



RONALD COASE INSTITUTE

Working Paper Series

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## Questionnaire on Costs of Exchange: Registering a New Business Officially

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with Brian Gunia, Miguel Jaramillo,  
Mary Shirley, and Decio Zylbersztajn

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# Questionnaire on Costs of Exchange: Registering a New Firm Officially

June 2004 version

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**Abstract** This questionnaire is designed to investigate the costs of exchange that new small businesses encounter when registering as firms officially. It constitutes an initial undertaking by the Ronald Coase Institute to conduct empirical research on transaction costs. The objective of the Costs of Exchange Project is to design instruments to measure the opportunity costs of selected transactions, and then to use those instruments to study transactions around the world.

Some of the questionnaire's modules are designed to be tailored specifically to the rules and regulations existing in the particular country being examined. Surveys in São Paulo, Brazil and Lima, Peru were conducted in 2003 concerning the registration of new firms in the garment industry, using an earlier version of this questionnaire. Other studies are ongoing in 2004. This instrument represents work in progress and is subject to revision.

**Keywords** Costs of exchange, transaction costs, measurement of transaction costs, registering a new firm, survey, cross-national

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# RONALD COASE INSTITUTE

## Questionnaire on Costs of Exchange: Registering a New Firm Officially

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with Brian Gunia, Miguel Jaramillo, Mary Shirley, Decio Zylbersztajn  
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June 2004 version

### RECORD BEFORE START OF INTERVIEW

R1. Interview ID number
R2. Location of firm
a. Country
b. City
c. District/neighborhood
d. Street address
e. Telephone
f. E-mail
g. Web site
R3. Name of firm
R4. Name of respondent
R5. Gender of respondent    Male_____    Female_____
R6. Date of interview: Day_____    Month_____    Year_____
R7. Time of starting interview

### BEGIN INTERVIEW

[SAY]: This survey is part of an international study by scholars who want to measure the costs that business people actually face in getting things done, in different countries. Today, we would like to ask about **your** experiences in **registering a new firm officially**. Your answers will be kept completely confidential. You and your firm will not be identified to any outside persons or in print. We appreciate your input. It will be very helpful for studying and comparing the costs that business people actually face around the world.

**INFORMATION ABOUT THE FIRM**

**First I'd like to ask some general questions about your firm.**

1. What does your firm produce?

|\_\_\_\_\_|

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[FILTER: IF THE FIRM DOES NOT **MANUFACTURE GARMENTS**, END THE INTERVIEW]

2. In what month and year did your firm **first start operating** (even if the registration process was not completed yet)?

Month |\_\_\_\_\_| Year |\_\_\_\_\_|

3. And in what month and year did your firm **start operating officially**, with all registration steps officially completed?

a. Month |\_\_\_\_\_| Year |\_\_\_\_\_|

[FILTER: IF THIS WAS MORE THAN THREE YEARS AGO, END THE INTERVIEW. IF THREE YEARS OR LESS, GO TO Q.5]

b. Firm has **not finished** all registration steps yet\_\_\_\_\_ [GO TO Q.5]

c. Firm has **not begun** the registration process yet\_\_\_\_\_ [GO TO Q.4]

4. Do you plan to register officially, later?

Yes\_\_\_\_\_ No\_\_\_\_\_

[IF YES, ASK a1 – a5] [IF NO, ASK b1-b4]

a1. How long do you think it will take, start to finish?

\_\_\_\_\_days/weeks/months/years [CIRCLE THE TIME UNIT]

a2. How much money do you think it will cost?

\_\_\_\_\_ [MONETARY UNIT]

a3. How many hours of your time do you think it will require?

|\_\_\_\_\_| hours

a4. What is the most important reason for you to register?

[DO NOT SUGGEST AN ANSWER – WAIT FOR RESPONDENT'S REPLY]

|\_\_\_\_\_|

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a5. Why have you not yet begun this process?

[CIRCLE ALL CODES THAT APPLY]

REASON	CODE
My firm has just started	1
I don't know all the procedures that must be carried out	2
The process takes a long time	3
The process costs a lot of money	4
Other [SPECIFY] _____	5

[END THE INTERVIEW]

[IF NO, ASK b1 – b4]

If you **were** going to register,

b1. How long do you think it would take, from start to finish?  
 \_\_\_\_\_ days/weeks/months/years [CIRCLE THE TIME UNIT]

b2. How much money do you think it would cost?  
 \_\_\_\_\_ [MONETARY UNIT]

b3. How many hours of your time do you think it would require?  
 |\_\_\_\_\_| hours

b4. What is the most important reason for you **not to** register?  
 [DO NOT SUGGEST AN ANSWER – WAIT FOR RESPONDENT'S REPLY]  
 |\_\_\_\_\_|

\_\_\_\_\_  
 \_\_\_\_\_

[END THE INTERVIEW]

5. How many individuals **normally work** in your firm, **including** full-time employees and managers, part-time employees and managers, and family members?

