

Investment Climate Survey of Micro Enterprises

THE WORLD BANK

Enterprise Survey

MICROENTERPRISES Core Module (2006)

A. CONTROL INFORMATION [TO BE COMPLETED BEFORE INTERVIEW]

A.1 Country

INDIA

A.2 City/town/village

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A.3. Address/ GPS co-ordinates

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A.4

	Sample Industry
Auto-components	1
Drugs and Pharmaceuticals	2
Chemicals	3
Electrical Goods	4
Electronics	5
Food Processing	6
Garments	7
Leather	8
Metal and Machine Tools	9
Textiles	10

A.6 Size

	Sampling size
Household*	1
Micro <=5	2
Small > 5 and <=10	3

*located in owner's residence and employing mostly family labor

A.7 Language of Interview

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A.8 Gender of Respondent

--	--

A.9 Interviewer name & Code:

Name		Code	
------	--	------	--

A.10 Supervisor name & code:

Name		Code	
------	--	------	--

A.12 What end products do you manufacture?

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A.11 Time face-to-face interview begins:

Date (mm/dd)	Hour	Minutes	AM/PM

Make sure that the respondent is the head of the enterprise. If not, schedule an appointment and return later

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING.

Good morning/afternoon/evening. I am an interviewer for ABC, a company that is doing a study on the economic conditions in which businesses like yours operate. This study will help the World Bank to advise the government on ways to change policies to reduce problems of private firms. For this we need your input. Be assured that your responses will be kept strictly confidential. Your name or the name of your own enterprise will not be used in any document based on this survey.

B. GENERAL INFORMATION

B.1 | What is this firm's current status?

Legal status	
Publicly listed company	1
Private held, limited company	2
Sole proprietorship	3
Partnership	4
Other (specify):	5

B.2 | Are any of the principal owners female?

Yes	1
No	2
Don't know	-9

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

I want to proceed by asking you about the establishment; when it started operations and the management's experience in this sector.

B.3 | In what year did this establishment begin operations?

	Year
Year establishment began operations	

(Terminate if later than March 2005)

B.4 | How many **full-time paid employees** did this establishment employ when it started?

	At Start up
Number full-time employees	

B.5 | How many years of experience working **in this sector** does the respondent have?

	Years
Manager's experience in sector	

B.6 What is the highest level of general education of the respondent?

Illiterate	1
Literate but no formal schooling	2
School – Upto 4 years	3
– Upto 5-9 years	4
– SSC/HSC	5
Some college but not graduate	6
Graduate/Post graduate general	7
Graduate/Post graduate – Professional	8
Don't Know	-9

B.7 Does the respondent have any formal vocational training?

Yes	1
No	2
Don't know	-9

C. INFRASTRUCTURE AND SERVICES

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

Now, we turn to the establishment's operations in fiscal year 2006 (April 2005 to March 2006).

The questions that follow assess how infrastructure and infrastructure services affect this establishment.

C.1 Thinking about the present time, does this establishment have the following?

	Legal Connection Yes=1 No=2 NA=-7	Have you gone through an application either to get a new connection or to increase capacity in the last two years? Yes=1 No=2 (if no, skip rest of row)	The wait, in days, to obtain the connection from the day this establishment applied for it to the day it received the service? *	Was an informal gift or payment expected or requested? Yes=1 No=2 Don't know =-9 Refuse = -8
Electricity				
Public water supply (for drinking)				
Public water supply (for production)				
Fixed line telephone service				
Toilet facilities connected to a public sewer				

***INTERVIEWER: IF THE RESPONDENT SAID LESS THAN ONE DAY, WRITE 1
IF STILL IN PROCESS, WRITE -6**

C.2 Over fiscal year 2006 (April 2005 to March 2006), did this establishment:

	Experience outages of the following? Yes=1 No=2 NA = -7 (If no, skip row)	In a typical month, how many outages did this establishment experience? (days/month)	On average, how long did the outage/shortage last? (hours per day)	Percent of annual sales lost because of outages *	Is the situation same, better, or worse than in Fiscal 2004/05? 1=Same 2=Better 3= Worse
Power					
Water supply for production					
Fixed line telephone					

***Interviewer: mention that this include losses due to lost production time from the outage, time needed to reset machines, and production that may be ruined due to processes being interrupted, and also the costs of resolving conflicts with customers or suppliers that arose because of the outage.**

C.3 In 2006, what percentage of your establishment’s water supply, used in the production process, was from public sources?

	%
Percentage	

(IF NO USE, PUT 0)

C.4 Over the course of fiscal year 2006 (April 2005 to March 2006), did this establishment own or share a generator or inverter?

