

SURVEY OF UNREGISTERED MICRO ENTERPRISES

2022

THE UNITS OF THE SURVEY INCLUDE INDIVIDUALS OR GROUPS WHO PERFORM ECONOMIC ACTIVITY WITHOUT HAVING REGISTERED SUCH ACTIVITY WITH AUTHORITIES.

THE SURVEY IS NOT ABOUT WORKERS WHO ARE UNREGISTERED BUT WORK IN A REGISTERED BUSINESS.

THE SURVEY IS NOT ABOUT PART OF A REGISTERED ENTERPRISE / ECONOMIC ACTIVITY WHICH IS DONE WITHOUT FULL ABIDING TO REGULATIONS (E.G. UNDERREPORTING VAT).

INTERVIEW BEGINS HERE

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING.

The goal of this survey is to gather information and opinions about the economic activity (business) you do and any intentions to register that activity as an enterprise with authorities. The information gathered here will help to develop new policies and programs that enhance competitiveness and economic growth.

The information and opinions you provide will be anonymized. They cannot be related to yourself nor to your company. No names will be recorded for and in this study.

A. YOUR WORK AND SERVICES

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

The first topic to be covered is the type of service you are offering.

A1	In the last year, have you done any work, even if it was sporadic or intermittent, for payment or not?	
YES	1	
NO	2	Stop the interview. The respondent falls outside the target.
DON'T KNOW (SPONTANEOUS)	99	

A2	What was the main preoccupation or product, that is, the activity or product that represented the largest proportion of your income/revenues? INTERVIEWER: PLEASE RECORD THE DESCRIPTION OF THE ACTIVITY AND PRODUCT IF IT DOES NOT MATCH TO ANY OF THE OFFERED DESCRIPTIONS.	
	A2	DETAILED DESCRIPTION OF MAIN OCCUPATION OR PRODUCT
Street seller (food, vegetables and fruits, jewelry, parts of garment, personal items etc.; hawkers; door-to-door sellers; pedlars), incl. online seller	1.	A2x
House-keeper / house-cleaner (incl. maids and butlers; cleaners/ironers; cleaning, simple repairs and maintenance of houses/buildings; gardeners; domestic helpers)	2.	
House-builder (repairs and building which involves bricks, concrete/cement,	3.	

mortar/plaster etc. of limited extent; plasterers)		
Painter and varnisher (e.g. of parquets)	4.	
Demolition worker and cleaner/handler of construction debris	5.	
Carpenter (incl. door installers/repairers, framers etc.)	6.	
Setter of parquetry and tile (on floors, in kitchens, bathrooms etc.)	7.	
Glazier	8.	
Plumber and pipe fitter (incl. insulation related to pipes, boilers, heating etc.)	9.	
Electrician (installer and/or repairer)	10.	
Rigger and or repairer of various home appliances / electronic equipment (refrigerator, washing machines, cooking stoves, ventilators, computer equipment etc.)	11.	
Motor vehicle mechanic and repairer (incl. repairers of bicycles and related stuff)	12.	
Drivers and taxi drivers	13.	
Carer (babysitter, nanny, personal care provider of ill and elderly)	14.	
Instructor (e.g. of languages, maths, IT, music instruments, specialized skills, etc. usually delivered in teacher's or student's home)	15.	
Personal beauty services (hairdresser, hairstylist, beautician, make-up artist, manicurist, pedicurist etc.)	16.	
Massage (incl. delivery of services like acupuncture, homeopathy, recreational massage etc.)	17.	
Personal designer (incl. design of costumes, fashion, jewelry; tailor; shoemaker)	18.	
Handicraft (producing jewelry, potters, decorations, wood items, engravers, knitters etc.)	19.	
Baker (incl. pastry cook, chocolate maker, jam maker, donut maker,)	20.	
Nutritionist (incl. services like dietary advice etc.)	21.	
Tourist guide and escort (incl. full-fledge local tours delivery)	22.	
Individual farmer (growers of crop, vegetables, fruits; livestock/cattle farmers and dairy producers; vegetable and fruit pickler)	23.	
Provider of accommodation services through internet	24.	
Provider of IT services (e.g. builder of web pages, creator of programs, games etc. and selling them directly or through global platforms)	25.	
Provider of administrative services (e.g. accounting, bookkeeping etc.)	26.	
Consultant, incl. writer	27.	
Other. Please specify _____	A2xx	

