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Constraints to Economic Growth:
Findings from the Industrial Enterprise
Survey**

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**Institutional and General Economic Constraints
to Economic Growth
(Findings from the Industrial Enterprise Survey)**

Abstract

In December 2007, the Institute for the Economy in Transition (IET) carried out a survey of Russian industrial enterprises to identify their perceived constraints to successful economic development. Senior managers of enterprises were asked to answer 2 groups of questions and to assess: 1) government interference in decision making of enterprises, and 2) changes in various factors that may constrain further output growth.

Findings of the survey suggest a conclusion that the structure of constraints to industrial growth, at least for medium and large businesses, considerably changed in the last 2-3 years. At present, the most critical barriers include constraints relatively new for firms and different from those experienced in the previous decade -- constraints related to energy, labor, and transportation. According to the abovementioned BEEPS, these areas were problematic in less than 15% of all cases, i.e. actually they were not considered as problems back in 2002 and 2005. However, according to this survey, the situation changed drastically by the end of 2007. Enterprises face very serious “physical” constraints to further growth, and it is very hard for them to solve such problems in a traditional way by “settling a problem with officials”.

In December 2007, the Laboratory for Market Studies within the Institute for the Economy in Transition (IET) carried out a survey of Russian industrial enterprises to identify constraints to successful economic development. During the survey, senior managers of enterprises were asked to answer 2 groups of questions and to assess: 1) government interference in decision making of enterprises, and 2) changes in various factors that may constrain further production growth. Senior managers of 673 enterprises fully or partly answered the posed questions. Questions from the first group were answered by 96.1% of respondents and questions from the second group were answered by 85.3%.

According to the survey, management decision making at the level of enterprises is not yet free from interference of state officials. 10.6-32.2% of respondents (depending on the area of decisions made) experience interference of state officials in management activities (See Figure 1 and Table 1). But such interference is not of systemic nature. In all cases, over 60% of respondents answered that there was no interference at all. Answers “affects each decision” or “often” were given by less than 10% of respondents irrespective of the area of management decisions.

The most frequent interference of state authorities is observed in the areas related to labor remuneration: answers “affects each decision” or “often” were given by 7.6% of respondents, and answers “sometimes” accounted for 24.4% of the total. The lowest level of the state interference is observed in the area of mergers and acquisitions (the share of answers “affects each decision”, “often”, and “sometimes” is 10.1%). But a very high share (almost a quarter) of answers “difficult to assess” to this question may indicate that such events occur relatively rare and companies lack experience in the respective area.

Treatment of answers to the first group of questions (by types of ownership) shows that the state, as was expected, more frequently interferes in operations of state-owned companies. For instance, answers “the state affects each decision” given by state-owned companies to the question on mergers and acquisitions are 10% higher, answers related to labor remuneration are 8% higher, and answers related to investment projects are 6.7% higher than those received from private enterprises. The share of answers “difficult to assess” given to the question on mergers and acquisitions by senior managers of state-owned companies is also 11% higher than that from private firms. Together with the answers “affects each decision”, the latter may suggest the following interpretation: mergers and acquisitions is quite a rare event for state-owned companies compared to the private sector, but when they occur the state plays a key role in such transactions.

Answers to the second group of questions on “changes of major constraints to enterprise development and output growth in 2000-2007” are presented in Figure 2 and Table 2. If the answers “situation improved” and “situation significantly improved” are combined in one group, and the answers “situation worsened” and “situation seriously worsened” are combined in the other group, one may see that, in general, Russian industrialists are not satisfied with the changes in business environment. For instance, senior managers of industrial enterprises reported improvements only for two (“access to financing” and “labor legislation”) out of thirteen business environment components included in the survey and deterioration for the rest eleven components.

The total share of answers indicating improvements in access to financing and cost of financing is 21% higher than those reflecting deterioration in this area. But this assessment of access to external financing is common only for large and medium businesses (Table 4). The most positive changes are reported by large companies. However, this is not the case for small enterprises (less than 100 employees) where the balance of answers is -7.9%. Respectively,

access to external financing for mining enterprises (the balance of answers is +57.7%, see Table 5) was much better than for those in manufacturing industries (by +22.4%).¹

At present, labor force shortages are the most serious obstacle for the development of all groups of industrial enterprises. 50.4% of respondents reported deterioration in this area and only 8% reported improvements. Energy supply is the second serious constraint to further growth (49.3% reported deterioration and 12% reported improvements). The third critical constraint reported by senior managers of enterprises – “anti-competitive practices of other enterprises” – is also quite noticeable (25.6% reported deterioration and only 4.4% reported improvements).