Yes	1	GO TO QUESTION C.6 GO TO QUESTION C.6
No	2	
Don't know	-9	

C.5 In fiscal year 2006 (April 2005 to March 2006), what percent of this establishment’s electricity came from generators or inverters that the establishment owned or shared?

	Percent
Percent electricity from generators/ inverters	

INTERVIEWER NOTE: IF RESPONDS IN HOURS PER DAY THEN NOTE DOWN AND CALCULATE AS A PERCENTAGE OF HOURS IN WORKING DAY

C. 6 In fiscal year 2006 (April 2005 to March 2006), did this establishment use its own transport to make shipments to its customers or to procure supplies?

Always	1	GO TO QUESTION C.8
Sometimes	2	
Never	3	

C. 7 In fiscal year 2006 (April 2005 to March 2006), was it ever difficult for this establishment to find transport (other than its own) to make shipments to its customers or to procure supplies?

Yes	1	
No	2	
Don't know	-9	

C. 8 In fiscal year 2006 (April 2005 to March 2006), was it ever difficult for this establishment to make timely shipments to its customers or procure supplies because of transportation related issues?

Yes	1	
No	2	
Don't know	-9	

C. 9 In fiscal year 2006 (April 2005 to March 2006), what percent of the consignment value of products this establishment **shipped to supply domestic markets** was lost while in transit because of:

	as % of consignment value
Domestic shipment losses due to theft	%
Domestic shipment losses due to breakage or spoilage	%

INTERVIEWER: IF THE RESPONDENT SAID NO LOSSES, WRITE 0. IF ANSWERS IN RUPEES THEN NOTE SEPARATELY AND CALCULATE AS A PERCENTAGE OF ANNUAL SALES LATER

D. SALES AND SUPPLIES

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

The next topic to be covered is how and where this establishment makes its sales, and how and from where this establishment obtains inputs required for production.

D.1 In fiscal year 2006 (April 2005 to March 2006), who was the principal buyer for this establishment's output? (**SHOW CARD**)

Parent company or affiliated establishments	1	
Large private firms (with more than 100 workers)	2	
Medium private firms (with 20 to 100 workers)	3	
Small private firms (with less than 20 workers)	4	
Individuals	5	
Government or government agencies (including state-owned enterprises)	6	
Others (specify)	8	
Don't know	-9	

D.2 For fiscal year 2006 (April 2005 to March 2006), referring to the primary supplier of this establishment’s main input, how long have you known this supplier?

	Years
Years of relations with primary supplier	

INTERVIEWER: IF THE RESPONDENT SAYS LESS THAN ONE YEAR, CODE AS 0

D.3 In the last fiscal year 2006 (April 2005 to March 2006), did this establishment ever face difficulties in procuring its most important input?

Yes	1
No	2
Don't know	-9

D.4 In fiscal year 2006 (April 2005 to March 2006), what percent of this establishment’s sales were:

a. National sales		IF 100, GO TO QUESTION F.1
b. Indirect exports [sold domestically to third party that exports products]		IF >0, GO TO QUESTION D.5
c. Direct exports		IF >0, GO TO QUESTION D.5
	100%	

INTERVIEWER: CHECK TOTAL ADDS UP TO 100%

D.5 In what year did this establishment first export directly or indirectly?

	Year
When began exporting directly or indirectly	

INTERVIEWER: PROVIDE FOUR DIGITS FOR YEAR

F. CAPACITY

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:
 We now turn to the topic of this establishment’s capacity utilization in fiscal 2006 (April 2005 to March 2006)

F.1 In fiscal year 2006 (April 2005 to March 2006), how many hours per week did this establishment normally operate?

	Hours per week
Typical hours of operation in a week	

F.2 In your establishment, does your business activity vary by season?

Yes	1
No	2
Don't know	-9

**GO TO QUESTION G1
GO TO QUESTION G.1**

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F.3 In the following schedule, for each month indicate the level of business activity in your establishment.

Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

High level of activity	= 3
Medium level of activity	= 2
Low level of activity	= 1
Establishment is inactive	= 0

G. LAND

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:
We change to questions about land issues.**

G.1 Of the land occupied by this establishment, what percent is:

Owned by this establishment	%
Leased by this establishment	%
There is no clear title	%
	100%

**INTERVIEWER: UNLESS RESPONDENT DOES NOT KNOW, CHECK TOTAL SUMS TO 100%
IF IT IS A FLOOR IN A BUILDING, WRITE -7 IN FIRST COLUMN**

G.2 Thinking about the present time, is this establishment's main business location the owner's house?

Yes	1
No	2
Don't know	-9

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G.3 Over the last 12 months, has the establishment had to change its main business location due to a **lack of secure title to its land or building** (i.e. it has been forced out by officials, landlord, others with a claim)?