<i>CATEGORY</i>	<i>CODE</i>	<i>NUMBER OF INDIVIDUALS</i>
All individuals who normally work in the firm	1	
Of these,		
permanent full-time	2	
permanent part-time	3	
other arrangement	4	

[FILTER: IF MORE THAN **N** PERMANENT FULL-TIME WORKERS, END THE INTERVIEW. OTHERWISE, CONTINUE]

a. How many individuals normally working in your firm are family members? \_\_\_\_\_  
 b. Are extra workers hired during periods of unusually high demand? Yes \_\_\_\_\_ No \_\_\_\_\_

[IF YES]

c. How many extra workers, typically? \_\_\_\_\_

6. What **type of business organization** is your firm?

[USE A LIST SUITABLE FOR THIS COUNTRY]

[CIRCLE JUST ONE CODE]

<i>TYPE</i>	<i>CODE</i>
Sole proprietorship	1
Partnership, general	2
Partnership, limited liability LLP	3
Limited liability company LLC	4
Corporation	5
Cooperative	6
Other [SPECIFY] _____	7
Not registered officially yet	8

7. Who are the **owners** of your firm, and how many are there?  
 [CIRCLE ALL CODES THAT APPLY. INDICATE NUMBER OF OWNERS.]

TYPE OF OWNER	CODE	HOW MANY?
Individual person	1	
Bank	2	
Other firm	3	
Other [SPECIFY] _____	4	

8. Does your firm

- a. Produce final goods? Yes\_\_\_\_ No\_\_\_\_
- b. Produce piece goods for a final producer? Yes\_\_\_\_ No\_\_\_\_
- c. Sell final goods in the retail market? Yes\_\_\_\_ No\_\_\_\_
- d. Other [SPECIFY] \_\_\_\_\_

9. Does your firm own its building, or does it rent?  
 [CIRCLE ALL CODES THAT APPLY]

STATUS OF THE BUILDING	CODE	IS IT PART OF A PERSONAL RESIDENCE?
Firm owns its building	1	Yes No
Firm rents its building	2	Yes No
Other situation [SPECIFY] _____	3	Yes No

**INFORMATION ABOUT THE RESPONDENT'S JOB**

10. What is your position in this firm?

- a. Owner\_\_\_\_  
 [IF OWNER]  
 Did you start this firm, or did you acquire it after it was already functioning?  
 a1. I started the firm\_\_\_\_ [GO TO Q.11]  
 a2. I acquired it **before** it was officially registered\_\_\_\_ [GO TO Q.11]  
 a3. I acquired it **after** it was officially registered\_\_\_\_ [END THE INTERVIEW]
- b. Manager\_\_\_\_  
 [IF MANAGER]  
 How long have you held this position?  
 \_\_\_\_\_ days/weeks/months/years [CIRCLE THE TIME UNIT]  
 [GO TO Q.11]
- c. Employee [SPECIFY]\_\_\_\_\_  
 [IF EMPLOYEE]  
 How long have you worked in this firm?  
 \_\_\_\_\_ days/weeks/months/years [CIRCLE THE TIME UNIT]  
 [GO TO Q.11]

11. What is your exact role – or your job description – in this firm?  
 \_\_\_\_\_  
 \_\_\_\_\_

12. Are you familiar with the experience your firm has had in registering officially?  
 Yes\_\_\_\_ No\_\_\_\_ [IF NO, END THE INTERVIEW]

**FIRM'S GENERAL EXPERIENCE BEFORE REGISTERING**

Next I'd like to ask about your firm's general experience before registering officially to do business.

13. Many firms operate without registering officially. What was the **most important reason** for the decision to register your firm officially?

[DO NOT SUGGEST AN ANSWER – WAIT FOR RESPONDENT'S REPLY]

|\_\_\_\_|

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14. [SHOW CARD]

Here are various reasons that **other firms** have mentioned for registering officially. For your firm, please rank the **3 most important reasons**. [#1 = most important, #2 = second, #3 = third]

<i>REASON FOR REGISTERING</i>	<i>CODE</i>	<i>RANKING OF IMPORTANCE</i>
To obtain credit	1	
To gain access to new customers or suppliers	2	
To use the courts to enforce contracts	3	
To operate on a visible (large) scale, or with visible hours of business	4	
To export	5	
To benefit from government incentive programs	6	
To avoid paying penalties	7	
To avoid paying bribes	8	
To be able to advertise	9	

15. **Before official registration was complete**, was your firm operating in business at all?

Yes\_\_\_\_ No\_\_\_\_ [IF NO, GO TO Q.16]

[IF YES]

a. For how long? \_\_\_\_\_ days/weeks/months/years [CIRCLE THE TIME UNIT]

b. **During that period**, did your firm have to pay any **fees or penalties** for operating without official registration?