Quite unanimously, enterprises assessed changes in these three components of business environment as negative. All groups of enterprises (irrespective of type of ownership, size or industry) underline the gravity of these three constraints to further development. It should be noted that manufacturers are more sensitive to anti-competitive market practices (balance of their answers is - 25.1%) than those operating in the mining industry (balance is 0.0%).

Tax inspections is the fourth serious constraint (balance of answers is - 15.3%). The fact that tax administration is assessed more negatively than other elements of the regulatory system (such as courts and customs offices) is unsurprising as this is the only authority that deals with all enterprises very often. “Anti-tax bias” is common for the most of similar surveys all over the globe. The findings of this report show that the difference between negative assessments of tax authorities and other administrative restrictions is not yet very high.²

According to reports of senior managers of enterprises, deterioration of other components of the business environment was less critical. However, in some cases answers vary substantially across groups of enterprises. Thus, transportation in general was assessed as insignificantly deteriorated (balance of answers is -3%), while comparison of enterprises by size gives the highest variation in answers. Transportation is assessed as a serious constraint to business development by small businesses with less than 100 employees (balance of answers is -29.3%) and mining enterprises (-19.2%).

¹ In this paper, between-group differences in assessment of various factors are statistically significant at 1% level unless otherwise specified. Z-test was used to check the balances of answers for 2 groups of enterprises.

² BEEPS findings also show that, on the average, Russian enterprises blame tax administration quality and tax rates in much fewer cases than those operating in other transition economies.

While, in general, enterprises assess changes in the judiciary as moderately negative (balance is -6.2%), deterioration in this area is most frequently reported by senior managers of mining enterprises (balance is -7.8%) and small businesses (balance is -20.5%). This finding corresponds with those presented in the anti-corruption study carried out earlier by the World Bank and EBRD.³ According to this study, business community reported that the problem of corruption in courts was getting worse in 2002-2005.

Findings on correlation between assessment of changes in business environment (Tables 6 and 7) and optimism of senior managers of enterprises are also worthy to mention. For the purpose of this report, answers of enterprises to the questions on changes of their output and earnings expected in the nearest 2-3 months were used as a measure for business optimism. One of the findings of the abovementioned World Bank and EBRD report was that enterprises tended to report more often on corruption reduction when their perception of economic trends was more positive. Similar findings were made in the IET's survey. Pessimistic managers assessed dynamics of constraints to business development more negatively than optimistic managers. Answers of enterprises given on the basis of expected output differs at 1% level of significance virtually for all components of business environment.

More optimistic senior managers (who expect output growth⁴) assess key factors limiting growth – energy supply and labor force – considerably less negatively than pessimistic managers. There is a more than 30% difference between respective balances of answers. Optimistic enterprises report that access to financing has strongly improved (balance of answers is +29.7%), while it has deteriorated for pessimistic enterprises (balance is -36.5%). There are noticeably less reports on high taxes from optimistic enterprises (difference in balances of answers is around 35%).

The latter group of answers can be interpreted in the following way: imperfection of business environment to a lesser extent suppresses development of more successful enterprises. Therefore, overall growth potential seems to be higher than it appears from average assessments. For instance, dissatisfaction with high taxes and labor shortages may, to some extent, reflect inefficient performance of enterprises whose market share is reduced against the background of overall economic growth.

³ EBRD-World Bank Business Environment and Enterprise Performance Survey (BEEPS). 2006. See also Raj M. Desai and Itzhak Goldberg, Eds. 2007. Enhancing Russia's Competitiveness and Innovative Capacity. The World Bank. Washington, DC.

⁴ 180 enterprises expected output growth and 184 enterprises expected output decline.

⁵ 114 enterprises expected growth in earnings and 256 enterprises expected decline in earnings.

However, these findings do not discredit a more general conclusion – serious deterioration of business conditions reported by enterprises. Mass discomfort experienced by senior managers of all groups of enterprises should not be ignored. It is assumed that such discomfort is caused by fully objective constraints to higher industrial growth rates.

Answers by expected increase or decline in earnings vary in a similar way.⁵

These findings serve a basis for further comments on the state and trends of business environment in the nowadays Russian economy.

