

Evaluating entrepreneurship framework through perceived institutional quality —

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Abstract

The aim of this paper is to emphasize the crucial role of the perceived institutional quality at entrepreneurial intention. Relying on literature review of institutional theory, competitiveness theory, and referring to the first pillar of Global Competitiveness Index (GCI) this study brings an assessment of public and private institutional framework, as an incentive to entrepreneurship action and behavior. The paper investigates the institutional perceived framework from a sample of 72 business in several cities in which are concentrated business and entrepreneurship activities in Albania. By using a quantitative methodology the data collected through the survey of GCI, are processed by conducting descriptive statistics analysis in order to evaluate the institutional quality related with country competitiveness. The findings are in accordance with the literature

description for efficient driven economies, and they contribute for policymakers which must take into account all the instruments in improving the institutional quality for its essential role in promoting entrepreneurship.

Key words: *Competitiveness, Entrepreneurial incentives, Economic growth*

Introduction

One of the most important reasons behind a good competitiveness framework is the attempt to rise prosperity. In perfect and the most preferred conditions the competitive economies create the appropriate environment which is able to grow sustainably and inclusively, by offering for all the parts of society a lot of welfare. Several studies have emphasized the importance and role of institutional quality as a factor of economic growth (Acemoglu et.al., 2002; North 1990; Scot 2005). According Wennekers et al., (2010) the relationship between entrepreneurship activity in the economy and the economic growth follows the U-shape. Schwab and Sala-i Martin (2013) define competitiveness as the set of institutions, policies and factors that determine the level of productivity of a country. Our aim in this study is to investigate the role of country institutions in terms of creating a favourable environment for business and entrepreneurs to grow effectively and sustainably. Based on the literature that explains the role of institutions in promoting economic growth and providing the framework for competitiveness, our research question is: How is evaluated the country institutional environment as a provider of economic growth and sustainable development from entrepreneurs?

In order to answer our research question in this study, we rely on Global Competitiveness Index developed by Sala-i-Martin and Artadi (2004). The World Economic Forum (WEF) ranks the world's nations according to the Global Competitiveness Index since 2004, by producing yearly reports which explain the nations rank based on the macro and micro economic aspects of competitiveness. GCI as set of indicators named 12 pillars is classified in three groups in order to measure the country competitiveness. The first group is related to the basic requirements in institution, infrastructure, macroeconomic stability, health and primary education. The second group represents the sources of efficiency, higher education, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size and business sophistication. The third group includes innovation and business sophistication factors. In this study we will focus only to the first element of the first group index, and the method used to evaluate the institutional quality in Albania it refers to the first group of GCI.

Referring to the Theory of Entrepreneurship and Innovations is distinguished and underlined the link between competition process and entrepreneurship. According Schumpeter (1950) competitiveness is defined as the ability to create new solutions and the predisposition to take risks associated with testing them in the market underline. Differences both in the level of innovative capacity and entrepreneurship result in differences in the competitive position of any economic agent. In the following sections of this paper we will provide a literature review explaining the role of institutional quality in economic development of a country and its role as a promoter of favourable environment for entrepreneurship. In the third section is explained the study methodology and then the study results, limitations and conclusions.

Literature review

Institutions are defined by North (1990) and Scott (1995) as “rules of the game” which limit and enable the behaviour of the actors in a society by creating the structure of social interaction. According North (1990) the most important role of an institutional framework is referred to the reduction of transactions cost and the reduction of risks and uncertainties in order to provide stable expectations for interacting actors.

According to North (2003) the main components of institutions which contribute to the definition of economic performance are a set of formal rules, a set of informal rules (norms) and compliance and implementation mechanisms. Acemologu and Robinson (2008) emphasize that the first step in modelling institutions, is to consider the relationship between three institutional characteristics: (1) economic institutions; (2) political power; (3) political institutions.

Dai and Si (2018) based on strategic choice theory and institutional theory offer a point of view which explains that favourable entrepreneurial perceptions for government policies lead to a higher level of entrepreneurial orientation. The result of author’s study argues that the greater the perceived effectiveness of new policies by entrepreneurs the more likely they will be engaged in entrepreneurial activities.