Yes\_\_\_\_ No\_\_\_\_ [IF NO, GO TO Q.15d]

[IF YES]

c. How much in total did your firm pay?

\_\_\_\_\_ [MONETARY UNIT]

d. **During that period**, was your firm asked to pay any **bribes** to avoid punishment?

Yes\_\_\_\_ No\_\_\_\_ [IF NO, GO TO Q.16]

[IF YES]

e. How much in total did your firm pay?

\_\_\_\_\_ [MONETARY UNIT]

**DETAILS OF THE REGISTRATION PROCESS**

16. When did your firm **begin the process** of registering officially?  
 Month |\_\_\_\_\_| Year |\_\_\_\_\_|
17. When was the registration process **completed** (so your firm had everything it needed to operate officially)?  
 a. Month |\_\_\_\_\_| Year |\_\_\_\_\_|  
 b. Not yet completed\_\_\_\_\_
18. So let me make sure I've got that right.  
 a. Between a) starting the process of registering officially and b) the moment when everything was completed, **how long did it take?**  
 \_\_\_\_\_ days/weeks/months/years [CIRCLE THE TIME UNIT]  
 OR  
 b. If it is not yet completed, **how long has the process been underway?**  
 \_\_\_\_\_ days/weeks/months/years [CIRCLE THE TIME UNIT]
19. [SHOW CARD]  
**Before starting** the registration process, did your firm **seek information or advice** from anyone about how to do it? [MARK ALL WHO WERE CONSULTED]  
 How much did this information or advice cost? [INDICATE COST]

<i>SOURCE OF INFORMATION OR ADVICE</i>	<i>CODE</i>	<i>COST OF INFORMATION OR ADVICE</i>
Accountant	1	
Lawyer	2	
Other facilitator [SPECIFY]_____	3	
Friend or relative	4	
Government agency [SPECIFY]_____	5	
Industry or trade association [SPECIFY]_____	6	
Publications [SPECIFY]_____	7	
Internet [SPECIFY Web site]_____	8	
Other [SPECIFY]_____	9	
None	10	

20. [IF MORE THAN ONE SOURCE]  
 Which source of information or advice was the most useful?\_\_\_\_\_



21. **During the actual registration process**, did your firm simply contract with a specialist to accomplish your entire registration?
1. Yes\_\_\_\_\_ [GO TO Q.22]
  2. No, that's not how we did it \_\_\_\_\_ [GO TO Q.23]

22. Which specialist/specialists did your firm contract with to accomplish your registration?  
How much did it cost?  
[MARK EACH WHOSE SERVICES WERE USED. RECORD THE AMOUNT PAID TO EACH.]

<i>SPECIALIST WHO CARRIED OUT THE FIRM'S REGISTRATION</i>	<i>CODE</i>	<i>AMOUNT PAID TO THE SPECIALIST FOR REGISTERING THE FIRM [MONETARY UNIT]</i>
Accountant outside the firm	1	
Lawyer outside the firm	2	
Other facilitator outside the firm [SPECIFY] _____	3	
Friend or relative outside the firm	4	
Government agency [SPECIFY] _____	5	
Industry or trade association [SPECIFY] _____	6	
Other [SPECIFY] _____	7	

- a. Did the amount paid, as reported above, include all the official registration fees?  
Yes\_\_\_\_\_ No\_\_\_\_\_

- b. [IF NO] How much did your firm pay **additionally** for the official registration fees, in total?  
\_\_\_\_\_ [MONETARY UNIT]

- c. How many **hours** total did people in your firm spend dealing with (this specialist/these specialists) and the registration process?  
\_\_\_\_\_ hours

[GO TO Q.25]

23. [SHOW CARD WITH A LIST SUITABLE FOR THIS COUNTRY.]

Here is a **list of steps that must be completed** to register a firm officially.

Please think about how your firm completed each step.

**For each step:**

- (a) How many people **inside** your firm worked on that step?
- (b) Counting all the time spent by each person **inside** your firm, how many total hours were spent to complete that step?
- (c) How much did your firm pay to others **outside** your firm (such as facilitators) to help complete that step?
- (d) How much did your firm pay in official fees to government agencies to complete that step?
- (e) Which steps have not yet been completed?