- For incumbent and, first of all, large firms, the state of institutional environment (administrative barriers) is not a critical factor. Those who survived in the Russian market know how to cope with administrative barriers. Regulatory constraints remain a serious problem, they are a constant headache for directors, but they can be solved with well-tried (although costly) methods and now are not considered as a main constraint to production growth.
- But the same administrative barriers seem to be extremely high for new and small businesses. This conclusion can be drawn from comparing findings of the IET's survey and BEEPS⁶. This is the reason for low entry rate for new enterprises and low competition. In this regard, findings of the IET's survey seem to understate problems related to administrative barriers.
- In general, business environment is less conducive for small firms and manufacturers which corresponds with low diversification of the Russian economy.
- Nevertheless, findings of the survey entitle us to draw a conclusion that the structure of constraints to industrial growth, at least for medium and large businesses, considerably changed in the last 2-3 years. At present, the most critical barriers include constraints relatively new for firms and different from those experienced in the previous decade, viz. constraints related to energy, labor⁷, and transportation. According to the abovementioned

⁶ To compare findings of the IET's survey and BEEPS, one should take into account differences of respective samples. The main difference is that the BEEPS has a greater focus on small businesses (only 34% of enterprises has more than 50 employees) and the IET's survey shifts its focus to large businesses (the number of employees in 93% of firms is over 100 persons). In addition, all 673 enterprises covered by the IET's survey in December are industrial, while only 40% of 599 enterprises covered by the BEEPS in 2005 related to industry. Therefore, deeper dissatisfaction with the state of regulatory system in the BEEPS is likely to be related with a higher share of small businesses for whom these problems are more acute.

⁷ In addition, it should be noted that, according to other surveys, the problem of labor shortages is most common for least efficient enterprises who are unable to pay adequate wages.

BEEPS, these areas were problematic in less than 15% of all cases, i.e. actually they were not considered problems in 2002 and 2005. However, according to this survey, the situation changed by the end of 2007. Enterprises face very serious “physical” constraints to further growth, and it is very hard for them to solve such problems in a traditional way by “settling a problem with officials”. Instead, they have to create conducive working environment, invest in energy, etc.

- Sharp changes in the structure of administrative/regulative and general economic conditions for business development prove that the phase of recovery growth in the Russian economy is over. Firms can no longer survive using old resources such as reserves of (power) facilities and skilled labor force. Probably, this is a short-term trend. Firms will quite soon get used to the new situation and begin to blame the state of business environment and administrative barriers again as the latter stay important and seem to be less serious only because of new problems.
- Better access of enterprises to external financing is the most important positive change of business environment over the last years. Even in 2005, surveys did not show such a noticeable progress in this area.
- Correlation between findings based on two types of questions is also worthy to note. At the level of national policies, the state almost never interferes in operations of private firms and the latter do not face serious constraints to their development strategies caused by purposeful resistance of government officials. The extent of systematic direct interference in business operations is relatively low. Interference of government officials is rare and limited by lobbying specific decisions and projects implemented by state-owned enterprises. However, the number of indirect barriers in the process of implementation of business strategies is very high. The main reason for interference in business operations is “how to do” rather than “what to do”. This reflects administrative frictions in the process of growth.
- Presence of system constraints related to energy and transportation and reported by respondents also proves general soundness of recent government decisions to ensure drastic increase of state investments in infrastructure and enhance opportunities for private investments in this area (public-private partnership and other mechanisms). These efforts should be complemented with measures to further liberalize labor market, tighten budget constraints for inefficient enterprises, and support labor immigration and mobility.

Figure 1. Extent of State Interference in Decision Making, by the areas of management decisions, % of the total answers

