IMPLEMENTATION GUIDELINES OF THE MULTI-COUNTRY BUSINESS SURVEY: BENCHMARKING REGULATORY AND ADMINISTRATIVE BUSINESS ENVIRONMENT


1. Delegates will find attached the guidelines designed to help participating countries to implement the PUMA Multi-country Business Survey: Benchmarking Regulatory and Administrative Business Environment of small and medium-sized enterprises. It was prepared by the Secretariat in consultation with Member countries, and in collaboration with GALLUP France and the advice of Mr. Bernard Grais, consultant.

2. This document is submitted as complementary information for the discussion of the Progress Report on the Implementation of the Business Survey (PUMA/REG(98)4).

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0. Main features of the business survey

- We are proposing a limited survey of 2,700 firms in each country, although we develop an alternative smaller survey for countries who would need less information.

<table>
<thead>
<tr>
<th>Sample Type</th>
<th>Questionnaires to be mailed</th>
<th>Expected answered questionnaires*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Recommended sample</strong></td>
<td>In total 2 700</td>
<td>540</td>
</tr>
<tr>
<td></td>
<td>For each of the 3 policy areas (environment, employment, tax compliance) 900</td>
<td>180</td>
</tr>
<tr>
<td><strong>B. Small sample</strong></td>
<td>In total 1 500</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td>For each of the 3 policy areas (environment, employment, tax compliance) 500</td>
<td>100</td>
</tr>
</tbody>
</table>

* based on an expected response rate of 20%.

- **Stratification**: In order to respond to the policy needs of Member countries in their design of reform policies, the larger sample is designed to produce indicators that report separately results in 3 sizes of firms and 3 economic sectors.

- The main difference between the two survey sizes is that the “small sample” will not produce statistical estimates for these strata but only national results for all firms and all sectors. However, comparison of national results obtained from one country using the “small sample” and those from another country using the “Recommended sample” will be possible.

- **Time frame**: Taking into account 5 weeks to select the sample, prepare the addresses’ list, and translate the questionnaires, as well as 6 to 8 weeks to mail, follow up, receive the answered questionnaires and input the data in the OECD software, participating countries should send their results to the OECD by mid-May. Experience shows that the most difficult and delicate tasks in implementing a survey consist in the drawing up of addresses from a reliable business registry and managing an efficient follow-up.

- **Standardised questionnaires**: Annex 1 contains the revised and shortened questionnaires for employment, environment and tax compliance. Their translation into the businesses’ language for the participating country is essential. However, any substantive change to the questions or questionnaire should be checked with the OECD as it may alter the comparability of results amongst countries.

1. Introduction

1. These guidelines try to support the effort of participating Governments and Business Associations to implement successfully the Multi-country Business Survey. Throughout this document, the term Government will stand for the official contact point of the PUMA/OECD Secretariat (in many cases the official representative participating to the Group on Regulatory Management and Reform) and Business Association should be understood as the business representative which may be a national Chamber of Commerce, of Industry, or other associations or organisations representing businesses.
2. Its main goal is to help the different partners to achieve comparable results. Differences in circumstances, the need for flexibility, and other country particularities are part of this ambitious project. Predictably, this survey will vary from country to country. In some countries, the structures to administer the survey will be in place, in others they may not. Nevertheless, to obtain valid, reliable, useful and comparable results, minimum quality criteria must be sought. In the following pages those minimum standards are set, together with practical advice, to help the country teams undertake the survey successfully.

3. The document is based on a step-by-step approach. However, it is fundamental to devote time in preparing a specific implementation plan, budget and establishing a co-ordination mechanism in order to clarify the responsibilities and time frame for each partner. The planning and up-front communication aspects are paramount in order to reduce costs and disagreements at the end of the day.

1.1 Proposed time frame

The general timetable for the project could be the following:

| Table 1 |
|---------------------------------|-----------------|-----------------|------------------|
| **Main tasks**                  | **OECD**        | **Government**  | **Business**     |
| Delivery of questionnaires and guidelines | 1st week (or previously) |                 |                  |
| Delivery of the sample address file (sample selection of addresses) to the Business Association* | 4th week | 4th week |                  |
| Finalisation of the survey material (translation of questionnaires, printing, etc.) * | 4th week |                  |                  |
| Finalisation of the mailing (mail-merge cover letters, stuffing of envelopes, etc.) | 5th week |                  |                  |
| Delivery of data entry software to Government | Mid March |                  |                  |
| **Mailing of the questionnaires to businesses** |                  | **6th week** |                  |
| Mailing of 1st reminder letters |                  |                 | 7th week         |
| Mailing of 2nd reminder letters and post card. |                  |                 | 9th week         |
| Mailing “spare” addresses |                  |                 | 10th week**      |
| **Sending Data entry software with results to OECD** |                  | **14th week** |                  |
| Sending first results to Government and Business Association |                  | 18th week |                  |

* The first two tasks should be done in parallel: as the government concentrates in preparing the sample address file together with the National Statistical Office (see section 2 of the Guidelines), the Business Association concentrates in preparing the material (see section 3).

** The results of the mailing of the “spare” addresses will imply at least a 4 weeks delay for continuing with the next steps.
1.2 Helpdesk

4. OECD has established a support mechanism in Paris. Its purpose is to try to resolve differences and variations among countries’ implementations as well as to resolve technical doubts or problem encountered. Its direction is:

The Business Survey Project
Public Management Service, OECD
2, rue André-Pascal, 75775 PARIS Cedex 16
☎ (33-1) 45 24 89 47
Fax: (33-1) 45 24 87 96
E-mail: cesar.cordova@oecd.org

2. Preparation of the study: sample and statistics
2.1 Sample selection

5. The Government should request from the National Statistical Office the preparation of the sample list. Usually, the National Statistical Office is responsible for the official business registry. Alternatively other business registries may be used to draw the sample. For instance, some ministries such as the Trade and Industry Ministry may have a specific registry for statistical and survey purposes. Some Chambers of Commerce and Industry may also have an updated and reliable business registry that could be used. In any case it is paramount to ascertain the completeness and accuracy of the business registry to be used. In particular the business registry should be “clean” and contain the most updated information possible. It should also be representative of the businesses established in the whole country in order to avoid biasing the survey towards a specific constituency, sector or region, or duplicating addresses.

6. The request from the Government should stipulate the following information to be included in the sample selection list:

Stratification criteria

The survey will be focused on Small and Medium-sized Enterprises (SMEs) as larger enterprises will have difficulties in gathering information and responding correctly to the questions.

Based on the OECD database on SME statistics, the survey was planned with 9 strata composed of three business sizes and three economic sectors.

1. Company size
- 1 to 19 employees (self-employed workers to be avoided as their response rate will most probably be low and they might have difficulties in answering the questionnaire).
- 20 to 49 employees.
- 50 to 499 employees.

2. Field of activity

Agriculture, hunting and forestry, Mining and Quarrying should not be included in the sample.
- Manufacturing (industry) and resource oriented activities

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1 For a specific equivalence please refer to DSTI/EAS/IND/SWP(97)2/ANN.
### Table 2

<table>
<thead>
<tr>
<th>ISIC rev. 2</th>
<th>ISIC rev. 3</th>
<th>NACE rev. 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FISHERING</td>
<td>13</td>
<td>B 05</td>
</tr>
<tr>
<td>TOTAL MANUFACTURING</td>
<td>3</td>
<td>D 15-37</td>
</tr>
<tr>
<td>CONSTRUCTION</td>
<td>5 +831+9512</td>
<td>F 45</td>
</tr>
</tbody>
</table>

- Services with important impacts on the environment

### Table 3

<table>
<thead>
<tr>
<th>ISIC rev. 2</th>
<th>ISIC rev. 3</th>
<th>NACE rev. 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>ELECTRICITY, GAS AND WATER SUPPLY</td>
<td>4</td>
<td>E 40-41</td>
</tr>
<tr>
<td>WHOLESALE, RETAIL TRADE, REPAIR OF MOTOR VEHICLES, CYCLES, ETC.</td>
<td>6</td>
<td>G 50-52</td>
</tr>
<tr>
<td>HOTELS AND RESTAURANTS</td>
<td>63+7111</td>
<td>H 55</td>
</tr>
<tr>
<td>TRANSPORT, STORAGE AND COMMUNICATIONS</td>
<td>7+9413+9599</td>
<td>I 60-64</td>
</tr>
</tbody>
</table>