Yes	1
No	2
Don't know	-9

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G.4 Over the last two years, did this establishment submit an application to obtain a construction-related permit?

Yes	1
No	2
Don't know	-9

GO TO QUESTION H.1
GO TO QUESTION H.1

G.5 In reference to the application for a construction-related permit, approximately what was the wait, in days, experienced to obtain that permit from the day this establishment applied for it to the day it was granted?

	Days
Wait for a construction-related permit	

**INTERVIEWER: IF THE RESPONDENT SAID LESS THAN ONE DAY, WRITE 1
IF STILL IN PROCESS, WRITE -6**

G.6 In reference to that application for a construction-related permit, was an informal gift or payment expected or requested?

Yes	1
No	2
Don't know	-9
Refuse	-8

H. COURTS

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

The next set of questions address payment disputes that this establishment may have had with clients. The questions are designed to get an idea of how establishments like this one resolve these disputes.

H.1 In fiscal year 2006 (April 2005 to March 2006), what percent of this establishment's total annual sales of its goods were supposed to be:

a. Paid for in advance before delivery?	%
b. Paid for on delivery?	%
c. Paid for after delivery (on credit)?	%
	100%

IF 0% GO TO QUESTION H.4

INTERVIEWER: CHECK THAT TOTALS ARE 100%

H.2 On average over the last fiscal year, what percent of this establishment's sales on credit were:

a. Paid for in time?	%
b. Paid for, but later than the agreed time?	%
c. Never paid for?	%
	100%

INTERVIEWER: CHECK THAT TOTALS ARE 100%

H.3 In general, how many days does it typically take to resolve an overdue payment (i.e. from the moment it becomes overdue until you receive payment) with customers in **direct negotiations**?

	Days
Time to resolve overdue payment	

H.4 In the **last two years**, did this establishment have a dispute with clients over payments owed to it in which the establishment had to engage a third party such as arbiters, collecting agency or judicial system?

Yes	1	GO TO QUESTION H.11 GO TO QUESTION H.11
No	2	
Don't know	-9	

H.5 **In the last two years**, in reference to such a payment dispute, was the court system used to resolve it?

Yes	1	GO TO QUESTION H.10 GO TO QUESTION H.10
No	2	
Don't know	-9	

H.6 **In the last two years**, in reference to this payment dispute where the court system was used to resolve it, was a court judgment made?

Yes	1	GO TO QUESTION H.10 GO TO QUESTION H.10
Still in process	-6	
Don't know	-9	

H.7 In reference to the court judgment in that dispute, how many weeks did it take the courts to come to judgment on this dispute? Calculate time to reach a judgment from the day the firm first took court action until the moment a judgment was made.

	Weeks
Weeks for courts to reach judgment	

INTERVIEWER: IF RESPONDENT GIVES ANSWER IN DAYS, MONTHS OR YEAR, WRITE ANSWER HERE _____ AND TRANSLATE INTO WEEKS LATER

H.8 In reference to the most recent resolved dispute for which a legal proceeding was initiated and a court judgment was made, was the decision of the court enforced?

Yes	1	GO TO QUESTION H10 GO TO QUESTION H10 GO TO QUESTION H10
No	2	
Still in process	-6	
Don't know	-9	

H.9 In reference to the enforcement of that judgment, how many weeks did the enforcement (execution) of the court judgment take [from the moment of the issuance of the court decision until the moment payment was resolved]?

	Weeks
Weeks for court enforcement to take place	

INTERVIEWER: IF NO ENFORCEMENT BECAUSE ESTABLISHMENT LOST CASE, WRITE -7
INTERVIEWER: IF RESPONDENT GIVES ANSWER IN DAYS, MONTHS OR YEARS, WRITE ANSWER HERE _____ AND TRANSLATE INTO WEEKS LATER.

H.10 For any other disputes in which the court system was not used, please indicate how you resolved your disputes (check all that apply) what percent were resolved by the following?

a. Mediator ,arbitrator	%
b. Business association	%
c. Collection Agency	%
d. Muscle power	%
e. Other	%
	100%

INTERVIEWER: IF NOT APPLICABLE, WRITE -7 IN FIRST ROW

H.11 I am going to read some descriptions of how the court system handles business disputes between private parties (the firm and its suppliers/customers). Disputes might include matters of payment for goods or services, liability, and property right enforcement, **but not labor disputes**. For each description, please tell me if you Strongly disagree,, Tend to disagree, Tend to agree, or Strongly agree.

The court system is (**READ EACH DESCRIPTION**). Do you Strongly disagree, Tend to disagree, Tend to agree or Strongly agree?