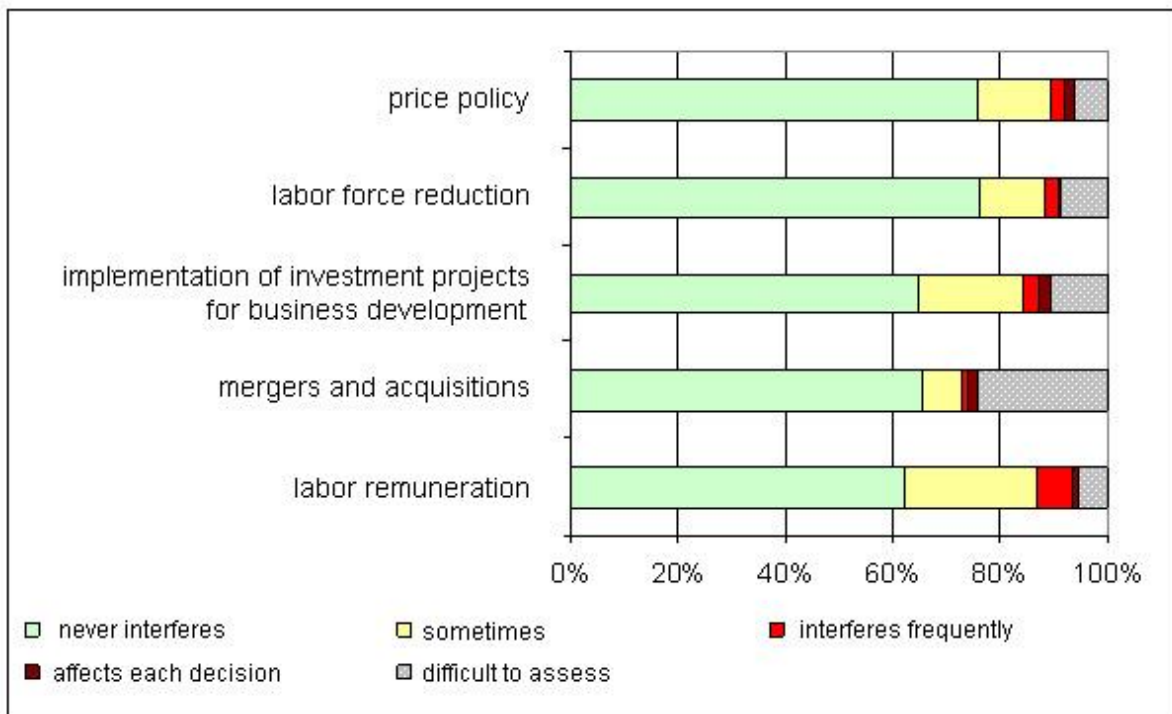


Table 1. Distribution of Answers to the Questions on the Extent of State Interference in Decisions Made by Enterprises

How often do state and local authorities interfere in decisions made by your enterprise in the following areas:	Distribution of answers by groups, % of the sample					Share of respondents who answered the question, %
	Affect each decision	Interfere frequently	Sometimes	Never interfere	Difficult to assess	
1. implementation of investment projects for business development	2.2	3.0	19.0	63.6	10.3	98.1
2. labor force reduction	0.6	2.2	11.7	74.7	8.5	97.8
3. labor remuneration	1.2	6.4	24.4	61.5	5.3	98.8
4. price policy	1.8	2.4	13.2	75.0	6.2	98.7
5. mergers and acquisitions	1.6	1.5	7.0	63.0	23.0	96.1

Figure 2. Changes in Various Constraints to Production Growth in 2007 compared to 2000, % of the total answers