<i>REGISTRATION STEP</i>	<i>(a) INSIDE THE FIRM: HOW MANY PEOPLE WORKED ON THIS STEP</i>	<i>(b) INSIDE THE FIRM: TOTAL HOURS SPENT TO COMPLETE THIS STEP</i>	<i>(c) OUTSIDE THE FIRM: FEES PAID TO FACILITATORS FOR THEIR SERVICES ON THIS STEP</i>	<i>(d) OFFICIAL FEES PAID TO GOVERNMENT AGENCIES FOR THIS STEP*</i>	<i>(e) THIS STEP IS NOT YET COMPLETED</i>
<b>REGISTER WITH</b>					
1. National tax authority					
2. Social security agency					
3. Other national agency					
4. Regional or provincial agency					
5. Industry or trade association					
6. Fictitious name registration					
7. Sales tax					
<b>GET PERMITS</b>					
8. To operate in municipality					
9. Zoning					
10. Occupancy					
11. Environmental					
12. Fire inspection					
13. Proof of workers' compensation insurance					
14. Other required permit [SPECIFY] _____					

*\*[IF OFFICIAL FEES WERE ALREADY INCLUDED IN THE AMOUNT THAT THE FIRM PAID TO FACILITATORS FOR HANDLING THIS STEP (COLUMN C), THEN WRITE "INCL" AS THE ANSWER HERE.]*

24. To help with registration, **which kinds of services outside the firm** were employed by your firm? And how much did each of those services cost? For example, did your firm use the services of:  
 [CIRCLE ALL CODES THAT APPLY. RECORD THE COST OF EACH SERVICE.]

<i>OUTSIDE SERVICE USED TO HELP WITH REGISTRATION</i>	<i>CODE</i>	<i>COST OF SERVICE [MONETARY UNIT]</i>
Accountant outside the firm	1	
Lawyer outside the firm	2	
Other facilitator outside the firm [SPECIFY]_____	3	
Friend or relative outside the firm	4	
Government agency [SPECIFY]_____	5	
Industry or trade association [SPECIFY]_____	6	
Other [SPECIFY]_____	7	
None	8	

#### TIME COSTS OF REGISTERING

Now I'd like to ask more about the **main person in the firm who was in charge of registering the firm officially.**

25. **Who** was that person?  
 a. Respondent\_\_\_\_  
 b. Non-respondent owner\_\_\_\_  
 c. Non-respondent manager/CEO\_\_\_\_  
 d. Non-respondent other employee [SPECIFY]\_\_\_\_\_
26. Is this the **first time** that (you have/this person has) registered a firm?  
 Yes\_\_\_\_ No\_\_\_\_
27. How many **days** (were you/was this person) **actively working** to complete this process?  
 a. \_\_\_\_\_days  
 And typically how many **hours per day**?  
 b. \_\_\_\_\_hours per day
28. We'd like to estimate the overall **cost of the time** (you/this person) **spent** on the process of registering.  
 a. What task would (you/this person) have been doing if not registering?  
 \_\_\_\_\_  
 b. What would you estimate is the **value of the time lost** while (you were/this person was) registering the firm officially? \_\_\_\_\_[MONETARY UNIT]
29. Was a **second person in the firm** involved **significantly** in the registration process?  
 Yes\_\_\_\_ No\_\_\_\_ [IF NO, GO TO Q.33]
30. How many **days** was this second person **actively working** to complete this process?  
 a. \_\_\_\_\_days  
 And typically how many **hours per day**?  
 b. \_\_\_\_\_hours per day

31. We'd like to estimate the overall **cost of the time** this person **spent** on the process of registering.
- a. What task would this person have been doing if not registering?  
\_\_\_\_\_
- b. What would you estimate is the **value of the time lost** while this person was registering the firm officially? \_\_\_\_\_ [MONETARY UNIT]
32. How many other individuals in the firm were **significantly involved** in the process?
- a. \_\_\_\_\_ individuals
- b. What would you estimate is the **total value of their time lost** while they were registering the firm officially? \_\_\_\_\_ [MONETARY UNIT]

### SPECIFIC EXPERIENCES WHILE REGISTERING

Let's talk now about some specific experiences your firm may have had while registering officially.

33. During the process, did any government agency **lose a document** from your firm?  
Yes\_\_\_\_ No\_\_\_\_  
[IF YES]
- a. Which agency?\_\_\_\_\_
- b. What happened then?\_\_\_\_\_
34. Did any government agency **fail to meet its own deadline** for completing its task?  
Yes\_\_\_\_ No\_\_\_\_  
[IF YES]
- a. Which agency?\_\_\_\_\_
- b. How long was the delay? \_\_\_\_\_days/weeks/months/years  
[CIRCLE THE TIME UNIT]
35. To facilitate the registration process, did you or your firm **join** or participate in some **group** or organization?  
Yes\_\_\_\_ No\_\_\_\_  
[IF YES]
- a. Which group\_\_\_\_\_
- b. Did it help? Yes\_\_\_\_ No\_\_\_\_
36. To facilitate the process, did your firm get support from a **politically influential person**?  
Yes\_\_\_\_ No\_\_\_\_  
[IF YES]
- a. What type of position or political office did this person hold?\_\_\_\_\_
- \_\_\_\_\_
- b. Did that support help? Yes\_\_\_\_ No\_\_\_\_

37. Considering your experience with the opening of your firm, in your opinion is it **possible to facilitate the process** of registering a firm officially by paying a **bribe** to some government offices?