A3a	Do you have a bank account to run this business activity?	
	Yes, my business activity has its own bank account	1
	Yes, it is my personal account with the bank	2
	No, I do not have any account	3

A3b	Have you obtained any license / permit which may be relevant for running of the business activity? (Check all that apply)	
	Yes, I obtained a license from relevant issuer (e.g. license for a tour guide, taxi driver etc.)	1
	Yes, I have a certificate of registration with the Central Registry	2
	Yes, I am inscribed in a specific register (e.g. the Register of Agricultural Holdings)	3
	I do not need any licensing or registration to do my business.	4

A4a	In the execution of the activity you named in the previous question, do you frequently have co-workers / people with whom you work as a group?	
I work alone	1	Go to A5
I work alone for most of the time	2	
I have co-workers ... How many do you have on average during your co-work?		
1	3	
2	4	
3	5	
4	6	
5	7	
6-10	8	
11-19	9	
More than 20	10	
DON'T KNOW / REFUSES TO SAY (SPONTANEOUS)	99	Go to A5

A4b	Please tell us what is true about your co-workers:	
All of them are paid out of our economic activity		1
Most of them, but not all, are paid		2
Most of them, but not all, are unpaid		3
All of them are unpaid		4

A4c	Please tell us how many close family members were working in this business activity?	
All of the co-workers are family members		1
Most of the co-workers are family members		2
Few of the co-workers are family members		3
None of the co-workers is a family member		4

A5	How would you define your customers? (Multiple answers are possible)	
Households		1
Individuals		2
Firms		3
Other. Please specify		A5x

A6	How / in what manner do your buyers / customers / clients pay most of the time for the work you do / services you deliver?	
In cash	1	Go to A8
They transfer money on my personal account (or an account from somebody of my co-workers)	2	
Sometimes in cash, sometimes on my account, depending on their preference	3	
They pay through an official invoice issued from my enterprise	99	Stop the interview. The respondent falls outside the target.

A7	Do you know if the personal income tax (PIT) is paid on the payment you receive through your account?	
-----------	---	--

Yes, the payer (my customer) always pays the PIT	1	
No, PIT is not paid, because I think it is not obligatory given I receive the money from a physical person	2	
No, PIT is not paid at the time of the transfer, but according to law I pay a lump sum quarterly / at year end	3	
No, PIT is not paid, and I do not care for it.	4	

A8	Think about the last year 2021. What was the total earnings / income you realized with the business activity you pursue?	
Value in DENARS	MKD	A8x
If you cannot recall the exact amount (or if refuses to say), could you please give us an approximation through the following ranges:		A8xx
Up to 250.000 MKD		1
250.001 – 500.000 MKD		2
500.001 – 1.000.000 MKD		3
1.000.001 – 1.500.000 MKD		4
1.500.001 – 2.000.000 MKD		5
2.000.001 – 2.500.000 MKD		6
2.500.001 – 3.000.000 MKD		7
Over 3.000.000 MKD		8

A9	Where do you usually perform your business activity	
In the household of my client / customer	1	
In my own household / premises	2	
Outside a household, in fixed premises and with permanent structure (e.g. a building)	3	
Outside a household, in fixed premises and with temporary structure/kiosk/stall or no structure	4	
Mobile business (parlors, taxi drivers)	5	
Without fixed premises but with a given location or area (street vendors, etc.)	6	
In combination of the above	7	
Don't Know (spontaneous)	99	

A10	Aside this business activity, could you please tell us if any of the following applies to you:	
I receive a regular (old-age) pension a10a	Yes	No
I receive a disability pension a10b	Yes	No
I receive a family pension a10c	Yes	No
I receive social assistance / guaranteed minimum income a10d	Yes	No
I receive unemployment benefit a10e	Yes	No
I receive remittances from a sender abroad a10f	Yes	No
I have been insured with another company, just to realize the right on pension a10g	Yes	No

B. THE REGISTRATION OF YOUR BUSINESS

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

We will next discuss about the possibilities of registering a business.

