

The Enterprise Financial Crisis Assessment Survey

QUESTIONNAIRE MANUAL

June 8, 2009

1. BACKGROUND

The Enterprise Financial Crisis Assessment Survey (EFCAS) 2009 is an initiative of the Private Sector Development Vice-Presidency of the World Bank Group (the World Bank) that aims at providing a quick, short, and cost-effective evaluation of the effect of the financial crisis on private firms. The main idea is to use the previous round of surveys of the Business Environment Enterprise Survey (BEEPS) as baseline to quantify the effect of the recent financial crisis on the private sector.

The Survey proposes to re-visit establishments interviewed in the previous BEEPS 2008. Having a representative sample of the non-agricultural private economy from the BEEPS survey provides a unique opportunity to obtain a microeconomic perspective of the effect the current financial crisis may be having on the private sector of the economy.

EFSAC is a part of the Enterprise Analysis Unit effort to collect data from key manufacturing and service sectors in every region of the world on related matters to private sector development. Most importantly, the FSACS are designed to follow up the same firms every six months during the duration of the financial crisis thus forming a panel data set. Because panel data is one of the best ways to pinpoint how and which of the changes in the business environment affect firm-level decisions and performance over time, the Enterprise Analysis Unit has made panel data a top priority.

2. OBJECTIVES

The Enterprise Financial Crisis Assessment Survey aims to achieve the following objectives:

- To assess the extent to which the global financial crisis is affecting individual firms by interviewing a subsample of the BEEPS survey
- To quantify the number of firms exiting the market by determining the status of the full BEEPS sample in terms of still in business, closure or in the process of closing
- To stimulate systematic policy dialogue on the business environment and to help shape the policies defined to tackle the financial crisis

3. FIELDWORK AND QUESTIONNAIRE

The Enterprise Financial Crisis Assessment Survey will be carried out by means of phone interviews with each establishment's senior managers. The purpose of this document is to provide information and guidance both to the implementing contractor and the prospective Task Team Leader (TTL) on how to understand the questions in the survey.

4.1. What is in an Enterprise Financial Crisis Assessment Survey questionnaire

The EFSAC instrument is comprised of five (5) main sections and one none interactive, for official use only section - INTERVIEW PROTOCOL. The first five sections deal with a few establishment characteristics and the effect of the financial crisis on selected issues:

- ❖ Section A. CONTROL INFORMATION
- ❖ Section B. FINANCE
- ❖ Section C. LABOR
- ❖ Section D. FINANCE
- ❖ Section E. FINANCIAL CRISIS specific questions

Please, note that section A should be pre-filled with information from the base line survey (BEEPS0 2009/08).

The last section – should be filled after the interview and it contains some details about the respondent and the interview including the subjective evaluation of the enumerator of the respondent's cooperation. Of paramount importance is the contact information as this will be the basis for future surveys.

Section	Number	Instructions
CONTROL INFORMATION	A0 to A6	<u>Section A</u> should be filled out with information from the base line survey (BEEPS0 2009). The only question that requires update is a4c (revised sector). It should be updated with information collected during the phone call.
SALES AND SUPPLIES	B.1	<u>Please, record</u> only one answer (b1b or b1c) OR (b1d or b1e)
SALES AND SUPPLIES	B.2	<u>By one year from now</u> we mean one CALENDAR year from now.
SALES AND SUPPLIES	B.3	<u>Last completed month</u> is the last completed CALENDAR month. For EU countries sales within the union should be considered as national sales (not exports).
SALES AND SUPPLIES	B.4	The question measures the level of utilization of the resources available to the establishment. The maximum level achievable is 100%.
LABOR	C.1	<u>Permanent, full-time employees</u> are defined as all paid employees that are contracted for a term of one or more fiscal years and/or have a guaranteed renewal of their employment contract and that work 8 or more hours per