Yes\_\_\_\_\_ No\_\_\_\_\_

[IF YES]

<i>WHICH GOVERNMENT OFFICES?</i>	<i>CODE</i>	<i>HOW MUCH IS THE TYPICAL PAYMENT? [MONETARY UNIT]</i>
	1	
	2	
	3	

a. What other types of activities by an applicant might constitute a bribe in this process (offering products from the firm, meals, gifts, and so forth)?

\_\_\_\_\_

\_\_\_\_\_

38. Did **your firm** make any payments to government offices to facilitate the process of registering?

Yes\_\_\_\_\_ No\_\_\_\_\_

[IF YES]

<i>WHICH GOVERNMENT OFFICES?</i>	<i>CODE</i>	<i>AMOUNT PAID [MONETARY UNIT]</i>
	1	
	2	
	3	

a. What would you estimate is the **total amount** of bribes and other unofficial payments **your firm paid** during the registration process?

\_\_\_\_\_ [MONETARY UNIT]

39. Are there any steps in the registration process where payment of a bribe is **essential**, or else the process cannot be completed?

Yes\_\_\_\_\_ No\_\_\_\_\_

[IF YES]

<i>WHICH STEPS?</i>	<i>CODE</i>	<i>HOW MUCH IS THE TYPICAL PAYMENT? [MONETARY UNIT]</i>
	1	
	2	
	3	

40. Are there any **other types of costs** associated with registering a firm that we have **not** asked about?

Yes\_\_\_\_\_ No\_\_\_\_\_

[IF YES, SPECIFY] \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

41. Compared to similar firms (those that are similar in size and activity), **how difficult was your firm's experience** in registering officially: easier than average, more difficult than average, or just about average?

- a. Easier \_\_\_\_\_
- b. More difficult \_\_\_\_\_
- c. Average \_\_\_\_\_

42. [SHOW CARD] Please look at this card. From your experience, when someone is registering a new firm, which factors help the registration process, and which make it more difficult? How large is each effect?

[FOR EACH FACTOR, MARK EXACTLY ONE ANSWER]

<i>FACTOR AFFECTING THE REGISTRATION PROCESS</i>	<i>HELPS VERY MUCH</i>	<i>HELPS A LITTLE</i>	<i>MAKES NO DIFFERENCE</i>	<i>MAKES A LITTLE MORE DIFFICULT</i>	<i>MAKES MUCH MORE DIFFICULT</i>	<i>DON'T KNOW</i>
1. Strong ties to local community						
2. Close political connections						
3. Membership in a business association						
4. Past experience starting a firm						
5. Information or advice from others						
6. Help from a government agency						
7. Being a native-born citizen						
8. Being a female						
9. Specific ethnic or language affiliation a. [SPECIFY] _____						
b. [SPECIFY] _____						
10. Specific religious affiliation a. [SPECIFY] _____						
b. [SPECIFY] _____						
11. Other factor [SPECIFY] _____						

43. Which of the factors above **helped your firm** most during registration?

[LIST UP TO THREE FACTORS: THE MOST IMPORTANT ONE FIRST]

- a. Most important \_\_\_\_\_ |\_\_|
- b. Second \_\_\_\_\_ |\_\_|
- c. Third \_\_\_\_\_ |\_\_|

44. Which of the factors above **hindered your firm** most during registration?

[LIST UP TO THREE FACTORS: THE MOST IMPORTANT ONE FIRST]

- a. Most important \_\_\_\_\_ |\_\_|
- b. Second \_\_\_\_\_ |\_\_|
- c. Third \_\_\_\_\_ |\_\_|

**FUTURE COSTS OF REGISTERING**

45. Suppose you want to **start another firm now. To register that new firm officially,**
- How long do you think it will take, start to finish?  
 \_\_\_\_\_ days/weeks/months/years [CIRCLE THE TIME UNIT]
  - How much money do you think it will cost?  
 (Include costs of any specialists' services, official fees, and bribes and other unofficial payments.) \_\_\_\_\_ [MONETARY UNIT]
  - How many hours of your time do you think it will require? |\_\_\_\_\_| hours
  - What do you estimate will be the **value of your time lost** while you are registering the firm officially?  
 \_\_\_\_\_ [MONETARY UNIT]

46. Recall the **actual** time and money costs **your firm had** when it registered. How does your future estimate compare?
- My estimate for the future is about the same as my firm's earlier experience\_\_\_\_\_  
 [GO TO Q.47]
  - My estimate for the future is more costly\_\_\_\_\_  
 c. Why more costly? [CIRCLE ALL CODES THAT APPLY]