- Services without important impacts on the environment

### Table 4

<table>
<thead>
<tr>
<th>ISIC rev. 2</th>
<th>ISIC rev. 3</th>
<th>NACE rev. 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCIAL INTERMEDIATION</td>
<td>81+82</td>
<td>J 65 -67</td>
</tr>
<tr>
<td>REAL ESTATE, RENTING AND BUSINESS ACTIVITIES</td>
<td>831+833</td>
<td>K 70- 74</td>
</tr>
<tr>
<td>Renting of machinery and equipment without operator and of personal and household goods</td>
<td>62+7116+7123+7132+833+941+949</td>
<td>71</td>
</tr>
<tr>
<td>Computer and related activities</td>
<td>8323+8325+9519</td>
<td>72</td>
</tr>
<tr>
<td>Research and development</td>
<td>8324+932</td>
<td>73</td>
</tr>
<tr>
<td>Other business activities</td>
<td>112+8321+8322+832+8325+8329</td>
<td>74</td>
</tr>
<tr>
<td>Legal, accounting, book-keeping and auditing activity; tax consultancy; market research &amp; public opinion polling; business and management consultancy</td>
<td>112+8321+8322+832+5+8329</td>
<td></td>
</tr>
<tr>
<td>Architectural, engineering and other technical activities; technical testing and analysis</td>
<td>8324</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>8325+8329</td>
<td></td>
</tr>
<tr>
<td>EDUCATION</td>
<td>931+9591</td>
<td>M 80</td>
</tr>
<tr>
<td>HEALTH AND SOCIAL WORK</td>
<td>931+9331+9332+934</td>
<td>N 85</td>
</tr>
<tr>
<td>OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES</td>
<td>8329+92+931+93+5+939+94+959</td>
<td>90-93</td>
</tr>
</tbody>
</table>


**Information requested for each address**

1. Company name  
2. Company size (number of employees)  
3. Company main field of economic activity  
4. Number corresponding to the stratum where the business was selected (i.e. for each Sij, see table 5)  
5. Company phone number  
6. Company fax number  
7. Company full address (street name & number, postal code, city)  
8. Respondent’s name *  
9. Respondent’s phone number *  
10. Respondent’s fax number *  
11. Policy area (tax, employment or environment) **

* This information may not be available from the Business Registry. In which case, it will not be possible to send the questionnaires and reminders directly to the respondent General Manager or “who may be concerned”. This would result in a lower response rate.

** This information is added to the file at the end of the process.

**Number of addresses required**

7. In order to obtain a statistical estimate of the sample for the three studies, the OECD needs to receive a certain amount of answered questionnaires for each one of the three policy areas (see Tables 6, 7 and 8). As indicated in annex 4, for each policy area a total of 180 answered questionnaires is needed (see also section 8). Considering the expected response rate (20%) the total number of addresses to be drawn and mailed out should be:

\[(180 \times 3) \times 5 = 2700 \text{ addresses}\]

8. Additionally, a margin of “spare” addresses should be considered in order to send extra questionnaires if needed. A 25% margin is recommended.

9. In annex 5 a **small-scale survey with 1 500 addresses** (500 for each policy area) is suggested. Note that this small-scale survey (where only 100 answered questionnaires are likely to be received per policy area) will only produce total national reliable results, **and not results per strata**.

**Addresses to be drawn from the business registry provided by the National Statistical Office**

10. Table 5 shows the number of addresses required to conduct the survey. Figures in bold show the total number of addresses requested from the National Statistical Office; figures in bracket show the number of questionnaires to be sent in the first mailing.
Table 5

<table>
<thead>
<tr>
<th></th>
<th>Manufacture</th>
<th>Services with physical impacts</th>
<th>Services without physical impacts</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1-19 employees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$S_{11}$</td>
<td>375 (300)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$S_{12}$</td>
<td>375 (300)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$S_{13}$</td>
<td>375 (300)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1 125</strong></td>
<td></td>
<td></td>
<td>(900)</td>
<td></td>
</tr>
<tr>
<td><strong>20-49 employees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$S_{21}$</td>
<td>375 (300)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$S_{22}$</td>
<td>375 (300)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$S_{23}$</td>
<td>375 (300)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1 125</strong></td>
<td></td>
<td></td>
<td>(900)</td>
<td></td>
</tr>
<tr>
<td><strong>50-499 employees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$S_{31}$</td>
<td>375 (300)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$S_{32}$</td>
<td>375 (300)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$S_{33}$</td>
<td>375 (300)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1 125</strong></td>
<td></td>
<td></td>
<td>(900)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1 125</td>
<td>1 125</td>
<td>1 125</td>
<td>3 375</td>
</tr>
<tr>
<td></td>
<td>(900)</td>
<td>(900)</td>
<td>(900)</td>
<td>(2 700)</td>
</tr>
</tbody>
</table>

Selection of the number of addresses required

11. The National Statistical Office should select the 3 375 addresses through a systematic random sample of the National Business Registry according to the following step by step procedure:

**Step 1**: the National Statistical Office should count the total number of companies within each one of the 9 cells or strata.

**Step 2**: They should then divide each number by 375 (this figure representing an individual strata). The result is \(x = \text{ratio of total addresses/required addresses}\) to be used for each stratum. With the help of \(x\), the sample is drawn by selecting every \(x\)th address within the total number of addresses for the strata. The first address should be randomly selected between 1 and \(x\)th.

*For instance, if there are 30 000 companies of 10-49 employees in the manufacturing category, the ratio will be 30 000/375 = 80. One address should then be selected every 80 business addresses. The first address should be randomly selected between 1 and 80.*

12. This procedure will result in an address file containing 375 addresses for each strata.

Drawing up the three separate studies (one for each policy area)

13. Two alternative methods are proposed to draw up the three files.

**Alternative 1**

14. Each one of the strata’s file must now be split into 3 separate files (one for each policy area).

**Step 3**: First, the 375 addresses file should be randomised. This task is necessary prior to the split of the address file into 3 different files (one for each policy area) in order to avoid any bias that would come from the national business register.
Step 4: It is now possible to split each strata file into 3 different ones. This task is easily achieved by selecting one third of the addresses for tax compliance, a second third for employment and the remainder (1/3) for the environment study.

**Alternative 2**

**Step 3bis:** select randomly a number between 1, 2 and 3 (one for each policy area). If the number selected is 2 (e.g. environment), then

- take the first address and assign it to the policy area 2 (in our example, environment)
- take the second address and assign it to the policy area 3 (in our example, tax)
- take the third address and assign it to the policy area 1 (in our example, employment)
- take the fourth address and assign it to the policy area 2 (in our example, environment)
- take the fifth address and assign it to the policy area 3 (in our example, tax)
- ...

... till the 375th address is allocated to its corresponding policy area.

**Step 4bis:** In order to select the 75 spare addresses from the 300 addresses that should be sent in the first mailing, select randomly a number between 1 and 5 (5 corresponding to 375 divided by 75), then take one address every 5 addresses and assign it to the “spare” addresses group and continue until all of the 375 addresses have been counted.

**Delivery format**

15. The Government and Business Association will receive the three address files (a total of 3 375 addresses) from the National Statistical Office. The selected electronic format will be chosen by the Government and/or Business Association.

16. At this point, the Business Association will set up a database to prepare the mailings (questionnaires and reminders) and will ensure an efficient follow-up. The database will then become the backbone of the survey which will be backed-up and updated periodically.

2.2 **National statistics**

17. The National Statistical Office should also send the Government the total number of businesses within each one of the 9 strata. These figures should be communicated to the OECD in order to weigh the data collected for data processing and to produce the indicators.

3. **Preparation of the survey material**

3.1 **Translation and adaptation of the questionnaires, cover letters and reminders.**

**Survey material**

18. In Annex 1 you will find the basic survey documents:
1. Three questionnaires (environment, employment and tax compliance)
2. An example of a cover letter
3. An example of a 1st reminder letter
4. An example of a 2nd reminder letter
5. A Postcard questionnaire in case the company does not answer the main questionnaire.

Questionnaires and reminders

19. The Government will translate and adapt the three main questionnaires as well as the postcard questionnaire. Particular attention should be given to the use of adequate and clear business terminology: respondents working in small and medium-sized enterprises in a given country should be able to understand the questions clearly and rapidly. In some specific cases, countries may want to have a more precise scope for the questionnaires (i.e. references to specific employment, environmental or tax regulations). This could be done by adapting the introduction box or individual regulatory activities in question D 4. Yet, a too precise scope including particular regulations of a given country may bias the responses and reduce the international comparability of results. It is thus recommended to consult or inform OECD previously.

20. The final questionnaires will be verified by the Business Association in order to ensure accuracy and comprehension before they are printed.

21. It is important to avoid any substantive changes in the questions, otherwise comparability of the answers from one country to another may be jeopardised. If any doubt arises, translators should check the changes with the OECD Helpdesk (see paragraph 1.2).

22. We recommend that the final translation also be checked by a specialist or re-translated into French or English by a third person in order to ensure the accuracy of this version.