B1	You said your business activity was not registered. Have you ever considered registering a business
-----------	---

	by establishing an enterprise through the Central Registry?	
Yes, but have not undertaken any moves		1
Yes, I have even undertook some steps, but stopped / gave up		2
No, but I would not have a problem to register		3
No, nor I plan nor would like to register		4

B2	Do you think that the following pose No Obstacle, a Minor Obstacle, a Moderate Obstacle, a Major Obstacle, or a Very Severe Obstacle with respect to registering a business with the Central Registry?
-----------	--

	(SPONTANEOUS)						
	No obstacle	Minor obstacle	Moderate obstacle	Major obstacle	Very Severe Obstacle	DON'T KNOW	DOES NOT APPLY
Getting information on what you need to do to register b2a	1	2	3	4	5	-9	-7
Specific knowledge to fill out the entire needed documentation b2b	1	2	3	4	5	-9	-7
Time to complete registration procedures b2c	1	2	3	4	5	-9	-7
Fees to complete registration procedures b2d	1	2	3	4	5	-9	-7
Taxes I will have to pay with a registered businesses (e.g. personal income tax and pension contribution on my salary) b2e	1	2	3	4	5	-9	-7
Charges my business will have to bear, particularly in the years following registration (e.g. “firmarina”) b2f	1	2	3	4	5	-9	-7
Dealing with and paying for accounting services b2g	1	2	3	4	5	-9	-7
Dealing with government institutions (e.g. to register other workers with the ESA, submit accounts with PRO etc.) b2h	1	2	3	4	5	-9	-7
Dealing with inspections b2i	1	2	3	4	5	-9	-7
Bribes that registered businesses need to pay b2j	1	2	3	4	5	-9	-7

B3	Select the three (3) key reasons of why you are not registered with the Central Registry?
-----------	---

I do not know where to get information on registration of a business	1.
I lack knowledge/skills to fill out the entire needed documentation	2.
It takes too long to complete registration procedures	3.
I know it is too expensive to register	4.
Taxes I will have to pay with a registered businesses (e.g. personal income tax and pension contribution on my salary) are high	5.
Charges my business will have to bear, particularly in the years following registration (e.g. “firmarina”) are high	6.
I will have to deal with and pay for accounting services after I register	7.
I will have to deal with government institutions (e.g. to register other workers with the ESA, submit accounts with PRO etc.), which takes time	8.
I will have to deal with inspections	9.
I could be asked for bribe	10.
I am a pensioner / recipient of social benefits and I will lose them if I register	11.

My work/income is temporary/fluctuating (e.g. seasonal work; intermittent work etc.)	12.
I feel it is too expensive to register and run a business	13.
Other. Please specify.	B3x

B4	Have you ever been in a situation to have to pay any informal payment to remain unregistered?	
YES		1.
NO		2.
Don't Know (spontaneous) / Refuses to say		99

C. COSTS AND BENEFITS OF RUNNING A BUSINESS

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:
In this section we will explore your opinions related to the costs and benefits of running a business in more detail.

C1	Now, I will read a list of costs that you need to incur in order to register a business. Tell me if they deter you from registering your business? If you haven't heard of them is a valid answer.							
						(SPONTANEOUS)		
	Not a burden at all	Minor burden	Moderate burden	Major burden	Very heavy burden	I haven't heard of	DOES NOT APPLY	
Initial capital (in cash or in kind) in a value of 5.000 EUR (except for a sole proprietor) c1a	1	2	3	4	5	0	-9	
The initial fee to inscribe the firm in the trade registry (cca. 40 EUR) c1b	1	2	3	4	5	0	-9	
The initial fee for a registration agent (cca. 160 EUR) c1c	1	2	3	4	5	0	-9	

C2	Now, I will read a list of costs that you need to incur to run a business. Tell me if they deter you from registering your business? If you haven't heard of them is a valid answer.							
						(SPONTANEOUS)		
	Not a burden at all	Minor burden	Moderate burden	Major burden	Very heavy burden	I haven't heard of	DOES NOT APPLY	
Annual fee for the municipality (firmarina) c2a	1	2	3	4	5	0	-9	
Personal income tax on any paid out salary / honorarium c2b	1	2	3	4	5	0	-9	
Pension and health contribution on any paid out salary c2c	1	2	3	4	5	0	-9	
Cost for hiring an accountant c2d	1	2	3	4	5	0	-9	
Value added tax in case my revenue exceeds 2.000.000 MKD c2e	1	2	3	4	5	0	-9	
Profit tax c2f	1	2	3	4	5	0	-9	
Bank fees (account maintenance and transactions) c2g	1	2	3	4	5	0	-9	
Costs related to submission of annual financial statements to authorities c2h	1	2	3	4	5	0	-9	
Fixed communal tax (per square meter of used business area) c2i	1	2	3	4	5	0	-9	

C2a	Are there any other relevant obstacles not mentioned above that would arise from registering your business?
Describe.	