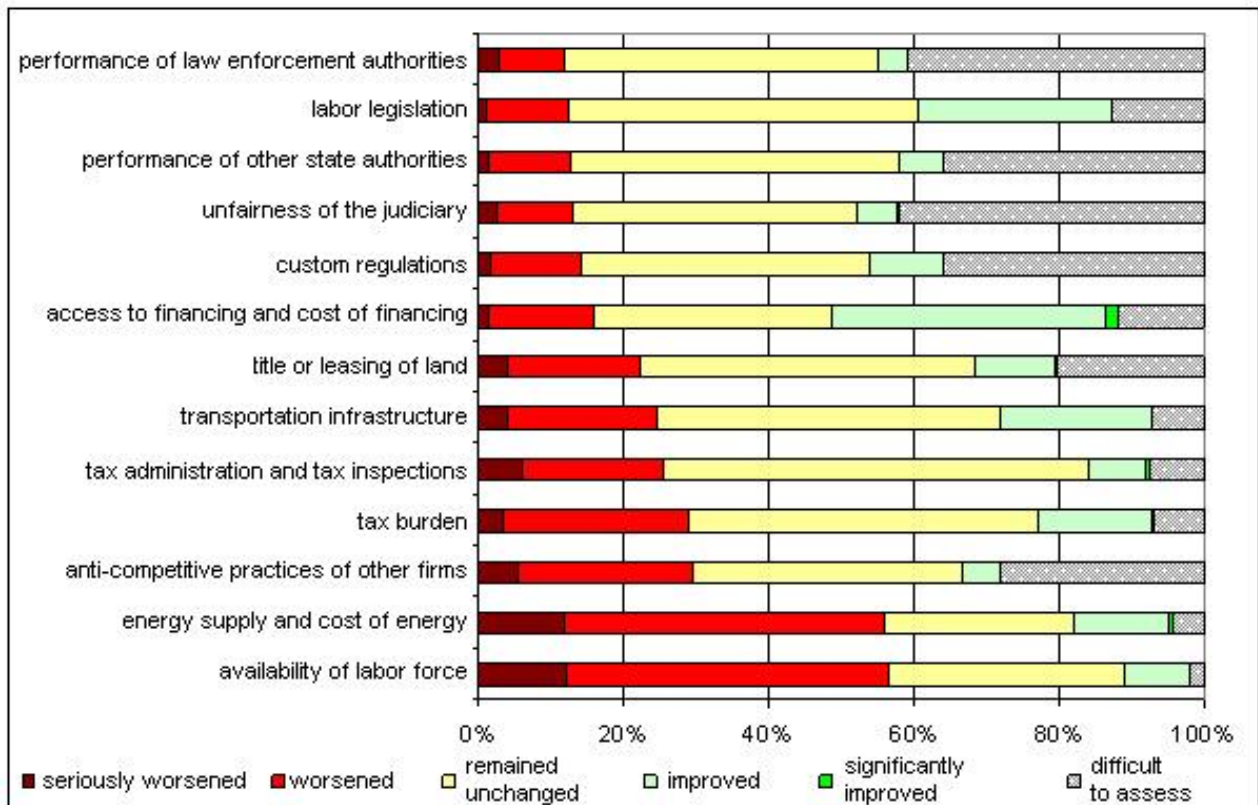
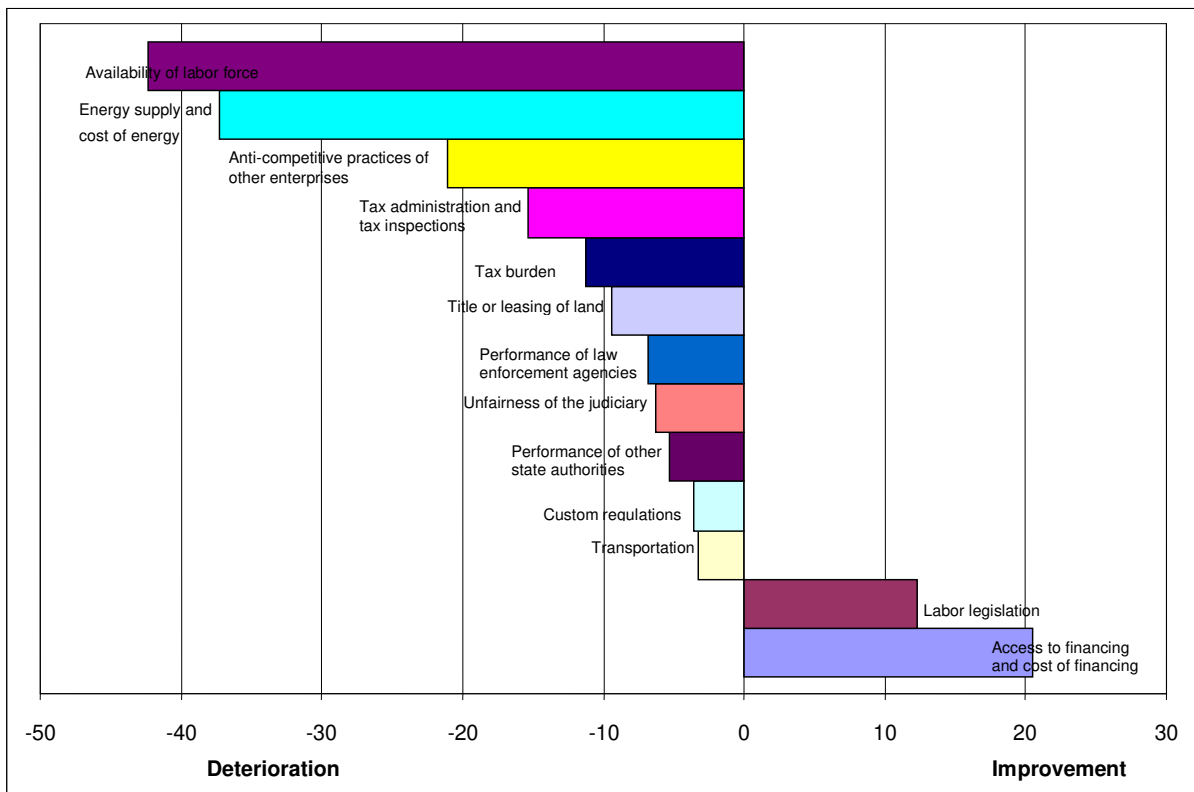