Cover letter

23. A good cover letter encourages participation and thus improves the response rate. To give legitimacy to the survey, this letter should be signed by high-ranked and well-known officials from both the Government and the Business Association. The letter should stress that it is a tripartite effort of the Government, Business Association and the OECD, and that results should produce positive results for businesses. It is important that the respondent feels that his/her opinion is highly prized. The cover letter will explain the logic and objective of the survey. It will also underline the confidentiality of the survey and establish the expected response time.

24. Annex 1 presents a cover letter example. Nonetheless, the response rate would increase if it included elements relevant to the national context. The cover letter should be sent to the OECD for information.

3.2 Printing the survey material

25. The appearance of the document set is crucial. The questionnaire should thus be inviting, pleasant and interesting to read.

26. The Business Association will be responsible for printing the three questionnaires, the postcard questionnaire and probably the two sets of envelopes (one to send the material, the other, prepaid, to
receive the answered questionnaires). Enough questionnaires and envelopes should be prepared in order to
cover the first mailing of the questionnaire and the second mailing (comprised of the same questionnaire
and a reminder letter, see section 6.2). Hence, a total of 2250 questionnaires and labelled envelopes should
be printed per policy area (1 125 addresses multiplied by two, since there will be two mailings).

27. One colour printing is acceptable. A full colour printing would be preferable as an attractive
questionnaire is more likely to be answered. Nevertheless, a fair compromise between budget limitations
and the ideal full colour questionnaire, is having a two colour printing.

28. The questionnaires should be printed on both sides of the paper. This will not only reduce
mailing costs but will give the impression that the questionnaire is shorter. Ideally, a questionnaire should
only take 8 sides (i.e., 4 pages). However, the layout should not give the sensation of crammed
questions or impair readability. Breaking questions between pages should be avoided whenever
possible.

29. In order to personalise the survey, the cover letter and the two reminder letters may be printed
with the help of a mailmerge function available in the word processor and database (see next section).

30. All questionnaires and envelopes must be printed/copied one week before launching the survey.

4. Mailing

4.1 Preparation and contents of the mailing

31. A room should be dedicated to the survey. The three studies should be clearly identified (one
table for each policy area). Given the small number of questionnaires to be mailed (900 per policy area,
plus the 225 “spare” ones), this will not require too large a workspace.

32. At this stage of the implementation, the electronic address files previously delivered should be
run in a database (such as Access or Dbase) or a spreadsheet (such as Excel or Quattro). One field/column
will be dedicated to each item of information (name, field of activity, city, policy area...). The mailing
function of this software will then be used to prepare the labels and personalised cover letters.

33. The addresses in the three electronic files (one per policy area) should be printed on labels and
placed on envelopes one file at a time. If the cover letters are mailmerged and personalised, make sure that
they match the corresponding labelled envelopes. This task should also be performed policy area by policy
area in order to avoid any confusion among the three studies.

34. Before the envelopes are stuffed, it is important to assign in the upper-right corner an
individual identification number to each questionnaire and that this number be recorded next to the
name and address in the database of sampled addresses(see section 4.2). This will be needed to follow-up
the returned completed questionnaire.

Preparation of the envelopes

35. Each envelope should contain the appropriate questionnaire (tax compliance, employment or
environment) together with the cover letter and the prepaid self-addressed return envelope (large enough
to contain the questionnaire).
36. Once the spare questionnaires have been identified, set apart and clearly identified (e.g. “spare questionnaires for the tax study”), the remaining questionnaires should be ready to be stamped and mailed.

37. It is advisable to mail most of the questionnaires at the same time as most national post offices offer discounts on large mailings. Furthermore, since the mailing does not require express delivery, the cheapest means of mailing can be used.

4.2 Set up of the database of mailed/returned questionnaires

38. At this stage, the workload of the project team will ease since the first questionnaires will not be returned before several days. This “spare time” should be used to prepare the next steps of the survey.

39. For each address files corresponding to the three policy areas, add the following eight extra columns:

- Identification number of the questionnaire
- Mailed
- Returned
- 1st reminder
- 2nd reminder
- Post card returned
- “Spare” address
- Entered
- Request for a summary report

40. The Identification number of the questionnaire field/column will refer to the individual number assigned to each questionnaire. This number will help us to identify questionnaires answered by a business that has changed its name or address. Attention should be taken to avoid any confidentiality breach.

41. The Mailed field/column will include all addresses (leaving aside the “spare” questionnaires addresses, see specific field/column below). This task should be performed immediately, in order to have the corresponding questionnaires identified in the database.

42. The Returned field/column will be updated on a day-to-day basis, as soon as the corresponding questionnaires are returned completed.

43. The 1st reminder and 2nd reminder field/column will be filled in immediately after sending the corresponding reminders.

44. The Postcard returned field/column will be filled in when the corresponding postcard is received (i.e. prepaid response card with 2 questions sent back by those who do not want to fill in the main questionnaire).

45. The “Spare” address returned field/column will be filled in if this address is used in case the response rate is too low after the 2nd reminder.

46. The Entered field/column will be filled in once the corresponding questionnaire has been entered into the data entry software provided to the participating countries by the OECD.
Lastly, the *Request for a summary report* field/column will be filled in if the respondent has asked to receive the summary at the completion of the survey and given his address.

### 5. Monitoring responses

#### 5.1 Control of questionnaires received

48. After 3-4 days, the first completed questionnaires should arrive. At this stage, all questionnaires should closely be monitored: check that they are correctly filled in and that there has been no obvious misunderstandings.

49. This task should be rigorously performed as soon as possible so that any wrong answer from the respondent may be corrected at an early stage.

50. If problems of comprehension turn out to be widespread, an erratum or a Frequently Asked Questions (FAQs) list could be included in further mailings (i.e., together with the 2nd reminder letters with the “spare” back-up addresses.) The OECD should be informed of problems of this kind as soon as possible.

51. After a few days, a careful control of the questionnaires will not be necessary as most of the possible problems will already have been identified. Control will simply consist in identifying inaccurate filled in questionnaires and, when necessary, calling respondents to obtain missing or correct answers (unless an anonymous response was sent).

#### 5.2 Identification of the questionnaires received and database update

52. As they arrive, all questionnaires should be identified with the help of the individual identification number that should appear in the upper right-hand side corner, and the database should be updated on a day-to-day basis.

53. This task will simply require to fill in the *Returned* field/column and mark the corresponding questionnaire with a distinctive sign (perhaps the date and initials of the person who revised the questionnaire and updated the database).

54. This will enable to identify which non-respondent business needs to receive a reminder letter.

### 6. Reminders and follow-up

#### 6.1 First reminder letter

*Timing*

55. After consulting the updated database, the 1st reminder letter should be sent to all non respondent businesses one week after the initial mailing (i.e. at this stage of the study, to most of the sample list of businesses).
Preparation

56. The 1st reminder will consist of a single letter for all three policy areas (see annex 2). This letter may be identical (i.e. not using the mailmerge function) in order to save time. Addresses will be selected from the database (excluding those for which the field/column Returned is filled in) and printed on labels.

57. As for the initial mailing, the letters should be stamped and mailed as soon as possible. Again, in order to benefit from cheaper postal rates, they could be mailed on a single day (e.g. the 8th day of the mailing). Once the 1st reminder letters are mailed, the information should be entered into the appropriate field/column of the database.

6.2 Second reminder letter

58. The 2nd reminder should be sent three weeks after the initial mailing (i.e. 2 weeks after the 1st reminder). As for the 1st reminder, it will only be sent to businesses that have not returned their questionnaire. This information should be easily retrieved from the database.

Preparation

59. The 2nd reminder should be prepared in the same way as the initial mailing. The important difference being that, in addition to a cover letter, a new questionnaire and a prepaid envelope, this reminder will include a prepaid postcard with 2 questions (see annex 3).

60. This postcard is important as it will help to investigate reasons for non-responses and evaluate the weighed results for the whole business sector concerned. The first question will replicate question D. 5 in order to try to analyse a possible bias between the costs to respondents and non-respondents, and a second question investigating the reasons why they did not reply to the questionnaire.

6.3 “Spare” sample

61. As indicated above, a low response rate is expected in this type of survey. Completion of the questionnaire may take owners or senior executives of SMEs too much time. Questions, especially in section D, will be difficult to answer as businesses do not keep information related to administrative compliance costs. Moreover, many firms will find that they are already flooded with all kinds of official and unofficial questionnaires. These are the main reasons why a larger sample and two sets of reminders should be planned in order to get at least a response to 180 questionnaires for each policy area.

62. Accordingly, 10 days after the mailing of the 2nd reminder (i.e. 4 ½ to 5 weeks after the initial mailing), the number of answered and completed questionnaires should be calculated for each policy area and for each stratum.

63. Should this number be lower than 20 for each stratum (see Tables 6, 7 and 8), the team should proceed to mail a new set of questionnaires to the “spare” addresses. The mailing of the “spare addresses” should be managed in the same way as the initial one (see sections 5, 6.1 and 6.2). In this case, do not forget to update the field “spare address” in the database.
7. Data entry

64. The returned questionnaires should then be entered into the data entry software OECD will provide in March 1998. Again, as with other aspects of this survey, the Helpdesk referred to in paragraph 1.2 will give support and advice on this task.

