that they were not prepared to provide such information since it was too detailed in nature. There were cases where respondents felt they would lose their jobs if they disclosed company financial data.



Respondents in small companies in general found the questions and vocabulary complicated, mainly because they had lower educational qualifications. Overall, respondents were honest in their responses with the exception of questions on corruption and finance, which evoked negative reactions.

C19 Romania

No major or unusual political, social or business events occurred before or during the survey.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- Register of Commerce
- Yellow Pages
- Business Book of Lists (2002-2004)
- Business Work Book, 2003 edition
- "Major Companies", 2004 edition
- Internet

Difficulties were encountered in filling the quotas for state-owned and large companies because of small universes and difficulties in recruitment.

On average, the length of interview was about 1 hour, with two lasting over 3 hours. There were respondents who considered this questionnaire too long and complicated. In some companies in addition to the principle respondent other colleagues were also approached to provide answers to questions. Most respondents were not aware of sales figures and investments and had to approach their accounting departments for input to these questions.

Even though interviewers informed the respondents that all the information provided would be treated as confidential, respondents refused to answer financial related questions. A majority of respondents complained about questions relating to percentages (Q68, Q69).

In the section on the judicial system, the answers provided apparently do not coincide with the reality in Romania. Some respondents mentioned that they did not want to give low scores because it was more "*prudent like this*". Respondents were worried that giving honest answers and their personal opinions (despite frequent reassurances about confidentiality) could harm the country in general and themselves and the company in particular.

On the positive side, there were respondents who viewed BEEPS as an interesting study that asked very good questions. There were also respondents who were very optimistic and believed that cooperation with these two important international banks (the EBRD and The World Bank) would improve in the future because of new investment programmes and new long term loans.

The official letter provided proved to be very useful. Although at the beginning of the interview respondents were suspicious about the purpose of the study, at the end of the interview a majority agreed to participate in future EBRD and World Bank studies.

Apparently there is a lot of hope that the new political system will be able to make the right decisions and implement measures to develop a better business environment in Romania.



C20 Russia

No major or unusual political, social or business events occurred before or during the survey.

The sources of information used to prepare the sample frames and carry out the sampling were as follows:

- Official Government statistical census
- Business Bulletin 2004 (includes private-owned companies)
- Statistical Agency (Contacts of State Owned Companies - 2003)

Information provided by the official government statistical census was generally accurate. However, the information gathered from the Statistical Agency was from 2003 and therefore somewhat outdated.

The most difficult BEEPS quotas to meet were those of state-owned companies especially in big cities. In small cities, many state owned firms are in the process of closing down prior to privatisation.

Some respondents refused to participate because they viewed their company's financial information as being confidential. However, most respondents declined to be interviewed because of lack of time.

On average the length of the interview was 1 hour to 1,5 hours but this was highly dependant on the respondent and the nature of the company's business. For example, interviews with respondents in the service sector tended to last more than 2 hours. Some interviews were completed with the principle respondent only, but in most cases two to three respondents were required to answer all the questions. No interviews were terminated but there were cases where interviews had to be postponed.

The questions on security and protection payments, unofficial payments, the legal system and financial information caused obvious discomfort to some respondents and they refused to answer these questions.

On the positive side, some respondents felt that the survey could be very helpful in developing the business environment in Russia and were very enthusiastic about the possibility of investments in their field. They were very keen to view the results of this survey.

C21 FR Yugoslavia (Serbia)

Serbia & Montenegro (FR Yugoslavia) is in a period of transition from having a state controlled economy to one based more on free market principles. The results of the survey should be evaluated in this context.

The programme of privatization in Serbia has significantly changed the structure of the economy and the business environment. In the past three years, 1,117 firms have been privatized in tenders and auctions. Inevitably the private sector has become dominant compared to the state and socially owned firms.