Table 2. Distribution of Answers to Questions on Changes in Various Constraints to Production Growth, by components of business environment

How can you assess changes in business environment compared to 2000 with regard to the following constrains to the development of your enterprise?	Distribution of answers by groups, % of the sample						Share of respondents who answered the question, %
	Significantly improved	Improved	Did not change	Worsened	Seriously worsened	Difficult to assess	
1. energy supply and cost of energy	0.6	11.4	23.0	39.1	10.3	3.9	88.3
2. transportation	0.1	18.3	41.9	18.4	3.3	6.4	88.4
3. title or leasing of land	0.1	9.5	39.8	15.6	3.4	17.5	86.0
4. access to financing and cost of financing	1.5	32.8	28.7	12.8	1.0	10.3	87.1
5. availability of labor force	0.0	8.0	28.8	39.7	10.7	1.8	89.0
6. tax burden	0.1	13.8	41.8	22.3	3.0	5.9	86.9
7. tax administration and tax inspections	0.3	7.0	51.9	17.4	5.2	6.8	88.6
8. unfairness of the judiciary	0.1	4.8	34.2	8.9	2.2	36.6	86.8
9. insufficient performance of law enforcement authorities	0.1	3.4	37.4	8.0	2.4	35.4	86.8
10. performance of other state authorities (except for tax, judicial, and law enforcement authorities)	0.1	5.3	38.9	9.7	1.2	30.8	86.0
11. custom regulations	0.0	8.6	34.6	10.7	1.5	31.4	86.8
12. labor legislation	0.0	23.2	42.1	10.0	0.9	11.1	87.2
13. anti-competitive practices of other enterprises in raw material and product markets	0.1	4.3	32.5	20.8	4.8	24.4	86.9

**Figure 3. Improvement or Deterioration of Business Environment,
distribution of answers by components, 2000-2007, %**



Note: Negative values represent prevalence of “deterioration” answers over “improvement” answers, and vice versa for positive values.

Table 3. Distribution of Answers by Types of Ownership of Enterprises^{8,9}

How can you assess changes in business environment compared to 2000 with regard to the following constrains to the development of your enterprise?	Improved and significantly improved, % of the sample		Worsened and seriously worsened, % of the sample		Balance of answers (improved vs. worsened) and significance of differences			
	State-owned companies	Private firms	State-owned companies	Private firms	State-owned companies	Private firms	z-statistics*	p-value*
1. energy supply and cost of energy	20.5	13.0	56.4	56.1	-35.9	-43.0	0.87	0.3837
2. transportation	14.3	21.2	28.6	24.3	-14.3	-3.1	-3.62	0.0003
3. title or leasing of land	2.3	12.0	27.9	21.7	-25.6	-9.7	-3.20	0.0014
4. access to financing and cost of financing	39.5	39.6	9.3	16.3	30.2	23.3	1.03	0.3040
5. availability of labor force	11.6	8.8	46.5	57.2	-34.9	-48.4	1.71	0.0884
6. tax burden	16.7	16.1	35.7	28.7	-19.0	-12.6	-1.20	0.2302
7. tax administration and tax inspections	7.0	8.3	34.9	24.9	-27.9	-16.5	-1.90	0.0579
8. unfairness of the judiciary	2.3	5.9	7.0	13.4	-4.7	-7.4	0.68	0.4996
9. insufficient performance of law enforcement authorities	7.1	3.9	11.9	12.0	-4.8	-8.1	0.78	0.4337
10. performance of other state authorities (except for tax, judicial, and law enforcement authorities)	9.5	6.2	9.5	12.9	0.0	-6.7	1.74	0.0831
11. custom regulations	9.3	9.8	4.7	14.8	4.7	-5.0	2.80	0.0053
12. labor legislation	22.0	26.8	22.0	11.8	0.0	15.1	-2.68	0.0075
13. anti-competitive practices of other enterprises in raw material and product markets	4.7	5.2	30.2	29.3	-25.6	-24.1	-0.22	0.8243

⁸ Note: * – here and below z-statistics and p-value were used to test balances of answers for 2 groups of enterprises.