	Strongly disagree	Tend to disagree	Tend to agree	Strongly agree	Don't know
a. Fair, impartial and uncorrupted	1	2	3	4	-9
b. Quick	1	2	3	4	-9
c. Affordable	1	2	3	4	-9
d. Able to enforce its decisions	1	2	3	4	-9

I. CRIME

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

We now turn to questions on crime and how crime affects the operations of this establishment.

I.1 In fiscal year 2006 (April 2005 to March 2006), did this establishment pay for security, for example for equipment, personnel, or professional security services?

Yes	1
No	2
Don't know	-9

GO TO QUESTION I.3

GO TO QUESTION I.3

INTERVIEWER NOTE: THIS SHOULD NOT INCLUDE ANY PAYMENTS MADE TOWARDS NORMAL INSURANCE COVER TAKEN AS PART OF BUSINESS

I.2 In fiscal year 2006 (April 2005 to March 2006), how much was paid for security, either as a percent of total annual sales, or in terms of total annual cost in rupees?

	Percent
Percent of total annual sales for security	<input style="width: 50px;" type="text"/>

PROVIDE EITHER ONE OR THE OTHER, NOT BOTH

	Rs
Total annual cost of security	<input style="width: 50px;" type="text"/>

I.3 In fiscal year 2006 (April 2005 to March 2006), has this establishment experienced losses as a result of theft, robbery, vandalism or arson?

Yes	1
No	2
Don't know	-9

GO TO QUESTION J.1

GO TO QUESTION J.1

I.4 For fiscal year 2006 (April 2005 to March 2006), what are the estimated losses as a result of theft, robbery, vandalism or arson that occurred on establishment's premises calculated as a percent of annual sales or the total annual value of the losses?

	Percent
Losses from theft as percent of total annual sales	<input style="width: 50px;" type="text"/>

PROVIDE EITHER ONE OR THE OTHER, NOT BOTH

	Rs.
Total annual value of losses from theft	<input style="width: 50px;" type="text"/>

J. BUSINESS-GOVERNMENT RELATIONS

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:
 The following questions assess how establishments, such as this one, deal with government officials, their agencies, and the rules and regulations these agencies are designed to implement and enforce.

J.1 I am going to read some statements that describe business-government relations. For each statement, please tell me if you Strongly disagree, Tend to disagree, Tend to agree, or Strongly agree.

READ EACH DESCRIPTION. Do you Strongly disagree, Tend to disagree, Tend to agree, or Strongly agree? **(SHOW CARD)**

	Strongly disagree	Tend to disagree	Tend to agree	Strongly agree	Don't know	Refuses to Answer	Does not apply
a. "Government officials' interpretations of the laws and regulations affecting this establishment are consistent and predictable."	1	2	3	4	-9	-8	-7
b. "It is common for establishments in this line of business to have to pay informal payments/gifts to get things done with regard to customs, taxes, licenses, and regulations, etc."	1	2	3	4	-9	-8	-7
c. "Establishments in this line of business know in advance about how much this informal payment/gift is to get things done."	1	2	3	4	-9	-8	-7

J.2 In a typical month over **the last 12 months**, what percentage of owner's time was spent in dealing with requirements imposed by government regulations?

[Some examples of government regulations are taxes, customs, labor regulations, licensing and registration, including dealings with officials and completing forms]

	Percent
Owner's time spent in dealing with regulations	

INTERVIEWER: IF THE RESPONDENT SAID NO TIME WAS SPENT, WRITE 0. IF RESPONDENT RESPONDS IN DAYS THEN NOTE SEPARATELY AND CALCULATE AS A PERCENTAGE OF TOTAL "WORKING DAYS" IN A YEAR

J.3 The next question is about your establishment’s dealings with government agencies and officials.

	Over the last 12 months, was this establishment visited and/or inspected, or was management required to meet with the following officials?	Over the last 12 months, How many times was this establishment either inspected by officials or required to meet with them?	In any of these inspections, was a gift or informal payment expected or requested?	If the business was ever closed down, please estimate the number of days over the last year it remained closed.
	1=Yes, 2=No [If No, then skip the relevant row]	No. Of times	1=Yes, 2=No	Days
Police				
Government officials, inspectors (tax, labor, weights and measures, electricity etc)				
Municipal officials (sanitation, PWD, water etc)				

J.4 We’ve heard that establishments are sometimes required to make gifts or informal payments to public officials to “get things done” with regard to customs, taxes, licenses, regulations, services etc. On average, what percent of total annual sales, or estimated total annual value, do establishments like this one pay in informal payments or gifts to public officials for this purpose?