65. The software will include real-time controls in order to immediately check out that the responses entered are “logical” and valid. This should help the person in charge of entering the data to check any inaccurate entered answers and/or to identify which respondents to call back. Particular attention should be put if the answer of question A 1 (What is the main economic sector your business operates in?) is not answered or if the specific answer cannot be assigned to a particular cell of the stratification (i.e. one of the \( S_i \) cells of Table 5).

66. Data entry should be performed, as far as possible, on a day-to-day basis. Once the questionnaires received are entered, they will be identified in the addresses database as “Entered”. Afterwards, questionnaires should be archived for a period of four months before being destroyed.

8. Updates and final data delivery to the OECD

67. The Government should inform the OECD of the progress of the study on a regular basis.

68. As soon as the first mailing has been sent out, the OECD should receive updates every 2 to 3 weeks. These updates should include the number of:

   - questionnaires sent
   - 1st and 2nd reminders sent
   - questionnaires received
   - questionnaires entered

69. Furthermore, these updates should also include any relevant qualitative feedback on the perception of the study by the respondents, based on phone calls, quality of completion and spontaneous comments written on the questionnaires.

70. The Government and Business Association should also send an intermediary data file, containing the 20 first questionnaires entered. This will enable the OECD to check that the data entry is performed in the right way and help to improve the development of the comparative indicators.

71. Once the study is completed, the Government should send the OECD the three completed files that the OECD data entry software will produce. The files can be sent by diskette or e-mail. The study should be completed 6 to 8 weeks after the initial mailing. If additional questionnaires are received later (for instance, following the mailing of questionnaires to the “spare” addresses) the answers should be inputted in a copy of the OECD data entry software as previously and sent to OECD as soon as possible.

72. Remember that in order to have comparable and statistically robust data from each one of the participating countries the OECD needs the following overall businesses’ responses:
1. Sample firms for the *tax compliance* questionnaire

Table 6

<table>
<thead>
<tr>
<th></th>
<th>Manufacture</th>
<th>Services with physical impacts</th>
<th>Services without physical impacts</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-19 employees</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>20-49 employees</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>50-499 employees</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>60</strong></td>
<td><strong>60</strong></td>
<td><strong>180</strong></td>
</tr>
</tbody>
</table>

2. Sample firms for the *environment* questionnaire

Table 7

<table>
<thead>
<tr>
<th></th>
<th>Manufacture</th>
<th>Services with physical impacts</th>
<th>Services without physical impacts</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-19 employees</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>20-49 employees</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>50-499 employees</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>60</strong></td>
<td><strong>60</strong></td>
<td><strong>180</strong></td>
</tr>
</tbody>
</table>

3. Sample firms for the *employment* questionnaire

Table 8

<table>
<thead>
<tr>
<th></th>
<th>Manufacture</th>
<th>Services with physical impacts</th>
<th>Services without physical impacts</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-19 employees</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>20-49 employees</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td>50-499 employees</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>60</strong></td>
<td><strong>60</strong></td>
<td><strong>180</strong></td>
</tr>
</tbody>
</table>
Survey on the Compliance Costs to Businesses of Employment Regulations

This survey is the first multi-country business survey that will permit an international comparison of regulatory and administrative environments for businesses in OECD countries. It is being conducted jointly by the OECD, national governments, and business associations. The OECD will use the information you provide to develop comparative indicators of regulatory and administrative environments for businesses. These will, in turn, be used by your government to improve the business environment. As one of the very small number of firms in your country to be asked to participate, your answers are very important for the validity of the results. Please take the time to fill in this questionnaire. Most of the respondents will need between 30 and 45 minutes. Once completed, please return it using the enclosed prepaid envelope by (2 weeks after mailing) 1998.

Your answers will remain strictly confidential and will at no time be attributed to you or your company. If you are unable to answer any individual question, leave it blank and move on to the next one. Thank you very much for your collaboration.

Scope of this Survey

This survey covers the costs of complying with all Employment regulations applicable to your business.

Employment regulations are government requirements covering:

- hiring and firing employees,
- complying with safety and health standards, workers’ rights.
- consulting with work councils or unions
- statistical reporting of Employment-related data,
- administering Employment-related or payroll taxes, social security and pensions, or other mandatory Employee benefits (e.g. maternity leave, sick leave).

We are asking for the impact of all Employment regulations that affect your business, no matter what their origin is (local, provincial, national or international).

Who should answer this questionnaire?

The survey has been designed to be answered by the General Manager (or equivalent) of a Small or Medium-sized Enterprise.

In the case of a group, holding or multiple site business, answer the questions by trying to estimate the impacts on the whole firm which is the addressee of this questionnaire. If you are part of an international group or have offices/factories in other countries, please reply only for the country to which the questionnaire was sent.
## Section A: COMPANY DETAILS

### A 1. What is the main economic sector your business operates in?  
(Please tick one box only)

- [ ] Fishing
- [ ] Manufacturing
- [ ] Construction
- [ ] Wholesale, retail trade
- [ ] Repair of motor vehicles, cycles, etc.
- [ ] Hotels and Restaurants
- [ ] Transport, storage and communication
- [ ] Financial intermediation
- [ ] Real Estate
- [ ] Renting of machinery
- [ ] Computers and related activities
- [ ] Consulting and business activities
- [ ] Education and research
- [ ] Health and Social work
- [ ] Other Services
- [ ] Other (specify): ______________________________

### A 2. How many employees did you have at the end of January 1998?  

Total: ______________________________

### A 3. How long has your business been operating?  
(Please tick one box only)

- [ ] less than 2 years
- [ ] 2-5 years
- [ ] 5 or more years

### A 4. What was your business’ last annual gross turnover?  
(Please provide your answer in local currency)

Total: ______________________________

### A 5. Does your business have full or partial foreign ownership?  
(Please tick one box only)

- [ ] Yes
- [ ] No

### A 6. Over the past two years, what has happened to the performance of your business in the following areas?  
(Please tick one box in each row only)

<table>
<thead>
<tr>
<th>Area</th>
<th>Decreased substantially</th>
<th>Decreased</th>
<th>No Change</th>
<th>Increased</th>
<th>Increased substantially</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Market share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Profits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Capital Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. New Product/Service launches</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. If you are an exporter, Export Sales  

- [ ]
- [ ]
- [ ]
- [ ]
- [ ]
- [ ]
- [ ]

### A 7. Indicate the name of the State or Province where your firm (or site for a large firm) is located:

______________________________
### Section B: QUALITY OF EMPLOYMENT REGULATIONS

This section examines your views about the quality of government Employment regulations.

**B 1. Thinking about Employment regulations as a whole, do you agree or disagree with the following statements?** (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree fully</th>
<th>Agree mostly</th>
<th>Disagree mostly</th>
<th>Disagree fully</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. They are easy to understand</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
</tr>
<tr>
<td>2. They achieve their objectives as simply as possible</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
</tr>
<tr>
<td>3. They are flexible enough to be implemented efficiently by businesses</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
</tr>
<tr>
<td>5. Regulations are consistent with one another</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
</tr>
<tr>
<td>6. Despite the number of regulations, it is still feasible to comply fully</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
</tr>
</tbody>
</table>

**B 2. In your opinion, is the process of developing new regulations usually such that affected businesses are consulted?**

(please tick one box only)

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Always</th>
<th>Often</th>
<th>Seldom</th>
<th>Never</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
</tr>
</tbody>
</table>

**B 3. In your opinion, what is the general level of compliance with Employment regulations among the firms in your industry?**

(please tick one box only)

<table>
<thead>
<tr>
<th>Level of Compliance</th>
<th>High level of compliance</th>
<th>Moderate level of compliance</th>
<th>Low level of compliance</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
<td>![ ]</td>
</tr>
</tbody>
</table>
Section C: QUALITY OF ADMINISTRATION OF EMPLOYMENT REGULATIONS

This section examines your views on how the government implements and administers Employment regulations.