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		day. The purpose of the question is to quantify the total man power used in the establishment. Thus it should include all individuals who worked in the establishment on a permanent basis independently of the type of remuneration: salary, dividends, in-kind, etc.
LABOR	C.1a	<u>Self-explanatory</u>
LABOR	C.2	<u>Full-time, temporary</u> workers are all paid short-term (i.e. for less than a fiscal year) employees with no guarantee of renewal of contract employment and work 8 or more hours per day. All temporary employees who worked in the establishment during the period should be accounted for, that is, the question as for the addition of all temporary workers in the period, for ex. 2 in January, 1 in February and 2 in March, equals 5 employees.
LABOR	C.3	Average length of employment for all temporary workers. This is an estimate. If computed it should be calculated as the total number of months of work obtained from all temporary workers divided by the number of workers. Following the ex. above if in January 2 temps. were hired for 2 months, in February one for 1 month and in March 2 for 3 months, the average length of employment is $(2+2+1+3+3)/5=2.2=2$ (following rounding rules).
LABOR	C.3a	<u>Self-explanatory</u>
FINANCE	D.1	<u>Selling on credit</u> means selling goods and services and getting paid at a later date of the delivery of the goods and services.
FINANCE	D.2	<u>Self-explanatory</u>
FINANCE	D.3	<u>One week</u> is a business week. Delay is considered even if the establishment made a partial payment.
FINANCE	D.4	<u>Working capital</u> refers to the day-to-day operations of the establishment. Do not include purchases of fixed assets (investment). <u>Retained earnings</u> refers to the portion of net income which is retained by the establishment instead of being distributed to its owners as dividends.
FINANCE	D.5	<u>Banks</u> includes public and private banks
FINANCE	D.6	<u>The end of fiscal year 2008</u> is the last month of the fiscal year 2008.
FINANCE	D.7	<u>Total Liabilities</u> includes all the Current Liabilities, Long

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		Term Debt, and any other miscellaneous liabilities the company may have. They represent the sum of all monetary obligations of a business and all claims creditors have on its assets.
FINANCE	D.8	<u>Liabilities</u> denominated in local currency but with a value fluctuating with the exchange rate are not denominated in foreign currency.
FINANCE	D.9	<u>Term To Maturity</u> is the life of a financial instrument
FINANCE	D.10	An establishment is considered to be <u>overdue on its obligations</u> if it has any unpaid amount after the due date. <u>Financial institutions</u> are organizations whose business is credit and/or savings and they include state-owned and private banks, and non-bank financial institutions such as microfinance institutions, credit unions or finance companies. <u>Financial institution</u> does not include government institutions in charge of the collection of taxes or administrative fees even though in many cases they are referred to as "Financial Administration"
FINANCE	D.11	By <u>90 days</u> we mean 90 CALENDAR days.
FINANCE	D.12	<u>Restructuring a liability</u> means changing the terms and conditions of the loan usually to facilitate its payment. Restructuring is the result of renegotiating a loan with the creditors.
FINANCE	D.13	<u>An establishment is in arrears</u> if it has an unpaid, overdue debt or an unfulfilled obligation.
FINANCE	D.14	This question refers to the inability to pay the total amount of liabilities given the level of assets of the firm. This is technically referred to as insolvency. Firms may file for insolvency in order to renegotiate their liabilities.
FINANCIAL CRISIS	E.1	<u>Self explanatory.</u>
FINANCIAL CRISIS	E.2	<u>One answer only.</u>
FINANCIAL CRISIS	E.3	<u>Reorganization</u> is the petition to revalue the assets to the current market value to restructure the value of the liabilities and equity.
FINANCIAL CRISIS	E.4	<u>Insolvency</u> is the situation in which the total liabilities exceed total assets (negative equity) and therefore even under full liquidation of assets the establishment would be unable of paying its liabilities. <u>Bankruptcy</u> is when insolvency is formally declared by a court of Law.

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FINANCIAL CRISIS	E.5	State aid refers to any form of assistance, subsidy, or program offered by the State.
FINANCIAL CRISIS	E.6	<u>Self explanatory.</u>
FINANCIAL CRISIS	E.7	<u>Please, record</u> only one answer (e7b or e7c) ; (e7d or e7e).
	A17x	<u>Problems occurred or extraordinary circumstances</u> which could influence survey results.
INTERVIEW PROTOCOL	A14d to a27dx	The interview protocol section should be filled after the interview and it contains some details about the respondent and the interview including the subjective evaluation of the enumerator of the respondent's cooperation. This section is of paramount importance, especially the contact information, because the survey will be repeated in 6 months.