	Percent
Percent of total annual sales paid as informal payment	

PROVIDE EITHER ONE OR THE OTHER, NOT BOTH

	Rs
Total annual informal payment	

INTERVIEWER: IF THE RESPONDENT SAID NO PAYMENTS/GIFTS ARE PAID, WRITE 0 IF RESPONDENT REFUSES TO RESPOND, WRITE -8

K. FINANCE

**READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:
I would like to ask you a few questions about how you finance the operations of this establishment.**

K.1 Do you have an account in a financial institution, which you utilize either for business or personal use?

Yes	1
No	2

**GO TO QUESTION K5
GO TO QUESTION K2**

For definition of a Financial Institution see question K.6

K.2	Why don't you have an account at a financial institution?	
	I applied for an account but my application was rejected	1 GO TO K3
	I have never applied for an account	2 GO TO K4
	Other (specify)	3 GO TO K10

K.3	Why was your application rejected?	
	a. No identity proof	1
	b. No proof of residence	2
	c. Form was incorrectly filled	3
	d. Did not meet minimum balance requirements	4
	e. Other (specify)	5
	f. Do not know	-9
	g. Refuse to answer	-8

Go to Question K.10

K.4	Why did you never apply for an account?	
	a. I don't need it	1
	b. Did not think I could get it.	2
	c. Too much hassle (time to travel, lines etc)	3
	d. It would cost too much (fees etc)	4
	e. Minimum balance is too high	5
	f. Other (specify)	6

Go to Question K.10

K.5	Do you use any account at the financial institution for business purpose?	
	Yes	1
	No	2

GO TO QUESTION K10

K.6	At what type of institution do maintain your main business account? (Multiple answers possible)	
	Banks	1
	Credit Cooperatives	2
	NBFCs	3
	Non Government Organisation (NGO)/MicroFinance Institution (MFI)	4
	Other (specify)	5

IF MORE THAN 1 ACCOUNT GO TO K.7, OTHERWISE GO TO K.8

K.7 Where is the account that you most frequently use for business? (Pick one only)

Banks	1
Credit Cooperative	2
NBFCs	3
Non Government Organisation (NGO)/MicroFinance Institution (MFI)	4
Other (specify)	5

K.8 What percentage of your business transactions (including payments to creditors and employees) are conducted through the bank account and what through cash?

Cash	%
Cheque	%

K.9 Thinking of the most frequently used business account, what is the average time you currently spend, PER VISIT, in the financial institution, conducting business, including travel time to and from?

	Minutes
Travel time per visit	

INTERVIEWER: IF THE RESPONDENT SAID HE DOESN'T KNOW (for eg., if he does not personally go to the financial institution), WRITE -9

K.10 For Fiscal **2006** (April 2005 to March 2006), please estimate the proportion of financing from the sources below for :

	Working capital (Current assets)	Did you purchase Fixed assets in Fiscal year 2006?	
		Yes	No (If No, then skip this particular column)
		1	2
Purchases of fixed assets			
Internal funds/Retained earnings	%		%
Borrowed from banks	%		%
Borrowed from credit cooperative	%		%
Govt special scheme from SIDBI, NABARD or government department	%		%
Borrowed from NBFC	%		%
Borrowed from Non Government Organisation (NGO)/MicroFinance Institution (MFI)	%		%
Borrowed from informal source (moneylenders, family/friends, suppliers, committee etc.)	%		%
Got new partner/ issued new equity (shares)	%		%
Other (Specify):	%		%
Total	100%		100%

Current assets
Inventory, accounts receivable and cash accounts

Fixed assets
Machinery, vehicles, equipment, land, or buildings

K.11

	Yes	No
Does your establishment currently have an overdraft or a term loan from a financial institution?	1	2 (If No, then skip to K12)
If yes , for the most recent line of credit or loan which is still current:		
I. Is it an overdraft or a term loan?	1. Overdraft * 3. Both*	2. Term loan*
II. What year was it approved?		
III. What was the amount at the time of approval?		
IV. How long did the process take from the time you submitted the application, until you received the money? (days)		
V. What is the average annual interest rate?		%
VI. What is the total duration (term) in months?		Months
VII. What type of financial institution granted the line of credit or the loan? (see table below)		
VIII. Was a gift or informal payment to bank staff necessary in order to get the loan processed and approved?	Yes (1)	No (2)
Did your financial institution require collateral?	Yes (1)	No (2) (if no, go to K12)
If yes , which of the following assets were required as collateral:		
Land, buildings	1	
Machinery and equipment including movables	2	
Accounts receivable and inventories	3	
Personal assets of owner (house etc.)	4	
Other (Specify):	5	
IX. If yes , what was the approximate value of the loan or line of credit as a percentage of the amount of the collateral required?		%
Type of financial institution		
Banks		1
Credit cooperative		2
NBFC		3
Non Government Organisation (NGO)/MicroFinance Institution (MFI)		4
Other		5