The sources of information used to prepare the sample frames and carry out the sampling were as follows:

- Serbian Chamber of Commerce
- Statistical Office of the Republic of Serbia
- Websites:
- Municipalities in Serbia - <http://www.skgo.org/php/opstine/detalji.php>



- Cities of Vojvodina - <http://www.vojvodina.com/gradovi/default.htm>
- Enterprise Registry of Serbian Chamber of Commerce
- Telephone Directory of Telekom Serbia

The lists that were used for sampling were not that accurate. There were cases of incorrect phone numbers and addresses.

In general, any form of research or opinion polling is met with scepticism and mistrust making it difficult to set up appointments. Reaching eligible respondents was also an issue in that secretaries would answer on behalf of the manager and say that he was too busy, in a meeting or on a business trip. In private companies eligible respondents refused to participate in the interview saying that consent would be needed from the owner, this also being the case among foreign-owned companies.

Medium sized companies were difficult to identify because of a lack of relevant information in the information sources. For example, companies listed as medium in size frequently turned out to be either large or small. Other difficulties were encountered in interviewing privately owned and foreign companies. State-owned companies also proved to be a problem with the total number rapidly declining because of bankruptcies or privatisation.

There were cases of respondents who declined to be interviewed saying that there were no changes since the 2002 study and therefore no reason to participate again. Furthermore, some respondents viewed the study as 'industrial espionage'; while others felt that it was a waste of time and could not see any benefit in participating.

The average length of the interview was 1 hour and 20 minutes, with a minimum of 1 hour and a maximum of 2 hours. The length of the interview depended on the respondent, the time available, educational level of the interviewer and the size of the company.

In general, the principle respondent answered all the questions. In many medium and large companies two to three individuals were required to answer all the questions, and in a few cases even up to five.

Some respondents argued that the financial/numerical information requested was too complex and detailed and that a Managing Director or Finance director may not be able to provide an accurate answer without preparation (i.e. Q32a: "*How much do you spend for security in percentage to your costs and as a total amount*"). A suggestion was made to provide a list of questions/topics in advance, which would facilitate answers.

Seven to eight respondents decided to terminate their interviews because they did not expect questions of such a sensitive nature like those dealing with the company's financial data (e.g. Q14, Q57 and Q58). A number of respondents mentioned that they doubted if anyone would give honest answers to these questions. Others meanwhile simply refused to answer the questions mentioned above.

Respondents reacted negatively when asked questions concerning bribery, corruption and protection. A number also refused to answer questions relating to competitors (Q12c), inspections (Q38b) and sales reported for tax purposes (Q43a).

In addition to the length of the interview, many respondents found the questionnaire to be rather complicated.



C22 Slovak Republic

No major or unusual political, social or business events occurred before or during the survey.

The sources of information used to prepare the sample frames and carry out the sampling were as follows:

- Institute of Statistics
- Albertina Company Monitor (ACM)
- Internet
- Telephone directories

In general the lists provided were accurate, and there were only a few cases where phone numbers were not updated.

The most difficult enterprises to recruit were state-owned firms because many of them had been privatised. Large companies were also difficult to recruit since eligible respondents frequently had no time to spare for the interview.

The average length of interview was 1 hour. All the interviews were conducted with the principle respondent, with the exception of only two interviews where a second respondent was required to provide input to some questions.

Respondents were clearly concerned with the issue of anonymity/confidentiality and interviewers needed to reassure them frequently.

Questions concerning sales and corruption were found to be particularly sensitive, and most respondents had difficulties in answering them. Negative reactions were also faced with 'protection payment' especially among restaurant owners who simply refused to answer.

In addition to the length of the interview, many respondents found many of the questions to be rather sensitive in nature.

In general, respondents were considered to be sincere with the exception of questions relating to corruption.

C23 Slovenia

No major or unusual political, social or business events occurred before or during the survey.

The primary source of information used to prepare the sample frames and carry out the sampling was as follows:

- Slovenian Business Register (Issued on December 2004 - included financial data from 2003 annual financial reports)

The most difficult quotas to achieve were those for large companies, foreign-owned and state-owned companies. Respondents in large companies tended to be less willing to participate in the survey.