⁹ Answers were received from 47 state-owned enterprises and 622 private firms.

Table 4. Improvement or Deterioration of Business Environment, distribution of answers by size of enterprises (number of employees)¹⁰

How can you assess changes in business environment compared to 2000 with regard to the following constrains to the development of your enterprise?	Improved and significantly improved, % of the sample		Deteriorated and seriously deteriorated, % of the sample		Balance of answers (improved vs. deteriorated) and significance of differences			
	no more than 100 employees	over 100 employees	no more than 100 employees	over 100 employees	no more than 100 employees	over 100 employees	z-statistics*	p-value*
1. energy supply and cost of energy	4.9	14.2	63.4	55.5	-58.5	-41.4	-2.14	0.0325
2. transportation	7.3	21.7	36.6	23.7	-29.3	-2.0	-8.73	0.0000
3. title and leasing of land	5.0	11.7	20.0	22.3	-15.0	-10.6	-0.86	0.3913
4. access to financing and cost of financing	13.2	41.4	21.1	15.4	-7.9	26.0	-4.68	0.0000
5. availability of labor force	2.4	9.5	61.0	56.1	-58.5	-46.6	-1.48	0.1396
6. tax burden	22.0	15.7	29.3	29.2	-7.3	-13.5	1.13	0.2598
7. tax administration and tax inspections	2.4	8.7	14.6	26.4	-12.2	-17.7	0.90	0.3675
8. unfairness of the judiciary	2.6	5.9	23.1	12.2	-20.5	-6.3	-3.32	0.0009
9. insufficient performance of law enforcement authorities	0.0	4.4	15.4	11.8	-15.4	-7.4	-1.79	0.0735
10. performance of other state authorities (except for tax, judicial, and law enforcement authorities)	2.6	6.7	12.8	12.6	-10.3	-5.9	-1.07	0.2832
11. custom regulations	5.3	10.1	10.5	14.3	-5.3	-4.2	-0.30	0.7610
12. labor legislation	23.1	26.7	20.5	11.9	2.6	14.8	-2.13	0.0334
13. anti-competitive practices of other enterprises in raw material and product markets	0.0	5.5	28.2	29.4	-28.2	-23.9	-0.61	0.5441

¹⁰ Answers were received from 48 enterprises with the number of employees not exceeding 100 persons and 621 enterprises with more than 100 employees.

**Table 5. Improvement or Deterioration of Business Environment
distribution of answers by industries¹¹**

How can you assess changes in business environment compared to 2000 with regard to the following constrains for the development of your enterprise?	Improved and significantly improved, % of the sample		Deteriorated and seriously deteriorated, % of the sample		Balance of answers (improved vs. deteriorated) and significance of differences			
	Mining industry	Manufacturing industry	Mining industry	Manufacturing industry	Mining industry	Manufacturing industry	z-statistics *	p-value*
1. energy supply and cost of energy	16.0	13.1	52.0	56.8	-36.0	-43.7	0.76	0.4460
2. transportation	15.4	20.6	34.6	24.3	-19.2	-3.8	-3.74	0.0002
3. title and leasing of land	16.0	10.7	20.0	22.2	-4.0	-11.6	1.17	0.2413
4. access to financing and cost of financing	57.7	38.5	0.0	16.2	57.7	22.4	4.12	0.0000
5. availability of labor force	11.5	8.9	50.0	57.0	-38.5	-48.1	0.97	0.3347
6. tax burden	19.2	15.3	46.2	28.6	-26.9	-13.3	-1.96	0.0503
7. tax administration and tax inspections	11.5	7.9	30.8	25.4	-19.2	-17.5	-0.23	0.8208
8. unfairness of the judiciary	7.7	5.5	3.8	13.3	3.8	-7.8	2.19	0.0289
9. insufficient performance of law enforcement authorities	3.8	4.0	7.7	12.2	-3.8	-8.2	0.80	0.4234
10. performance of other state authorities (except for tax, judicial, and law enforcement authorities)	3.8	6.1	15.4	12.5	-11.5	-6.4	-1.02	0.3100
11. custom regulations	7.7	9.9	11.5	14.2	-3.8	-4.4	0.13	0.8964
12. labor legislation	34.6	26.0	11.5	12.5	23.1	13.4	1.39	0.1648
13. anti-competitive practices of other enterprises in raw material and product markets	11.5	4.7	11.5	29.9	0.0	-25.1	2.93	0.0035

¹¹ Answers were received for 30 mining enterprises and 630 manufacturers.