***INTERVIEWER: IF THE RESPONDENT SAID HE HAS BOTH, ASK ABOUT THE TERM LOAN**

K.12	In the past financial year, have you borrowed from informal sources (suppliers, landlord, moneylender, friends/relatives) with or without paying interest for business purposes ?
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Yes	1
No	2

Go to K. 14

K.13	Have you ever taken any informal loan
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Yes	1
No	2

Go to K.28

K.14	Now I would like to ask you about the last loan from an 'informal' lender that you had. Could you tell me how many months ago you borrowed this money?
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	Months
Time since borrowing	

K.15	Thinking about the same loan, how long ago did you finish repaying this loan?
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	Months
Time since repaying	

***INTERVIEWER: IF STILL REPAYING, WRITE -6**

K.16	Who did you borrow this last loan from?
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Friends and Relatives	1
Landlord	2
Supplier	3
Moneylender	4
Other (Specify)	5

K.17	What was the purpose of this last loan?
-------------	---

Working Capital	1
Fixed assets	2

K.18	What was the amount of this last loan?
-------------	--

	Rs
Amount of loan	

K.19 Was there an interest charge for this last loan?

Yes	1
No	2
Don't know	-9

Go to K.21
Go to K.21

K.20 What was the interest rate for this last loan?

	Percent
Annual interest rate	

**INTERVIEWER: Verify monthly or annual, report only annual
IF THE RESPONDENT SAID HE DOESN'T KNOW, WRITE -9**

K.21 Was collateral needed for this last loan?

Yes	1
No	2

Go to K.24

K.22 What was this collateral for the last loan? **(MULTIPLE ANSWERS PERMITTED)**

Land, buildings of the business	1
Machinery and equipment	2
Accounts receivable and inventories	3
Personal assets of owner (house etc.)	4
Other (specify)	5

K.23 What was the approximate value of the loan as a percentage of the amount of the collateral?

	Percent
Collateral	

K.24 Did you try to obtain these funds from a formal financial institution before you decided to borrow from the informal lender?

Yes	1
No	2

GO TO K.27

K.25 Was your application rejected by the formal lender?

Yes	1
No	2

GO TO K.28

K.26 Why was it rejected? (pick one only)

Not adequate collateral	1
Not enough/steady income	2
Required documents/information not available	3
Amount applied for was too small	4
Others (specify)	5
Do not know why rejected	-9

Go to K.28

K.27 Why didn't you apply to financial institutions for this loan? (**MAIN REASON ONLY**)

Not enough steady income	1
Required documents/information not available	2
Loan amount was too small	3
Institution is too far	4
It takes too long	5
Interest rate is too high	6
Not adequate collateral	7
Other (Specify) _____	8
Do Not know	-9

K.28 Have you received any financial assistance or concessional finance under a government scheme (e.g., through SGSY, SJSRY, DPIIP, SIDBI, NABARD, Department of Industry etc)?

Yes	1
No	2
Don't know	-9

L. LABOR

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

Now I would like to ask you a few questions about this establishment's employees. I'm going to ask you for levels of employment at different points in time.

L.1 At the end of fiscal year fiscal year 2006 (April 2005 to March 2006), how many **paid full-time employees** did this establishment employ?

	Number
Permanent, full-time employees end of last complete fiscal year	

INTERVIEWER: Full-time employees are defined as all paid employees that work 8 or more hours per day every working day of the week, including managers, owners who work in the establishment and front-office staff. If the owner is also the only worker write 1.

L.2 Three fiscal years ago year, in the year, how many **paid full-time employees** did this establishment employ?

	Number
Permanent, full-time employees three complete fiscal years ago	

INTERVIEWER: IF ESTABLISHMENT WAS NOT IN BUSINESS THREE YEARS AGO, WRITE -7

L.3 At the end of fiscal year 2006 (April 2005 to March 2006), how many paid full-time workers were female?

	Number
Female	

L.4 At the end of fiscal year 2006 (April 2005 to March 2006), how many family members of the owners of the firm were employed by the firm?

	Number
Family Members	

L.5 At the end of fiscal year 2006 (April 2005 to March 2006), how many part-time workers—workers that work less than 8 hours per day or fewer on all work days/week—were employed by the firm?

	Number
Part-time Workers	

L.6 What is the **average educational attainment** of a typical **worker** employed in this establishment? **(SHOW CARD)**

0-3 years of education	1
4-6 years of education	2
7-12 years of education	3
13 years and above of education	4
Don't know	-9

INTERVIEWER: If the firm has no employees, ask about the education of the owner.