C 1. Thinking about your contacts with government offices TO OBTAIN INFORMATION about Employment regulations, to what extent do you agree or disagree with the following statements? (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Item</th>
<th>Agree fully</th>
<th>Agree mostly</th>
<th>Disagree mostly</th>
<th>Disagree fully</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. It is clear which agency to contact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. It is easy to contact responsible agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. You get the same view no matter who you contact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. The information you get is responsive to your needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C 2. Thinking about your contacts with government authorities TO OBTAIN DECISIONS OR PERMISSIONS on Employment regulations, to what extent do you agree or disagree with the following statements? (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Item</th>
<th>Agree fully</th>
<th>Agree mostly</th>
<th>Disagree mostly</th>
<th>Disagree fully</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Officials give definite answers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The response of the government authorities is given within a reasonable time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. It is clear who is responsible for the decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. The process for appeals and complaints is clear</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. The process is flexible and not bureaucratic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Decisions are consistent and predictable over time and amongst similar businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Additional or unexpected payments are not required</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C 3. During the past year, how many separate decisions or permissions did your business request from a government to comply with Employment regulations? (Please provide an approximate number)
C 4. Thinking about the impact of complying with all Employment regulations, estimate on a five point scale how the potential problems shown below affect your business. (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Importance of the impact</th>
<th>None</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>1. They increase wage rates</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>2. They increase non-wage labour costs</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>3. They create difficulties in matching production and demand</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>4. They reduce labour productivity</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>5. They impede changes to working practices</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>6. They slow down development of new products and services</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>7. They create difficulties in making staff reductions</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>8. They create difficulties in hiring new staff</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>9. They reduce the attractiveness of entering new markets</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
</tbody>
</table>

C 5. In your opinion, how have the compliance costs of Employment regulations affected the following developments in your firm? (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Decreased substantially</th>
<th>Decreased</th>
<th>No impact</th>
<th>Increased</th>
<th>Increased substantially</th>
<th>No opinion/ don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The need for full-time workers</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>2. The need for part-time workers</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>3. The need for temporary workers</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>4. The need to substitute equipment for workers</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>5. The need to relocate operations outside the country</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
</tbody>
</table>
Section D: ADMINISTRATIVE COMPLIANCE COSTS OF EMPLOYMENT REGULATIONS

This section will concentrate only on the administrative compliance costs.

• Administrative costs are defined as formalities and paperwork that your business carries out, or pays somebody to carry out, to comply with Employment regulations.

They cover all time and resources spent by owners, managers, staff or hired experts to understand regulations, collect, process, report, retain data as well as fill in forms required by the government, including the administration (but not the actual payments) of employment-related taxes and social security and pension contributions.

• Administrative compliance costs do not include capital expenses or payments you make to buy machinery, equipment or other inputs incurred during the production or delivery activities of a firm (for instance, investments in health and safety equipment and installations).

• Remember that we are asking about administrative compliance costs of all Employment regulations that affect your business, no matter what their origin is (local, provincial, national or international).

D 1. How many hours are spent on an average month by staff and management in your business complying with Employment regulations? (Please make your best estimate in hours per month, and adjust it to take account of very busy or slow months)


hours per average month

D 2. Have you bought in the past year computers or software to mostly help you to comply with Employment regulations?

❑ Yes → If yes, could you estimate your annual computer or software expenses mostly used to comply with Employment regulations? (Please make your best estimate in local currency)


estimate of annual expenses

❑ No

D 3. How much money does your business spend during an average month on hiring OUTSIDE services to comply with Employment regulations? (Please estimate how much you spend during an average month. Include all expenditures on external services, such as accountants, lawyers or pay-roll consultants, for purposes of regulatory compliance)


monthly expenses
**D 4. Please estimate on a four point scale the administrative compliance costs of Employment regulations related to the activities shown below.** (Please tick one box only in each row)

<table>
<thead>
<tr>
<th>Administrative Compliance Costs</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. understanding and communicating regulations</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>2. managing the hiring and firing of employees</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>3. administrating Employment-related taxes, social security or pension contributions</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>4. administrating other Employee benefits (e.g. maternity leave, sick leave)</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>5. complying with workers’ rights, safety and health requirements (e.g. accident reporting, testing, but not substantive provisions)</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>6. organising the internal consultations with work councils and unions (insofar required by law)</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>7. statistical reporting of employment related data</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>8. matters related to government inspections and enforcement activities</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>9. other activities required by Employment regulations</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
</tbody>
</table>

**D 5. In your opinion, how have administrative compliance costs that result from Employment regulations changed in the past two years?** (Please tick one box only)

- ❑ a. introduction of new Employment regulations
- ❑ b. increase in the complexity of existing Employment regulations
- ❑ c. expansion of your company’s activities
- ❑ d. increase in the compliance with Employment regulations
- ❑ e. other
- ❑ f. simplification or reduction of Employment regulations
- ❑ g. successful government reforms to reduce administrative compliance costs
- ❑ h. reorganisation of administrative compliance costs in your company
- ❑ i. decrease in complying with Employment regulations
- ❑ j. termination of a regulated process, product or service
- ❑ k. other

**D 6. What is your estimate of the administrative compliance costs of Employment regulations on your business compared with other firms in your industry?** (Please tick one box only)

<table>
<thead>
<tr>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
</tbody>
</table>
Basic Information (Optional)

If you are willing to answer queries that arise from this questionnaire, please provide contact details. Your answers will be treated in strict confidence.

Respondent Name ____________________________________
Respondent Job Title ____________________________________
Company Name _____________________________________
Telephone Number _____________________________________
Fax Number ____________________________________
E-mail address ____________________________________

Please indicate if you would like a copy of the summary report that will arise from this project:

❑ Yes, if yes indicate your address: ____________________________
❑ No

End of Questionnaire - thank you! Please return it promptly using the enclosed prepaid envelope. We appreciate your help.

If you wish to discuss this survey with the OECD, please contact:

The Business Survey Project
Public Management Service
OECD
2, rue André-Pascal
75775 PARIS Cedex 16

☎ (33-1) 45 24 89 47
Fax: (33-1) 45 24 87 96
E-mail: cesar.cordova@oecd.org
Survey on the Compliance Costs to Businesses of Environmental Regulations

This survey is the first multi-country business survey that will permit an international comparison of regulatory and administrative environments for businesses in OECD countries. It is being conducted jointly by the OECD, national governments, and business associations. The OECD will use the information you provide to develop comparative indicators of regulatory and administrative environments for businesses. These will, in turn, be used by your government to improve the business environment. As one of the very small number of firms in your country to be asked to participate, your answers are very important for the validity of the results. Please take the time to fill in this questionnaire. Most of the respondents will need between 30 and 45 minutes. Once completed, please return it using the enclosed prepaid envelope by (2 weeks after mailing) 1998.

Your answers will remain strictly confidential and will at no time be attributed to you or your company. If you are unable to answer any individual question, leave it blank and move on to the next one. Thank you very much for your collaboration.

Scope of this Survey

This survey covers the costs of complying with all Environmental regulations applicable to your business.

Environmental regulations are government requirements covering:

- licences, permits, planning and environmental impact assessments,
- complying with emission/discharge, hazardous substances requirements, process or product quality standards, pollution control and technological accidents prevention measures,
- environmental reporting and testing, record-keeping and the day-to-day administrative requirements related to the environment,
- environmental levies and taxes,
- eco-labelling of products or processes.

We are asking for the impact of all Environmental regulations that affect your business, no matter what their origin (local, provincial, national or international).

Who should answer this questionnaire?

The survey has been designed to be answered by the General Manager (or equivalent) of a Small or Medium-sized Enterprise.

In the case of a group, holding or multiple site business, answer the questions by trying to estimate the impacts on the whole firm which is the addressee of this questionnaire. If you are part of an international group or have offices/factories in other countries, please reply only for the country to which the questionnaire was sent.
Section A: COMPANY DETAILS

A 1. What is the main economic sector your business operates in? (Please tick one box only)

- Fishing
- Manufacturing
- Construction
- Wholesale, retail trade
- Repair of motor vehicles, cycles, etc.
- Hotels and Restaurants
- Transport, storage and communication
- Financial intermediation
- Real Estate
- Renting of machinery
- Computers and related activities
- Consulting and business activities
- Education and research
- Health and Social work
- Other Services
- Other (specify):

A 2. How many employees did you have at the end of January 1998?

Total: 

A 3. How long has your business been operating? (Please tick one box only)

- less than 2 years
- 2-5 years
- 5 or more years

A 4. What was your business’ last annual gross turnover? (Please provide your answer in local currency)

Total: 

A 5. Does your business have a full or partial foreign ownership? (Please tick one box only)

- Yes
- No

A 6. Over the past two years, what has happened to the performance of your business in the following areas? (Please tick one box in each row only)

<table>
<thead>
<tr>
<th></th>
<th>Decreased substantially</th>
<th>Decreased</th>
<th>No Change</th>
<th>Increased</th>
<th>Increased substantially</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Market share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Profits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Capital Investment</td>
<td></td>
<td></td>
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<td>5. New Product/Service launches</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. If you are an exporter, Export Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A 7. Indicate the name of the State or Province where your firm (or site for a large firm) is located:
Section B: QUALITY OF ENVIRONMENTAL REGULATIONS

This section examines your views about the quality of government Environmental regulations.