REASON	CODE
Official regulations have changed, making registration harder	1
That earlier time, an outside specialist performed unusually well	2
That earlier time, the person inside the firm responsible for registration performed unusually well	3
Other reason [SPECIFY] _____	4

[GO TO Q.47]

- My estimate for the future is less costly\_\_\_\_\_  
 e. Why less costly? [CIRCLE ALL CODES THAT APPLY]

REASON	CODE
I/we have greater experience now in registering a firm	1
Official regulations have changed, making registration easier	2
That earlier time, an outside specialist performed unusually poorly	3
That earlier time, the person inside the firm responsible for registration performed unusually poorly	4
Other reason [SPECIFY] _____	5

[GO TO Q.47]

47. Suppose someone else asks you to handle everything to register **their firm** officially. You would be responsible for carrying through all the work involved, paying all the official fees, and making any unofficial payments necessary. What is the lowest price for which you would accomplish their registration completely for them?

\_\_\_\_\_ [MONETARY UNIT]

**OTHER EXPERIENCES OF FIRM**

48. For your firm, what is the greatest **disadvantage** of operating officially?  
 [DO NOT SUGGEST AN ANSWER – WAIT FOR RESPONDENT’S REPLY]

|\_\_\_\_|

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- a. Here are various disadvantages of operating officially that others have mentioned. **For your firm**, which of these apply? [CIRCLE ALL CODES THAT APPLY]  
 [IF MORE THAN ONE, ASK] Of those you mentioned, which is the most important? [CODE #1] Second most important? [CODE #2] Third? [CODE #3]

<i>DISADVANTAGES OF OPERATING OFFICIALLY</i>	<i>CODE</i>	<i>RANKING OF IMPORTANCE</i>
Paying taxes	1	
Paperwork	2	
Costs of accounting	3	
Complying with government regulations	4	
Greater visibility to government offices that may demand bribes or otherwise harass the firm	5	
Difficulties in closing down the firm	6	
None	7	

49. Have you had any experience in **closing down a firm officially**?

Yes\_\_\_\_ No\_\_\_\_

[IF YES]

Compare **opening a firm** officially with **closing a firm** officially.  
 [FOR EACH ASPECT, MARK ONE ANSWER]

<i>ASPECT</i>	<i>OPENING A FIRM</i>	<i>CLOSING A FIRM</i>
a. Which process is more complex?		
b. Which process takes longer from beginning to end?		
c. Which process requires more hours of your own time?		
d. Which process costs more?		

50. Now I’d like to ask about any experience your firm may have had in exporting goods. **Within the last 12 months**, did your firm **export any goods** to other countries?

Yes\_\_\_\_ No\_\_\_\_ [IF NO, GO TO Q. 51]

[IF YES]

a. More than one time during this period? Yes\_\_\_\_ No\_\_\_\_

b. For the firm’s **most recent** export shipment, how long did it take to clear customs, outward bound?\_\_\_\_\_ [TIME UNIT]

c. For the **most recent** export shipment, did the firm have to pay any official export fees or taxes to export the goods?

Yes\_\_\_\_ No\_\_\_\_

[IF YES]

d. How much?\_\_\_\_\_ [MONETARY UNIT]



- e. After the firm's **most recent** export shipment, how long did it take to receive VAT tax or other refund? \_\_\_\_\_ [TIME UNIT]
- f. What is the **longest time** it has ever taken for the firm to clear an export shipment through customs, outward bound? \_\_\_\_\_ [TIME UNIT]

**MORE INFORMATION ABOUT RESPONDENT**

**Now I would like to ask a couple of additional questions about your own background.**

51. What has been your business experience until now? [CIRCLE ALL CODES THAT APPLY]

<i>PAST EXPERIENCE</i>	<i>CODE</i>
Owner, this firm	1
Owner, another firm	2
Manager, this firm	3
Manager, another firm	4
Employee, this firm	5
Employee, another firm	6
Other, specify _____	7

52. Before working in this firm, did you work earlier in other garment industry firms?  
Yes \_\_\_\_\_ No \_\_\_\_\_

53. What is the highest level of formal education you've completed?  
[USE A LIST SUITABLE FOR THIS COUNTRY, AS SIMILAR AS POSSIBLE TO THE LIST BELOW]  
[CIRCLE JUST ONE CODE]

<i>HIGHEST LEVEL COMPLETED</i>	<i>CODE</i>
Primary school incomplete	1
Primary school complete	2
Secondary school incomplete	3
Secondary school complete	4
Advanced technical school incomplete	5
Advanced technical school complete	6
University undergraduate program incomplete	7
University undergraduate program complete	8
University graduate program incomplete	9
University graduate program complete	10

a. Total years of formal education completed | \_\_\_\_\_ |

b. Highest degree \_\_\_\_\_

54. Did you take a special training program for your work?  
Yes \_\_\_\_\_ No \_\_\_\_\_

55. What is your age? | \_\_\_\_\_ | years

**REQUEST FOR CONTACTS**

56. Do you know of other local firms that are similar to yours in size and type of activity?

Yes\_\_\_\_ No\_\_\_\_ [IF NO, GO TO Q.57]

[IF YES]

a. Name of the firm

\_\_\_\_\_

b. Activity

\_\_\_\_\_

\_\_\_\_\_

c. Could we contact that firm using your name as a reference?