With regards to state-owned companies, the universe of these companies is limited and the statistical data did not identify which companies had more than 50% state ownership. Moreover, potential respondents in state-owned companies tended to be rather nervous because the new Slovenian government was in the process of making changes in managerial positions.



When setting up appointments many of the companies requested official papers explaining the purpose of the study. There were some cases where the eligible respondent had to be contacted two to three times and on each occasion the objectives of the study had to be discussed.

The length of interview on average was 1 hour. Generally, more than one respondent provided answers to the questions.

There were some respondents that seemed uneasy concerning questions on turnover, sales and investments and either mentioned that they could not provide answers or refused outright to answer these questions.

On a positive note, despite the length of the questionnaire almost half of the respondents found the study to be very interesting and were very polite and cooperative throughout the interview. They tried to answer all the questions to the best of their knowledge.

C24 Tajikistan

No major or unusual political, social or business events occurred before or during the survey.

The following sources of information were used to prepare the sample frames and carry out the sampling:

- State Statistical Committee of the Republic of Tajikistan
- Department for Records & Classification System of State Statistical Committee

Company lists were problematical because the information available was outdated (especially addresses) and some of the companies listed had ceased operations.

Meeting the quotas for state-owned, exporting and joint venture companies was a challenging task. Key managers had tight schedules and found it difficult to allocate time for an interview and were also not easily convinced of the confidentiality of the study. In particular, difficulties were faced in finding state-owned hotels, restaurants, real estate, rental companies and mining companies with 2-49 employees.

On average, interviews took 1,5 to 2 hours to administer. Generally, respondents complained about the length of the interview and felt that the questionnaire was rather complex in nature. At times one respondent completed the questionnaire. On the other hand, there were cases (about 30% of all interviews) where a second respondent – mainly chief accountants and HR Managers - was required to provide input to some of the questions.

Most of the respondents wanted to know the purpose of the study, why their company was selected and who would check the questionnaires. They were also concerned with the anonymity of the interview. However, when assurances were given regarding the confidentiality of the interviews the respondents would then ask why respondents' name and address was required.

Evidently the beginning of the questionnaire was answered with ease, however there were questions that were not well received and respondents were cautious in providing answers. These questions concerned unofficial/protection payments, sales, sales reported for tax purposes, accounting standards and mergers. Questions referring to financial data were considered to be the most sensitive and reported that this was confidential information and could not be disclosed.



A fact worth mentioning is that top managers of non-governmental organizations seem to be very cautious about interviews of such a nature.

Negative reactions were also faced with questions concerning bribery, corruption and protection. Notably respondents were also refusing to answer questions relating to competitors (Q12c), inspections (Q38b) and sales reported for tax purposes (Q43a).

Overall the respondents were thought to be sincere when answering the questions with the exception of questions relating to financial issues and attitudes towards the governmental bodies.

C25 Turkey

No major or unusual political, social or business events occurred before or during the survey.

The primary sources of information used to prepare the sample frames and carry out the sampling was as follows:

- General Census of Industry and Business Establishments (1992 & 2002)
- Phase Temporary Results published by State Institute of Statistics Prime Ministry Republic of Turkey in 1994 & 2003

The available data on establishments presented some problems with no available information on the number of employees in the mining and quarrying sectors, the distribution of sectors by population and location, or on state-owned and private sector companies.

Furthermore, the most recent General Census of Industry and Business Establishments conducted by the State Institute of Statistics has not been published yet.

The state-owned sector quota was especially difficult to meet because the number of these enterprises has decreased significantly in recent years due to rapid privatisation. Finding state-owned companies in smaller cities and identifying eligible respondents also proved to be difficult.

Difficulties were also encountered with regard to foreign-owned and large sized companies, because of the limited number of such companies in the universe. Furthermore, locating eligible respondents, agreeing appointments and completing interviews with only one person was also problematical. The confidentiality issue was the main reason for some respondents not agreeing to participate.