**B 1. Thinking about Environmental regulations as a whole, do you agree or disagree with the following statements?** (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree fully</th>
<th>Agree mostly</th>
<th>Disagree mostly</th>
<th>Disagree fully</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. They are easy to understand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. They achieve their objectives as simply as possible</td>
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<td>3. They are flexible enough to be implemented efficiently by businesses</td>
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<td></td>
<td></td>
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<tr>
<td>4. Changes in regulations are predictable</td>
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<tr>
<td>5. Regulations are consistent with one another</td>
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<td></td>
</tr>
<tr>
<td>6. Despite the number of regulations, it is still feasible to comply fully</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**B 2. In your opinion, is the process of developing new regulations usually such that affected businesses are consulted?**

(Please tick one box only)

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Always</th>
<th>Often</th>
<th>Seldom</th>
<th>Never</th>
<th>No Opinion</th>
</tr>
</thead>
</table>

**B 3. In your opinion, what is the general level of compliance with Environmental regulations among the firms in your industry?**

(Please tick one box only)

<table>
<thead>
<tr>
<th>Compliance Level</th>
<th>High level of compliance</th>
<th>Moderate level of compliance</th>
<th>Low level of compliance</th>
<th>No Opinion</th>
</tr>
</thead>
</table>
Section C: QUALITY OF ADMINISTRATION OF ENVIRONMENTAL REGULATIONS

This section examines your views on how the government implements and administers Environmental regulations.

C 1. Thinking about your contacts with government offices TO OBTAIN INFORMATION about Environmental regulations, to what extent do you agree or disagree with the following statements? (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree fully</th>
<th>Agree mostly</th>
<th>Disagree mostly</th>
<th>Disagree fully</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is clear which agency to contact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is easy to contact responsible agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>You get the same view no matter who you contact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The information you get is responsive to your needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C 2. Thinking about your contacts with government authorities TO OBTAIN DECISIONS OR PERMISSIONS on Environmental regulations, to what extent do you agree or disagree with the following statements? (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree fully</th>
<th>Agree mostly</th>
<th>Disagree mostly</th>
<th>Disagree fully</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officials give definite answers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The response of the government authorities is given within a reasonable time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is clear who is responsible for the decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The process for appeals and complaints is clear</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The process is flexible and not bureaucratic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decisions are consistent and predictable over time and amongst similar businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional or unexpected payments are not required</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C 3. During the past year, how many separate decisions or permissions did your business request from a government to comply with Environmental regulations? (Please provide an approximate number)

| Approximate Number |
Section D: ADMINISTRATIVE COMPLIANCE COSTS OF ENVIRONMENTAL REGULATIONS

This section will concentrate only on the administrative compliance costs.

- Administrative costs are defined as formalities and paperwork that your business carries out, or pays somebody to carry out, to comply with Environmental regulations.

  They cover all time and resources spent by owners, managers, staff or hired experts to understand regulations, collect, process, report, retain data as well as fill in forms required by the government, including the administration (but not the actual payments) of Environmental-related taxes.

- Administrative compliance costs do not include capital expenses or payments you make to buy machinery, equipment or other inputs incurred during the production or delivery activities of a firm (for instance, investments in pollution prevention equipment and installations).

- Remember that we are asking about administrative compliance costs of all Environmental regulations that affect your business, no matter what their origin is (local, provincial, national or international).

D 1. How many hours are spent on an average month by staff and management in your business complying with Environmental regulations? (Please make your best estimate in hours per month, and adjust it to take account of very busy or slow months)

D 2. Have you bought in the past year computers or software to mostly help you to comply with Environmental regulations?

  - Yes → If yes, could you estimate your annual computer or software expenses mostly used to comply with Environmental regulations? (Please make your best estimate in local currency)

  - No

D 3. How much money does your business spend during an average month on hiring OUTSIDE services to comply with Environmental regulations? (Please estimate how much you spend during an average month. Include all expenditures on external services, such as accountants, lawyers or pay-roll consultants, for purposes of regulatory compliance)

  monthly expenses
D 4. Please estimate on a four point scale the administrative compliance costs of Environmental regulations related to the activities shown below. (Please tick one box only in each row)

<table>
<thead>
<tr>
<th>Administrative Compliance Costs</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Understanding and communicating regulations (e.g. emission/discharge requirements, hazardous substances control, air quality standards, product regulations)</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>2. Licences, permits, notifications, planning and environmental impact assessment</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>3. Environmental reporting, testing, levies and taxes, record-keeping and the day-to-day administrative requirements relating to the environment</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>4. Matters related to government inspections relating to the environment</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>5. Eco-labelling</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
<tr>
<td>6. Other Environmental requirements</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
<td>❑</td>
</tr>
</tbody>
</table>

D 5. In your opinion, how have administrative compliance costs that result from Environmental regulations changed in the past two years? (Please tick one box only)

- a. introduction of new Environmental regulations
- b. increase in the complexity of existing Environmental regulations
- c. expansion of your company’s activities
- d. increase in compliance with Environmental regulations
- e. other
- f. simplification or reduction of Environmental regulations
- g. successful government reforms to reduce administrative compliance costs
- h. reorganisation of administrative compliance costs in your company
- i. decrease in complying with Environmental regulations
- j. termination of a regulated process, product or service
- k. other

D 6. What is your estimate of the administrative compliance costs of Environmental regulations on your business compared with other firms in your industry? (Please tick one box only)

- Low
- Moderate
- High
- No Opinion

D 7. Does your business have a specialised unit to deal with Environmental concerns? (tick one box only)

- Yes
- How much is the annual budget of this unit?
- estimate of annual expenses
- No
**Basic Information (Optional)**

If you are willing to answer queries that arise from this questionnaire, please provide contact details. Your answers will be treated in strict confidence.

<table>
<thead>
<tr>
<th>Field</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent Name</td>
<td></td>
</tr>
<tr>
<td>Respondent Job Title</td>
<td></td>
</tr>
<tr>
<td>Company Name</td>
<td></td>
</tr>
<tr>
<td>Telephone Number</td>
<td></td>
</tr>
<tr>
<td>Fax Number</td>
<td></td>
</tr>
<tr>
<td>E-mail address</td>
<td></td>
</tr>
</tbody>
</table>

Please indicate if you would like a copy of the summary report that will arise from this project:

- [ ] Yes, if yes indicate your address: ____________________________________
- [ ] No

**End of Questionnaire - thank you! Please return it promptly using the enclosed prepaid envelope. We appreciate your help.**

If you wish to discuss this survey with the OECD, please contact:

- The Business Survey Project
  - Public Management Service
  - OECD
  - 2, rue André-Pascal
  - 75775 PARIS Cedex 16
  - ☏ (33-1) 45 24 89 47
  - Fax: (33-1) 45 24 87 96
  - E-mail: cesar.cordova@oecd.org
Survey on the Compliance Costs to Businesses of Tax Regulations

This survey is the first multi-country business survey that will permit an international comparison of regulatory and administrative environments for businesses in OECD countries. It is being conducted jointly by the OECD, national governments, and business associations. The OECD will use the information you provide to develop comparative indicators of regulatory and administrative environments for businesses. These will, in turn, be used by your government to improve the business environment. As one of the very small number of firms in your country to be asked to participate, your answers are very important for the validity of the results. Please take the time to fill in this questionnaire. Most of the respondents will need between 30 and 45 minutes. Once completed, please return it using the enclosed prepaid envelope by (2 weeks after mailing) 1998.

Your answers will remain strictly confidential and will at no time be attributed to you or your company. If you are unable to answer any individual question, leave it blank and move on to the next one. Thank you very much for your collaboration.

Scope of this Survey

This survey covers the compliance costs of Tax regulations applicable to your business. Compliance costs are defined as the formalities and paperwork that your business carries out, or pays somebody to carry out, to comply with Tax regulations. They include all the time and resources spent by owners, managers, staff or hired experts to understand regulations, plan (e.g. considering the tax implications of particular transactions), collect, process, report, retain data as well as fill in forms required to comply with:

- Business Profits Tax/Corporate Tax
- Other Taxes on Capital and Property (e.g. dividend tax, property tax)
- Sales Taxes (e.g. VAT, general sales taxes)
- Tax deductions requests
- Other Taxes and related requirements.

Costs resulting from employment-related taxes and other payment are not included, as they will be cover by a specific survey on Employment regulations.

THE AMOUNT OF TAXES PAID TO THE GOVERNMENT SHOULD NOT BE CONSIDERED AS COMPLIANCE COSTS.

We are asking for the impact of all Tax regulations that affect your business, no matter what their origin is (local, provincial, national or international).

Who should answer this questionnaire?