Yes\_\_\_\_ No\_\_\_\_

[IF YES]

d. Address

\_\_\_\_\_

e. Telephone

\_\_\_\_\_

f. Individual to speak with

\_\_\_\_\_

57. Do you know anyone who started to register a new firm officially but then did **not** complete that registration, because the process was too difficult or time-consuming or expensive?

Yes\_\_\_\_ No\_\_\_\_ [IF NO, GO TO Q.58]

[IF YES]

a. Could we contact that person using you as a reference?

Yes\_\_\_\_ No\_\_\_\_

[IF YES]

b. Name

\_\_\_\_\_

c. Address

\_\_\_\_\_

d. Telephone

\_\_\_\_\_

58. Are there other comments you would like to make? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

---

**START OF OPTIONAL SECTION**

[IF ANY QUESTIONS ARE ADDED TO THIS SURVEY, THEY MUST BE PLACED IN THIS SECTION. THEY ARE NOT PART OF THE CORE QUESTIONNAIRE.]

Finally, I'd like to ask a few more questions about \_\_\_\_.  
X1.

X2.

.  
. .  
. .  
. .

**END OF OPTIONAL SECTION**

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Thank you very much for your time!

**END THE INTERVIEW**

**RECORD IMMEDIATELY AFTER CONCLUSION OF INTERVIEW**

S1. Interview was completed on this date: Day\_\_\_\_\_ Month\_\_\_\_\_ Year\_\_\_\_\_

S2. Time finished\_\_\_\_\_

S3. Interviewer's name\_\_\_\_\_

S4. Assistant interviewer's name\_\_\_\_\_

S5. Address where interview took place \_\_\_\_\_

\_\_\_\_\_

(Street address, city, country)

S6. How was **this firm** selected? [CIRCLE ONE CODE]

<i>BASIS FOR SELECTION</i>	<i>CODE</i>
Survey design (database, sample from registry of firms, etc.)	1
Geographical location	2
Specifically referred by an industry or trade association	3
Specifically referred by another firm already interviewed	4
Specifically referred by an acquaintance or friend of the research investigator	5
Other [SPECIFY] _____	6

S7. How many attempts/telephone calls did it take to **schedule** this interview?  
\_\_\_\_\_attempts

S8. How many trips to the interview location to **start** this interview?  
\_\_\_\_\_trips

S9. How many sessions to **complete** this interview?  
\_\_\_\_\_sessions

S10. **Total time spent** by the interviewer  
to contact, arrange interview, travel to location, and conduct interview:  
\_\_\_\_\_hours

S11. Does the **firm** have distinctive ethnic, political, or religious affiliations? If yes, describe. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

S12. Does the **district** where the firm is located have distinctive ethnic, political, or religious characteristics? If yes, describe. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

S13. Stories or examples mentioned by the respondent \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

S14. Which interview questions should be changed? Why? How?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

S15. Interviewer's additional comments  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

S16. Code the answer given to Q.1 "What does your firm produce?"  
CNAE code | \_\_\_\_\_ |  
NAICS (6-digit) code | 315 \_\_ \_\_ \_\_ |

**RECORD AFTER INTERVIEW HAS BEEN CHECKED**

S17. Interview checked by [NAME OF CHECKER OR SUPERVISOR]:  
\_\_\_\_\_

S18. Interview was checked on this date: Day \_\_\_\_\_ Month \_\_\_\_\_ Year \_\_\_\_\_

## ADDENDUM 1: FILTERS, TERMINATORS, AND COUNTRY-SPECIFIC ITEMS

All the following items need to be discussed and evaluated with the RCI core team.

### FILTERS

- Q1. IF THE FIRM DOES **NOT MANUFACTURE GARMENTS**, END THE INTERVIEW
- Q3. IF THE FIRM STARTED OPERATING OFFICIALLY **MORE THAN THREE YEARS AGO**, END THE INTERVIEW
- Q5. IF THE FIRM HAS **MORE THAN N (MAXIMUM DESIGNATED) PERMANENT FULL-TIME WORKERS**, END THE INTERVIEW