The average length of interview was approximately 1 hour. However, the length of the interview varied from 1,5 to 2 hours for those interviews involving two or more respondents. In most large companies two respondents were required to complete the questionnaire, whereas in small companies the principle respondent was sufficient.

Many companies requested formal, official documents with explanations and information regarding the purpose and content of the study. However, for some respondents (especially smaller ones) even the official letter from the EBRD was not convincing enough.

Respondents generally reacted negatively to questions on unofficial/protection payments, taxation and financial data. Respondents who did answer sensitive questions on finance, taxation and corruption were, in the interviewer's opinion, were not sincere in their responses. Indeed, some respondents still had suspicions that the study was conducted by the Ministry of Finance, which as a result influenced their responses in questions concerning the financial status of the company and corruption issues.



Respondents in some companies stated that the study was very beneficial in terms of increasing productivity and that the objectives of the study were clearly understood. On the other hand, others approached the study negatively even though they had agreed to be interviewed.

C26 Ukraine

No major or unusual political, social or business events occurred before or during the survey.

The sources of information used to prepare the sample frames and carry out the sampling were as follows:

- State Bureau of Statistics - 2004
- Yellow Pages

The Orange Revolution and the change in government made recruiting enterprises for BEEPS 2005 much more difficult. In general, BEEPS was regarded as a kind of monitoring for audit or tax purposes. Consequently, some refused to take part in the survey, and those who agreed were very cautious in their answers.

The most problematic enterprises to identify were foreign-owned companies. However it is worth mentioning that respondents in these companies were more open and provided the most accurate information. Arranging interviews with construction companies was also difficult because managers were constantly on site or on their way to sites thus were difficult to reach. Pre-recruitment in small cities was a problem because the information required was not available in the databases.

Apparently managers of privately owned companies were more aware of what was going on in their business unlike managers of state-owned and large companies who were or claimed to be unaware of the company's financial situation.

Questions on the incomes and expenses of enterprises as well as other 'sensitive' topics appeared to make respondents uncomfortable and they refused to answer them. Questions that required difficult calculations were also not answered by respondents. In general, the interviewers feel that it is not possible to determine the veracity of the answers provided to questions considered to be 'sensitive'.

On a positive note, the letters from the World Bank and Synovate proved to be useful while conducting the research. After completion of the interview a majority of respondents agreed to participate in the next wave of the study. They were optimistic that the new government would bring about positive changes and introduce fair policies in relation to business and entrepreneurs.

C27 Uzbekistan

No major or unusual political, social or business events occurred before or during the survey.

The sources of information used to prepare the sample frames and carry out the sampling were as follows:

- Single State Register of Enterprises and Organizations (SSREO)
- Municipal Statistics Department of Tashkent



Difficulties were encountered finding enterprises with export sales of more than 20%, joint ventures with over 50% of foreign capital, and large enterprises. State-owned hotels, restaurants and traders were also difficult to find due to their limited numbers.

Interviews with large enterprises tended to be the most difficult to conduct because a number of respondents were required to answer the questionnaire. Furthermore, the directors of these companies were often very busy or kept postponing the interview. Permission was also required from the Ministry before the interview could be carried out.

It was also difficult arranging interviews with joint ventures because managers could not disclose any information without prior permission from the firm's foreign owners.

The duration of the interview was approximately 2 hours. Frequently, however, respondents were re-contacted to clarify information that tended to be controversial or when there was missing information that required input from someone other than the principle respondent. In general, two to three respondents were needed to answer the questionnaire because directors were not in the position to provide information on financial and human resource issues.

The main reasons for refusing to take part in the survey were lack of confidence in the objectives, questions about the confidentiality of the information, and who would receive the results. They also questioned the lack of permits from local government establishments.

Overall, interviewers were of the opinion that respondents were sincere in their responses to the questions. However, 'sensitive' topics such as, protection, inspections, unofficial payments, attitude to state agencies and financial information caused unease amongst respondents and they were reluctant to answer such questions.