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BUSINESS SURVEY: SUMMARY OF COMMENTS RECEIVED ON "THE PUMA MULTI-COUNTRY BUSINESS SURVEY" [PUMA/REG(98)10]

Meeting of the Regulatory Management and Reform Group, Public Management Committee, OECD Headquarters, Château de la Muette, Paris 29-30 June 1998

1. Delegates will find attached a document that was prepared as Room document N°2 for the 4-5 December 1997 meeting of the Regulatory Management and Reform Group. It summarises the observations and recommendations received in response to the circulation for comments of the following document: Multi-country Business Survey: Benchmarking Regulatory and Administrative Business Environment of small and medium-sized enterprises [PUMA/REG(97)10].

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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SUMMARY OF COMMENTS RECEIVED ON “THE PUMA MULTI-COUNTRY BUSINESS SURVEY” (PUMA/REG(97)10)

1. Last October, the Secretariat has circulated and discussed the above mentioned document with a wide range of groups and experts¹. In general the survey in its present form was welcomed. Interesting specific suggestions and comments were made. The final version of three will incorporate those improvements. This note will concentrate however on some important points that may need further clarification².

Degree of specificity of the survey

2. Some commentators suggested a higher degree of specificity in the questions. A particular concern was to target some questions on precise rules or taxes or include open-ended questions in order to identify a given regulation that may need to be reformed. Ultimately this project intends to support such initiatives. However, it is important to stress that the objective to obtain comparable data from different countries, the range of policy areas covered, and the scale and overall cost of the survey implies a less ambitious endeavour. For instance, it would be very costly and probably not very useful to have open-ended questions translated and compared across OECD countries. The main purpose of the survey should be to provide a first set of internationally comparable indicators of the regulatory environmental aspects of participating countries (administrative compliance costs, quality of regulations, and aspects related to their administration) in major regulatory areas (environment, employment and tax compliance). These indicators should supply meaningful information and help countries to identify potential problem areas for further review. The survey should then be considered as a starting point that may subsequently be followed-up by individual government or business associations through more in-depth studies. To obtain more precise estimates on which to base specific policy actions, countries may need to complement the survey with more rigorous methods of data gathering (e.g. face to face interviews, micro economic models, studies of archetype enterprises, etc.).

Sample unit

3. Important remarks were made concerning the definition of the respondent's "business" and the targeting of establishment/site or enterprise/company. As a result of the pilot, a compromise was established in order to permit holding or multi-site firms to answer either globally or for a single site. However, the small size of the survey on one hand, and on the other the statistical complexities to be introduced in the questionnaires and data analysis processes in order to gross up returns based on establishments (for large firms) and enterprises (for SMEs) lead to a decision 1) to define the sample unit as "registered enterprises" (i.e. head office or holding company including establishments and subsidiaries)

¹ Mainly the Working Group of the Industry Committee, the Working Party on Tax Policy Analysis and Tax Statistics of the Committee on Fiscal Affairs, the PUMA Committee, the PUMA Group on Benchmarking, the Directorate on Education, Employment, Labour and Social Affairs, as well as the people in charge of the World Bank *Survey on Institutional Obstacles to Doing Business*, and Gallup France (the PUMA survey consultant).

² A specific note addressing the issue of the size and stratification of the survey was distributed as Room Document during the 4-5 December 1997 Meeting. [This document was latter included in document *Implementation Guidelines* (PUMA/REG(98)6)].

and 2) design the sample protocol to draw firms from SMEs only³, excluding large firms which most often operate with multiple establishments or sites.

The questionnaires

4. Many commentators still considered the questionnaires to be too long and complex, and hence a too heavy burden for the respondents. A specific concern was the impact the size of the questionnaire would have on the response rate. It was thus proposed to further reword and simplify some questions and further shorten the questionnaires as well as improve the layout.

³ The sample should also avoid to target self-employed professionals or very small SMEs (less than 10 employees) because of the difficulty for the respondent to exclude non business income compliance costs and the very low rate response rate usually encountered with these categories.