### TERMINATORS

- Q4. IF THE FIRM HAS **NOT BEGUN THE REGISTRATION PROCESS** YET, ASK A FEW SPECIAL QUESTIONS AND THEN END THE INTERVIEW
- Q10. [IF THE RESPONDENT OWNS THE FIRM]  
Did you start this firm, or did you acquire it after it was already functioning?  
a3. I acquired it **after** it was officially registered \_\_\_\_ [IF a3, END THE INTERVIEW]
- Q12. Are you familiar with the experience your firm has had in registering officially?  
Yes\_\_\_\_ No\_\_\_\_ [IF NO, END THE INTERVIEW]

### MAKE LISTS SPECIFICALLY DESIGNED FOR THIS COUNTRY

- Q6. Forms of business organizations
- Q23. Steps required to register a firm officially
- Q53. Levels of formal education
- QX5. Sources of financing for firms [IN OPTIONAL SECTION]

**Any extra questions added to the survey MUST be placed in the Optional Section at the end.**

## **ADDENDUM 2: HANDOUTS FOR SURVEY RESPONDENTS**

Each of the following pages – reproduced in durable paper format - is to be handed to the survey respondent to look at and refer to (but not to write on) while the interviewer asks the corresponding question.

Note that Question 23 must be specifically reformulated for the survey country.

For your firm, what are the **3 most important reasons** for registering officially? (#1, #2, #3)

- To obtain credit
- To gain access to new customers or suppliers
- To use the courts to enforce contracts
- To operate on a visible (large) scale, or with visible hours of business
- To export
- To benefit from government incentive programs
- To avoid paying penalties
- To avoid paying bribes
- To be able to advertise



**Before starting** the registration process, did your firm **seek information or advice** from anyone about how to do it? How much did it cost?

<b>Source</b>	<b>Cost</b>
• Accountant	_____
• Lawyer	_____
• Other facilitator	_____
• Friend or relative	_____
• Government agency	_____
• Industry or trade association	_____
• Publications	_____
• Internet	_____
• Other	_____
• None	

Which specialist/specialists did your firm contract with, to accomplish the entire registration?  
How much did it cost?

<b>Specialist</b>	<b>Cost</b>
• Accountant outside the firm	_____
• Lawyer outside the firm	_____
• Other facilitator outside the firm	_____
• Friend or relative outside the firm	_____
• Government agency	_____
• Industry or trade association	_____
• Other	_____

Here is a **list of steps that must be completed** to register a firm officially.  
 What was your firm's experience with each step?

<b>REGISTRATION STEP</b>	<i>(a) INSIDE YOUR FIRM: HOW MANY PEOPLE WORKED ON THIS STEP</i>	<i>(b) INSIDE YOUR FIRM: TOTAL HOURS SPENT TO COMPLETE THIS STEP</i>	<i>(c) OUTSIDE YOUR FIRM: FEES PAID TO FACILITATORS FOR THEIR SERVICES ON THIS STEP</i>	<i>(d) OFFICIAL FEES PAID TO GOVERNMENT AGENCIES</i>	<i>(e) THIS STEP IS NOT YET COMPLETED</i>
<b>REGISTER WITH</b>					
1. National tax authority					
2. Social security agency					
3. Other national agency					
7. Regional or provincial agency					
8. Industry or trade association					
9. Fictitious name registration					
7. Sales tax					
<b>GET PERMITS</b>					
8. To operate in municipality					
9. Zoning					
10. Occupancy					
11. Environmental					
12. Fire inspection					
13. Proof of workers' compensation insurance					
14. Other required permit					

To help with registration, **which kinds of services outside your firm** were employed by your firm? How much did each cost?

<b>Service Used</b>	<b>Cost</b>
• Accountant outside the firm	_____
• Lawyer outside the firm	_____
• Other facilitator	_____
• Friend or relative outside the firm	_____
• Government agency	_____
• Industry or trade association	_____
• Other	_____
• None	

From your experience, when someone is registering a new firm, which factors **help** the registration process, and which **make it more difficult**? How large is each effect?

<i>FACTOR AFFECTING THE REGISTRATION PROCESS</i>	<i>HELPS VERY MUCH</i>	<i>HELPS A LITTLE</i>	<i>MAKES NO DIFFERENCE</i>	<i>MAKES A LITTLE MORE DIFFICULT</i>	<i>MAKES MUCH MORE DIFFICULT</i>	<i>DON'T KNOW</i>
1. Strong ties to local community						
2. Close political connections						
3. Membership in a business association						
4. Past experience starting a firm						
5. Information or advice from others						
6. Help from a government agency						
7. Being a native-born citizen						
8. Being a female						
9. Specific ethnic or language affiliation						
a.						
b.						
10. Specific religious affiliation						
a.						
b.						
11. Other factor						

**For your firm**, which of these are **disadvantages** of operating officially?

- Paying taxes
- Paperwork
- Costs of accounting
- Complying with government regulations
- Greater visibility to government offices that may demand bribes or otherwise harass the firm
- Difficulties in closing down the firm
- None

[IF MORE THAN ONE: RANK #1, #2, #3]