Table 6. Distribution of Answers by Expectations of Output Growth¹²

How can you assess changes in business environment compared to 2000 with regard to the following constrains for the development of your enterprise?	Improved and significantly improved, % of the sample		Deteriorated and seriously deteriorated, % of the sample		Balance of answers (improved vs. deteriorated) and significance of differences			
	Expect output growth	Expect output decline	Expect output growth	Expect output decline	Expect output growth	Expect output decline	z-statistics*	p-value*
1. energy supply and cost of energy	20.9	10.6	54.0	74.6	-33.1	-64.0	5.56	0.0000
2. transportation	26.1	21.6	24.2	84.5	1.9	-62.9	12.43	0.0000
3. title or leasing of land	15.8	11.9	21.1	70.3	-5.3	-58.4	10.00	0.0000
4. access to financing and cost of financing	45.6	42.2	15.8	78.7	29.7	-36.5	12.56	0.0000
5. availability of labor force	14.9	5.6	59.6	89.2	-44.7	-83.6	7.30	0.0000
6. tax burden	18.2	17.2	27.0	60.9	-8.8	-43.7	7.05	0.0000
7. tax administration and tax inspections	6.8	9.3	23.5	26.5	-16.7	-17.3	0.15	0.8824
8. unfairness of the judiciary	8.4	5.6	11.0	25.2	-2.6	-19.5	4.75	0.0000
9. insufficient performance of law enforcement authorities	5.8	4.4	11.7	13.7	-5.8	-9.3	1.14	0.2543
10. performance of other state authorities (except for tax, judicial, and law enforcement authorities)	11.8	3.8	11.8	60.5	0.0	-56.7	11.02	0.0000
11. custom regulations	14.0	8.2	15.3	32.5	-1.3	-24.3	6.11	0.0000
12. labor legislation	31.4	25.3	11.3	22.8	20.1	2.5	4.96	0.0000
13. anti-competitive practices of other enterprises in raw material and product markets	5.1	4.3	26.3	11.3	-21.2	-6.9	-3.67	0.0003

¹² Answers were received from 180 enterprises expecting output growth and 184 enterprises expecting output decline.

Table 7. Distribution of Answers by Expected Earnings¹³

How can you assess changes in business environment compared to 2000 with regard to the following constrains for the development of your enterprise?	Improved and significantly improved, % of the sample		Deteriorated and seriously deteriorated, % of the sample		Balance of answers (improved vs. deteriorated) and significance of differences			
	Expect increase in earnings	Expect decline in earnings	Expect increase in earnings	Expect decline in earnings	Expect increase in earnings	Expect decline in earnings	z-statistics*	p-value*
1. energy supply and cost of energy	21.2	10.3	56.7	65.5	-35.6	-55.1	3.28	0.0011
2. transportation	23.3	21.6	18.4	32.6	4.9	-11.0	4.64	0.0000
3. title or leasing of land	20.4	13.3	17.3	29.5	3.1	-16.2	4.86	0.0000
4. access to financing and cost of financing	44.4	41.6	15.2	18.1	29.3	23.5	1.11	0.2694
5. availability of labor force	18.4	5.2	50.5	69.0	-32.0	-63.8	5.36	0.0000
6. tax burden	14.7	18.0	28.4	33.9	-13.7	-16.0	0.52	0.6033
7. tax administration and tax inspections	5.8	9.2	24.0	32.3	-18.3	-23.2	1.00	0.3188
8. unfairness of the judiciary	6.0	7.3	11.0	17.6	-5.0	-10.3	1.56	0.1208
9. insufficient performance of law enforcement authorities	6.0	4.9	10.0	22.2	-4.0	-17.2	3.25	0.0013
10. performance of other state authorities (except for tax, judicial, and law enforcement authorities)	7.3	4.0	8.3	17.3	-1.0	-13.4	3.42	0.0007
11. custom regulations	12.7	8.7	14.7	17.0	-2.0	-8.3	2.17	0.0308
12. labor legislation	28.4	25.3	13.7	18.3	14.7	6.9	2.21	0.0275
13. anti-competitive practices of other enterprises in raw material and product markets	8.9	4.9	22.8	39.1	-13.9	-34.2	3.78	0.0002

¹³ Answers received from 114 enterprises expecting higher earnings and 256 enterprises expecting lower earnings.