- The survey has been designed to be answered by the General Manager (or equivalent) of a Small or Medium-sized Enterprise.
- In the case of a group, holding or multiple site business, answer the questions by trying to estimate the impacts on the whole firm which is the addressee of this questionnaire. If you are part of an international group or have offices/factories in other countries, please reply only for the country to which the questionnaire was sent.
Section A: COMPANY DETAILS

A 1. What is the main economic sector your business operates in? (Please tick one box only)

- Fishing
- Manufacturing
- Construction
- Wholesale, retail trade
- Repair of motor vehicles, cycles, etc.
- Hotels and Restaurants
- Transport, storage and communication
- Financial intermediation
- Fishing
- Real Estate
- Renting of machinery
- Computers and related activities
- Consulting and business activities
- Education and research
- Health and Social work
- Other Services
- Other (specify): _________

A 2. How many employees did you have at the end of January 1998?

Total: __________________________

A 3. How long has your business been operating? (Please tick one box only)

- less than 2 years
- 2-5 years
- 5 or more years

A 4. What was your business’ last annual gross turnover? (Please provide your answer in local currency)

Total: __________________________

A 5. Does your business have a full or partial foreign ownership? (Please tick one box only)

- Yes
- No

A 6. Over the past two years, what has happened to the performance of your business in the following areas? (Please tick one box in each row only)

<table>
<thead>
<tr>
<th>Area</th>
<th>Decreased substantially</th>
<th>Decreased</th>
<th>No Change</th>
<th>Increased</th>
<th>Increased substantially</th>
<th>Do not apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Market share</td>
<td></td>
<td></td>
<td></td>
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<td>6. If you are an exporter, Export Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Do not apply
A 7. Indicate the name of the State or Province where your firm (or site for a large firm) is located:


A 8. What is the legal status of your business? (Please tick one box only)

- Sole proprietor
- Partnership
- Incorporated company
- Trust
- Other (please specify) _____________________________
Section B: QUALITY OF TAX REGULATIONS

B 1. Thinking about Tax regulations as a whole, do you agree or disagree with the following statements? (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree fully</th>
<th>Agree mostly</th>
<th>Disagree mostly</th>
<th>Disagree fully</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. They are easy to understand</td>
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<tr>
<td>6. Despite the number of regulations, it is still feasible to comply fully</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B 2. In your opinion, is the process of developing new regulations usually such that affected businesses are consulted?
   (Please tick one box only)

<table>
<thead>
<tr>
<th>Process of developing new regulations</th>
<th>Always</th>
<th>Often</th>
<th>Seldom</th>
<th>Never</th>
<th>No Opinion</th>
</tr>
</thead>
</table>

B 3. In your opinion, what is the general level of compliance with Tax regulations among the firms in your industry?
   (Please tick one box only)

<table>
<thead>
<tr>
<th>Level of compliance</th>
<th>High level of compliance</th>
<th>Moderate level of compliance</th>
<th>Low level of compliance</th>
<th>No Opinion</th>
</tr>
</thead>
</table>

35
Section C: QUALITY OF ADMINISTRATION OF TAX REGULATIONS

This section examines your views on how the government implements and administers Tax regulations.

C 1. Thinking about your contacts with government offices TO OBTAIN INFORMATION about Tax regulations, to what extent do you agree or disagree with the following statements? (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree fully</th>
<th>Agree mostly</th>
<th>Disagree mostly</th>
<th>Disagree fully</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. It is clear which agency to contact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. It is easy to contact responsible agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. You get the same view no matter who you contact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. The information you get is responsive to your needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C 2. Thinking about your contacts with government authorities TO OBTAIN DECISIONS OR PERMISSIONS on Tax regulations, to what extent do you agree or disagree with the following statements? (Please tick only one box in each row)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree fully</th>
<th>Agree mostly</th>
<th>Disagree mostly</th>
<th>Disagree fully</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Officials give definite answers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The response of the government authorities is given within a reasonable time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. It is clear who is responsible for the decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. The process for appeals and complaints is clear</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. The process is flexible and not bureaucratic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Decisions are consistent and predictable over time and amongst similar businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Additional or unexpected payments are not required</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C 3. During the past year, how many separate decisions or permissions did your business request from a government? (Please provide an approximate number)
Section D: ADMINISTRATIVE COMPLIANCE COSTS OF TAX REGULATIONS

This section asks you to estimate the administrative compliance costs imposed on your business by Tax regulations.

Remember:

• Do not include neither the costs resulting from Employment-related taxes and other payments (as they will be included in a specific survey of Employment regulations), nor the amount of tax paid to the government.

• We are asking about administrative compliance costs of all Tax regulations that affect your business, no matter what their origin (local, provincial, national or international).

D 1. How many hours are spent on an average month by staff and management in your business complying with Tax regulations? (Please make your best estimate in hours per month, and adjust it to take account of very busy or slow months)

hours per average month

D 2. Have you bought in the past year computers or software to mostly help you to comply with Tax regulations?

☐ Yes → If yes, could you estimate your annual computer or software expenses mostly used to comply with Tax regulations? (Please make your best estimate in local currency)

estimate of annual expenses

☐ No

D 3. How much money does your business spend during an average month on hiring OUTSIDE services to comply with Tax regulations? (Please estimate how much you spend during an average month. Include all expenditures on external services, such as accountants, lawyers or pay-roll consultants, for purposes of regulatory compliance)

monthly expenses
D 4. Please estimate on a four point scale the administrative compliance costs of Tax regulations related to the activities shown below. (Please tick one box only in each row)

<table>
<thead>
<tr>
<th>Administrative Compliance Costs</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Business Profits Tax/Corporate Tax</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>2. Other Taxes on Capital and Property (dividend tax, property tax)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>3. Sales Taxes (VAT, general sales taxes)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>4. Tax deduction requests</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

D 5. In your opinion, how have administrative compliance costs that result from Tax regulations changed in the past two years? (Please tick one box only)

- ☐ 1. increased substantially as a result of new Tax regulations
- ☐ 2. increased as a result of the increase in the complexity of existing Tax regulations
- ☐ 3. stayed the same as a result of the expansion of your company’s activities
- ☐ 4. decreased as a result of the increase in the compliance with Tax regulations
- ☐ 5. decreased substantially as a result of the simplification or reduction of Tax regulations
- ☐ 6. stayed the same as a result of the successful government reforms to reduce administrative compliance costs
- ☐ 7. decreased substantially as a result of the other
- ☐ 8. decreased as a result of the decrease in complying with Tax regulations
- ☐ 9. stayed the same as a result of the termination of a regulated process, product or service
- ☐ 10. increased as a result of the other

D 6. What is your estimate of the administrative compliance costs of Tax regulations on your business compared with other firms in your industry? (Please tick one box only)

<table>
<thead>
<tr>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>No Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
Basic Information (Optional)

If you are willing to answer queries that arise from this questionnaire, please provide contact details. Your answers will be treated in strict confidence.

Respondent Name ___________________________________
Respondent Job Title ___________________________________
Company Name ___________________________________
Telephone Number ________________________________
Fax Number ________________________________
E-mail address ___________________________________

Please indicate if you would like a copy of the summary report that will arise from this project:

☐ Yes, if yes indicate your address: ________________________________
☐ No

End of Questionnaire - thank you! Please return it promptly using the enclosed prepaid envelope. We appreciate your help.

If you wish to discuss this survey with the OECD, please contact:

The Business Survey Project
Public Management Service
OECD
2, rue André-Pascal
75775 PARIS Cedex 16

☎ (33-1) 45 24 89 47
Fax: (33-1) 45 24 87 96
E-mail: cesar.cordova@oecd.org
ANNEX 2
SUGGESTED COVER LETTER FOR THE 1ST MAILING

Organisation for Economic Co-operation and Development (OECD), Government sponsor, Business representative sponsor

<<name>>
<<address>>

March 16, 1998

Dear Mr/ Mrs /Ms <<name>>

The cost of complying with << policy area* >> regulations and other government information requirements has become a major issue in today’s world. Regulations and formalities are of course important tools for the conduct of public policies, but in a time of profound and rapid change in economic and social conditions, they can impose unnecessary costs, discouraging entrepreneurship and slowing down business responsiveness.

Together the <<Government Ministry’s sponsor >>, the <<Business Association’s sponsor>> and the Organisation for Economic Co-operation and Development (OECD) are launching a major survey to study these costs. Your assessment of the quality of the regulations and estimates of the costs they impose on your business is very important as a guide to ways to reduce them. Please take 30 to 45 minutes of your schedule to reply to the enclosed questionnaire and return it in the prepaid envelope as soon as possible.

Your business is one of a small number selected to participate to this survey. All responses will remain confidential. The identification number in the upper right-hand side corner will be used only to confirm that you have responded, so that you will not be bothered with follow-up mailings.

Your opinions are crucial. We will be pleased to send you a summary of the results in acknowledgement of the time and trouble you have taken in completing the questionnaire. We believe you will find the summary not only of interest but of value.

Thank you for your participation.