L.7 What was the **educational attainment** of the **most recent employee** hired by this establishment? **(SHOW CARD)**

Illterate	1
Literate but no formal schooling	2
School – Upto 4 years	3
– Upto 5-9 years	4
– SSC/HSC	5
Some college but not graduate	6
Graduate/Post graduate general	7
Graduate/Post graduate – Professional	8
Don't Know	-9

L.8 How did this establishment find **the most recent new employee** that it hired?

Through family/friends	1
Public placement office	2
Private placement office	3
Public announcement/advertisement	4
Through Employees' references	5
He applied for a job	6
Other (_____)	7

L.9 Over fiscal year 2006 (April 2005 to March 2006), how did this establishment **train** its **paid, full-time employees**? **(MULTIPLE RESPONSE POSSIBLE)**

Through Formal Training Programs	Yes (1)	No (2)
Through on the floor training	Yes (1)	No (2)
Did not train	Yes (1)	

INTERVIEWER: If No formal training is given, skip to L11

L.10 Referring to the formal training programs run over fiscal year 2006 (April 2005 to March 2006), what percent of paid, **full-time employees** received formal training

Percent Trained	Percent Trained
	%

INTERVIEWER: IF NO EMPLOYEES IN A CATEGORY WERE TRAINED, WRITE 0

L.11 Which Labor regulation do you find most difficult to comply with?

Minimum wages	1
Workplace safety	2
Prevention of Child Labor	3
Regulations on hiring	4
Regulations of firing	5
Don't know	-9
Refuse	-8

INTERVIEWER READ ALL OPTIONS

L.12 In fiscal year 2006 (April 2005 to March 2006), would this establishment have hired more permanent workers had it not been for having to comply with **labor regulations**?

Yes	1
No	2
Don't know	-9

L.13 At present, what percent of this establishment’s workforce is unionized?

	Percent
Workforce unionized	

INTERVIEWER: If the firm has no employees write -6

L.14 Do you provide the following to your workers?

1. Old age pension	Yes (1), No (2)
2. Health insurance	Yes (1), No (2)
3. Sickness benefit	Yes (1), No (2)
4. Maternity benefit	Yes (1), No (2)
5. Benefit to family in case of death at work	Yes (1), No (2)
6. Benefit to family in case of accidental death	Yes (1), No (2)

INTERVIEWER READ ALL OPTIONS

L.15 If yes on any of above, from where do you obtain the relevant cover for your workers?

Insurance companies	1
Government agencies (e.g. EPFO)	2
Welfare funds	3
NGO or other non-profit group	4
Others (specify)	5

R. REGISTRATION

R.1 Has this firm obtained an operating or trade license or otherwise registered for a general business license with any municipal agency?

Yes	1
No	2
Don't know	-9

R.2 Over the last two years, did this establishment submit an application to obtain an operating or trade license, or a general business license from any municipal agency?

Yes	1
No	2
Don't know	-9

GO TO QUESTION R.5
GO TO QUESTION R.5

R.3 In reference to the application for an operating license, approximately what was the wait, in days, experienced to obtain that license from the day this establishment applied for it to the day it was granted?

	Days
Wait for operating license	

**INTERVIEWER: IF THE RESPONDENT SAID LESS THAN ONE DAY, WRITE 1
IF STILL IN PROCESS, WRITE -6**

R.4 In reference to that application for an operating license, was an informal gift or payment expected or requested?

Yes	1
No	2
Don't know	-9
Refuse	-8

R.5 Has this firm registered with or obtained a tax identification number (TIN) from income tax/sales tax/ excise tax authorities?

Yes	1
No	2
Don't know	-9

GO TO QUESTION R.8

R.6 To the best of your knowledge, are you required to register with either a tax authority or a municipal authority?

Yes	1
No	2
Don't know	-9

**GO TO QUESTION R.8
GO TO QUESTION R.8**

R.7 If this establishment is not registered with either a tax authority or a municipal authority, please tell me why you have not done so.

Difficulty of getting information on what you need to do to register	Yes (1)-No(2) Don't Know(-9)
Time to complete registration procedures	Yes (1)-No(2) Don't Know(-9)
Financial cost of completing registration procedures	Yes (1)-No(2) Don't Know(-9)
Financial burden of taxes on registered enterprises	Yes (1)-No(2) Don't Know(-9)
Administrative burden of complying with all tax laws for registered enterprises	Yes (1)-No(2) Don't Know(-9)
Other administrative burdens imposed on registered businesses (e.g., inspections and meetings with government officials)	Yes (1)-No(2) Don't Know(-9)
Strict labor market rules that registered businesses must comply with	Yes (1)-No(2) Don't Know(-9)

R.8 Have you registered with the District Industries Centre for Small Scale Industries (SSI) status?

Yes	1
No	2
Don't know	-9

**GO TO QUESTION M.1
GO TO QUESTION M.1**

R.9 Have you received any benefit from Small Scale Industries (SSI) status?