C3	I will read a list of benefits that you may have from running a registered business. Tell me if they motivate you for registering your business? If you haven't heard of them is a valid answer.						(SPONTANEOUS)	
	Not a motive at all	Minor motive	Moderate motive	Major motive	Very big motive	I haven't heard of	DOES NOT APPLY	
You could obtain a loan for your business from a bank c3a	1	2	3	4	5	0	-9	
You could obtain a loan or forms of guarantee from the Development Bank of North Macedonia c3b	1	2	3	4	5	0	-9	
You could obtain a support from the government in case of crisis/recession c3c	1	2	3	4	5	0	-9	
You could approach more serious customers c3d	1	2	3	4	5	0	-9	
You could approach more reliable sellers of your inputs c3e	1	2	3	4	5	0	-9	
You will be entitled to pension in the old days c3f	1	2	3	4	5	0	-9	
You will have access to social protection (e.g. access to unemployment insurance in case you or somebody in the business loses a job) c3g	1	2	3	4	5	0	-9	
You or other employees in your business will be able to use the services of the Employment Service Agency (e.g. trainings, support to employ others etc.) c3h	1	2	3	4	5	0	-9	
You will have better access to markets and/or access to new market c3i	1	2	3	4	5	0	-9	
You will have a legal shield, e.g. will be able to sue a client who has not paid c3j	1	2	3	4	5	0	-9	
You could be less exposed to informal practices, like to bribes c3k	1	2	3	4	5	0	-9	
You would not risk being discovered as an unregistered business in an inspection and having to pay a fine c3l	1	2	3	4	5	0	-9	

D. YOUR PERCEPTIONS

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

In this section we will explore perceptions about the informal economy.

D1	I will read a couple of statements, to which you are asked to express the extent to which you agree or disagree, from 1 = fully disagree to 5 = fully agree.
-----------	--

						(SPONTANEOUS)	
	Fully disagree	Disagree to some extent	Neither disagree nor agree	Agree to some extent	Fully agree	Does not have an opinion	
Considering all costs and benefits from registering a business, you would still say that costs outweigh benefits d1a	1	2	3	4	5	99	
As long as controls and inspections are weak, registering of a business is unnecessary d1b	1	2	3	4	5	99	
As long as I could call a friend or offer informal gift, registering of a business is unnecessary d1c	1	2	3	4	5	99	
It is hard to find information on where and how to register a business d1d	1	2	3	4	5	99	
My earning potential will improve if I register the business d1e	1	2	3	4	5	99	
Earning some income from registered business should be possible even when one receives social benefits d1f	1	2	3	4	5	99	
The possibility that my unregistered business is discovered by authorities is low d1g	1	2	3	4	5	99	
I will register my business in case a favorable tax and/or administrative treatment is provided d1h	1	2	3	4	5	99	
I will register my business in case there is somebody to help me out with documentation d1h	1	2	3	4	5	99	
I will register my business in case I am given a grant to do so d1i	1	2	3	4	5	99	
I will register my business in case the initial capital is zero d1j	1	2	3	4	5	99	

E. THE REGISTRATION OF YOUR BUSINESS

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING:

In the last section, please tell us a few characteristics of yourself.

E1	What is your gender	
	Male	1
	Female	2
E2	What is your highest education	
	Primary education or less	1
	Secondary education	2
	Tertiary education or more	3
E3	What is your age (round up to the closest integer)	
	In years:	_____
E4	In which region of the country are you located?	

Vardar	1
East	2
Southwest	3
Southeast	4
Pelagonija	5
Polog	6
Northeast	7
Skopje	8

E5	In which geographic area / settlement are you located?	
Urban		1
Suburban		2
Rural		3

**INTERVIEWER: THE SURVEY ENDS HERE.
PLEASE FILL OUT THEIR REMAINING INFORMATION ON YOUR OWN**

H.1 | It is my perception that the responses to the questions regarding opinions and perceptions were:

Truthful	1
Somewhat truthful	2
Not truthful	3