Sincerely,

Government Business Association
High official High official

* Indicate as appropriate the policy area selected (i.e. tax, employment, environmental regulations).
Suggested cover letter for the 1st reminder

Organisation for Economic Co-operation and Development (OECD),
Government sponsor, Business representative sponsor

<<name>>
<<address>>

March 23, 1998

Dear Mr/ Mrs /Ms <<name>>

About a week ago we wrote to ask for your help in completing a questionnaire on the cost of complying with government regulations and formalities. Because a full set of returns is of worldwide importance, we are taking the liberty of sending you this reminder. Please let us have your completed questionnaire as soon as possible (you will find a prepaid envelope enclosed).

On completion of the survey, we will be pleased to send you a summary of the results as a small recognition of the time and trouble you took in answering the questionnaire. I would like to thank you on behalf of <<Government’s High official>> and <<Business Association’s High official>>.

If you have already responded, please ignore this reminder.

Sincerely,

Business Survey Manager
Suggested cover letter for 2nd reminder

Organisation for Economic Co-operation and Development (OECD),
Government sponsor, Business representative sponsor

<<name>>
<<address>>

April 6, 1998

Dear Mr/ Mrs /Ms <<name>>

Three weeks ago we sent you a questionnaire designed to evaluate the administrative burdens to businesses of << policy area >> regulations and formalities. The response rate so far, has been high, but we have not yet received your response. Because it is vitally important for the accuracy and completeness of our study I am sending you another copy of the questionnaire for your convenience. Again, I stress the importance of your contribution to this worldwide survey.

Please return the questionnaire as soon as possible (you will also find enclosed a prepaid envelope). You will see from the questionnaire that you can receive a summary of the results. We will be pleased to send it to you in acknowledgement of the time and trouble you have taken in completing the questionnaire.

I would like to thank you on behalf of <<Government’s High official>> and <<Business Association’s High official>>.

If you have already responded, please ignore this reminder

Sincerely,

Business Survey Manager

PS If you prefer not to compile the full questionnaire, please answer the two questions included in the enclosed prepaid postcard and return it to us. Thank you.

* Indicate as appropriate the policy area selected (i.e. tax, employment, environmental regulations).
ANNEX 3
PRE-PAID POSTCARD TO ANALYSE NON-RESPONSES

Organisation for Economic Co-operation and Development (OECD),
Government sponsor, Business representative sponsor

April 6, 1998

Dear Sir/Madam

As we did not receive the questionnaire mailed to you a few weeks ago, we would like to know the reasons why you did not wish to participate to the world-wide business survey on regulatory environments and costs. Thus, could you please answer the two following questions:

1. What is be your most likely reason for not completing the questionnaire? (Please tick all the boxes that apply)

- Questionnaire is too long
- The answers refer to confidential information of my business
- Questions are too complex
- Compliance costs are too difficult to summarise
- I am not interested in the subject
- Presently I am too busy
- I have already answered a similar questionnaire before
- Other reason (please specify):

2. What is your estimate of the administrative compliance costs of <<policy area>> regulations on your business compared with other firms in your industry? (Please tick one box only)

   No Opinion

   Low Moderate High

   ☐ ☐ ☐ ☐

Thank you again for your co-operation.

Business Survey Manager
ANNEX 4
PRINCIPLES USED TO ESTABLISH THE REQUIRED SAMPLE SIZE

The number of questionnaires required in each of the participating countries to the Multi-country business survey, i.e. 2 700 questionnaires mailed out, has been set according to several statistical principles summarised thereafter.

1. Reliability of the results

The reliability (or accuracy) of a result measured among a sampled population is called its level of confidence. It depends mainly on the number of people interviewed\(^2\).

Therefore, the OECD and its advisors recommend to conduct a number of interviews that would be a fair compromise between the requirements of the survey (in terms of confidence) and the relative costs of implementing it.

2. Comparisons between companies according to their field of activity and/or company size

The impact of administrative compliance costs on businesses probably varies depending on the companies' field of activity and/or size. Thus, the results of the Multi-country Business Survey would be much more valuable if they enabled a Governments and Business Associations to compare results obtained in their country between different fields of activity and company sizes.

This is why it was decided to select 3 different fields of activity and 3 company sizes (see section 2.1).

3. Number of interviews required per field of activity and/or company size

Comparisons between different fields of activity and company sizes are one of the objectives of the study. As mentioned above, this can only be ensured by conducting a minimum number of interviews within each of these sub-groups.

Once again, a fair compromise between these requirements and the relative costs had to be found. Therefore, a sample size of 60 interviews per field of activity and per company size was selected.

With 60 questionnaires, a difference of 20 points between two percentages (e.g. 50 % vs. 30 %) will be sufficient to ensure that the difference is statistically different. The level of confidence\(^3\) in the results will then be satisfactory.

4. Number of questionnaires to be mailed

\(^2\) It also depends on the level of results obtained: confidence is the highest for percentages close to 0 % or to 100 % and the lowest for percentages close to 50 %. Nonetheless, the sample size is the most important parameter and the only one on which actions are possible.

\(^3\) at 90% confidence.
The OECD anticipates a 20% response rate. This evaluation is based on the data collection method (self-administered mailed questionnaires), and the targeted respondents (SMEs senior executives).

Then, in order to obtain 60 interviews for each field of activity / company size, it will be necessary to mail 60 \div 0.2 = 300 questionnaires (per field of activity / company size).

As there will be 3 fields of activity (and 3 company sizes) studied for each policy area, it will then be necessary to mail 300 \times 3 = 900 questionnaires per policy area.

This sample size corresponds to 180 questionnaires received for each policy area. With such a sample size, a difference of 10 points between two percentages (e.g. 50% vs. 40%) will be sufficient to ensure that the difference is statistically different. The level of confidence in the results will then be very good.

Lastly, as there are 3 policy areas, the total number of questionnaires to be mailed will be 900 \times 3 = 2700.

5. Number of interviews required per country

The statistical significance of a result depends on the number of interviews conducted. Consequently, it does not depend on the size of the total population.

Therefore, there is no statistical reason why the sample size should not be the same in every country.
ANNEX 5
STATISTICAL PROTOCOL FOR A SMALL-SCALE SURVEY

For countries that may need less information or encounter implementation constraints to undertake the recommended protocol in section 2, a small-scale survey of 500 mailed questionnaires per policy area (1500 in total) can be considered. With an expected response rate of 20%, this small-scale survey should produce a minimum of 100 answered questionnaires which would enable reliable national results in each area. These national results will however not be sufficient to provide statistical estimates for the strata chosen (i.e. size of firms and economic sectors). Nevertheless they will be comparable with those of the other countries that will have chosen the recommended survey size (over 180 answered questionnaires per policy area).

In order to have an efficient sample selection, the addresses should be selected with the same probability \( n_{ij} \) in each stratum.

Table 9 shows the number of businesses of a given country within the field of the study:

<table>
<thead>
<tr>
<th></th>
<th>Manufacture</th>
<th>Services with physical impacts</th>
<th>Services without physical impacts</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-19 employees</td>
<td>( N_{11} )</td>
<td>( N_{12} )</td>
<td>( N_{13} )</td>
<td>( N_1 )</td>
</tr>
<tr>
<td>20-49 employees</td>
<td>( N_{21} )</td>
<td>( N_{22} )</td>
<td>( N_{23} )</td>
<td>( N_2 )</td>
</tr>
<tr>
<td>50-449 employees</td>
<td>( N_{31} )</td>
<td>( N_{32} )</td>
<td>( N_{33} )</td>
<td>( N_3 )</td>
</tr>
<tr>
<td>Total</td>
<td>( N_{1} )</td>
<td>( N_{2} )</td>
<td>( N_{3} )</td>
<td>( N_{..} )</td>
</tr>
</tbody>
</table>

Let \( n \) be the total number of addresses to be selected.

In the case of a small-scale sample \( n = 1875 \)

i.e. 100 (answered questionnaires needed) \( \times 3 \) (three policy areas) \( \times 5 \) (corresponding to a 20% response rate) \( \times 1.25 \) (need to have 25% “spare” addresses) = 1875

The number of addresses to be selected in Stratum \( S_{ij} \) will be:

\[ n_{ij} = n \times \frac{N_{ij}}{N_{..}} \]
For instance, if in the stratum $S_{11}$, the number of businesses is $N_{11} = 28,800$ and the total number of businesses in the field of the study is $N = 240,000$, then the number of addresses that need to be selected in the stratum $S_{11}$ will be:

$$n_{11} = n \times \frac{N_{11}}{N} = 1,875 \times \frac{28,800}{240,000} = 225$$

In this stratum $S_{11}$, the number of addresses in each policy area will be: 75 ($225 / 3$) and the number of addresses sent in the first mailing will be 60 ($75 \times 1.25$).

As indicated before, the same method should then be applied to each one of the nine stratum.

The rest of the procedure and recommendations described in the guideline should then be applied without modifications.