Yes	1
No	2
Don't know	-9

(If Yes, Specify _____)

M. INVESTMENT CLIMATE CONSTRAINTS TO THE ESTABLISHMENT

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

The next set of questions is designed to get a general picture of your opinion about the investment climate that affects your operations.

M.1	Please, tell me if any of the listed below obstacles represent a major or severe problem for the operation of your establishment.
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OBSTACLES	Is the following a major or severe obstacle for the operation of your establishment?
1. Access to finance (cost and availability)	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
2. Access to land	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
3. Inadequately educated workforce	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
4. Labor regulations	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
5. Electricity	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
6. Fixed line Telephones	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
7. Availability of water from public sources for production	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
8. Transportation	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
9. Business licensing and permits	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
10. Volatility in demand	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
11. Crime, theft and disorder	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
12. Competition +	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
13. Corruption	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
14. Functioning of the courts	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)
15. Tax rates and administration	Yes (1)-No(2) Don't Know(-9) Not Applicable(-7)

M.2	You have indicated that several obstacles affect the operation of this establishment. Please tell me the three that you think are currently the biggest problem, beginning with the most difficult obstacle of all.
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INTERVIEWER: If the firm has not declared any obstacle as a major or severe problem in the preceding questions write -6. If the firm has declared only one or two obstacles to be major or severe problem do not force the interviewee to select a third one.

Rank	
Most serious obstacle	
Second most serious obstacle	
Third most serious obstacle	

N. PRODUCTIVITY

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

The purpose of the following questions is to allow us to estimate the productivity of establishments like this one. Estimates are made at the aggregate level so the information you provide below will be compiled with the information from other establishments. It is important that this information be as accurate as possible.

Please provide the following information from the financial statements of this establishment.

N.1 In fiscal year 2006 (April 2005 to March 2006) what were this establishment's total annual sales?

	Rs
Last complete fiscal year's total sales	

N.2 In the latest month of fiscal 2007 (April 2006 to March 2007) approximately what were this establishment's total sales?

	Rs
Last complete month's total sales	

N.3 For fiscal year 2006 (April 2005 to March 2006) please provide the following information about this establishment:

	Rs
a. Total annual cost of labor (including wages, salaries, bonuses, social payments)*	
b. Total annual cost of raw materials and intermediate goods used in production	
c. Total annual costs of electricity	
d. Total annual cost of rental of land/buildings, also renting of equipment, furniture	

INTERVIEWER: This amount should include compensation for managers and owners if there are employees besides the owner. If the firm has no employees beyond the owner write -6.

N.4 Approximately, in fiscal year 2006 (April 2005 to March 2006) what was the average monthly compensation, including benefits when applicable, for a typical paid full-time worker?

	Full-time Worker
Average monthly compensation	Rs

N.5 In fiscal year 2006 (April 2005 to March 2006), what was the total annual expenditure for purchases of:

	Rs
a. Machinery, vehicles and equipment (new and/or used)	
b. Land and buildings	

N.6 In fiscal year 2006 (April 2005 to March 2006), if this establishment had to hypothetically purchase the land and buildings, and machinery and equipment in use now, as they are in their current condition, how much would it cost to purchase each of the following?

	Rs
a. Machinery vehicles, and equipment	
b. Land and buildings	

N.7 What **percent of total annual sales** would you estimate the typical establishment in your line of business declares for tax purposes?

	Percent
Percent of total annual sales reported for tax purposes	

IF RESPONDENT REFUSES TO RESPOND, WRITE -8

N.8 What **percent of total workforce** would you estimate the typical establishment in your line of business declares for the establishment’s tax purposes?

	Percent
Percent of total workforce reported for tax purposes	

IF RESPONDENT REFUSES TO RESPOND, WRITE -8

**THE SURVEY ENDS HERE
THANK YOU VERY MUCH FOR YOUR COOPERATION.**

A.15 Time face-to-face interview ends:

Date (mm/dd)	Hour	Minutes	AM/PM

a15

INTERVIEWERS PLEASE ANSWER AT END OF THE INTERVIEW:

A.16 | It is my perception that the questions regarding opinions and perceptions:

Truthful	1
Somewhat truthful	2
Not truthful	3

a16

INTERVIEWER COMMENTS:

Problems occurred/extraordinary circumstances which could influence results)

SUPERVISORS PLEASE ANSWER:

A.18 | This questionnaire was completed in:

One visit in face-to-face interview with one person	1
One visit in face-to-face interview with different managers/staff	2
Several visits	3

STOP HERE

a18

A.19 | If option 2 or 3 in **A.18**, estimate duration of the whole interview

Hour	Minutes

a19