Sambharya and Musteen (2014) have studied the impact of institutional environment on two types of entrepreneurial activities—necessity- and opportunity driven entrepreneurship. They find that the cognitive dimensions of institutional environment are strong predictors of the opportunity-driven entrepreneurial activity across countries. In contrast, the normative and cognitive pillars of institutional theory appear to be better predictors of necessity-driven entrepreneurship. They suggest that policy makers who seek to implement policies that encourage entrepreneurship in their countries need to understand that the

cognitive (i.e., cultural) influences appear to have the most profound impact.

Fuentelsaz, L., et al (2018) in their study try to provide a detailed framework of the relationship between institutions and the level of opportunity entrepreneurship. Authors explain opportunity entrepreneurship as a dependent variable, affected by the interaction between formal and informal institutions and country level variables as control variables. In their study informal institutions are represented by considering the two dimensions of Hofstede that are more closely related to entrepreneurship: individualism versus collectivism and uncertainty avoidance. While formal institutions are described through a set of six indicators developed by Kaufmann et al., (2010) that include: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption. Fuentelsaz, L., et al (2018) confirm that, in countries with a more individualistic orientation, the relationship between formal institutions and opportunity entrepreneurship is more intense, as happens in societies with lower levels of uncertainty avoidance.

Crnogaj, K., et al (2016) examine the effect of specific institutional factors on entrepreneurial activity. Through econometrics business methods, authors explain that greater economic freedom in the institutional context of a country affects the extension of productive entrepreneurship, while the individual's decision for the entrepreneurship is conditioned significantly by the prevailing cultural and social norms. Authors examine the institutional environment in the light of three dimensions: economic, political and socio-cultural environment in which an entrepreneur operates and influences his or her willingness for the socially-productive entrepreneurship.

In this study institutional structure is measured by authors through the index of economic freedom, arguing that a higher freedom creates the conditions for the economic growth to a greater extent, as it motivates the productive entrepreneurial activity. Study results show that the freedom of government spending and financial freedom influence the early-stage entrepreneurial activity in a significantly positive way.

Yay, T., et al (2017) have studied the relationship between institutions and entrepreneurship from the perspective of institutional economics, they investigate through an econometric analysis the role of formal institutions on formal and informal entrepreneurship. According to the work and studies of Matthews (1986); North (1990) and Williamson (2000), the structure of institution are reviewed by Yay, T., et al (2017) as a composition of three groups: (1) informal institutions (norms, customs, tradition, culture, and religion); (2) the formal rules (constitution, law and property rights) and (3) institutions of governance which is concerned with defining and enforcing contracts in the relevant laws and aligning them with contractual transactions. Their study results find that formal institutions and

governance stimulate formal entrepreneurship, but they are negatively associated with informal entrepreneurship. Authors argue that institutions have heterogeneous impacts on entrepreneurship. In particular, institutional development gives incentives to entrepreneurs to migrate from informal (destructive/unproductive) to formal (productive) sectors, which stimulate economic growth

Methodology

The method used to collect data for this study is a survey questionnaire, which is composed by two sections. The first section uses questions from Executive Opinion Survey (World Economic Forum, 2016–2017) referring only to the part that includes the first dimension of Global Competitiveness Index developed by WEF since 2004, the second part it refers to demographic data like the gender of study participants, country in which is allocated their business activity and the education level of participants. Sample selection was random and it includes 70 participants from different cities of Albania in order to represent as much as possible the businesses of the country.

The reason why we rely on GCI index, is the fact that it one of the most distinguished indicators that evaluates the countries competitions at national levels, is an index that encompasses a wide range of dimensions and is published every year by the World Economic Forum (WEF). Institutions the first dimension of this general index, which is the first part of our questionnaire construction, it refers to the legal and administrative framework within agents of society interact between each other and the quality of this framework has a very important influence on competitiveness, growth and sustainable development of an economy.

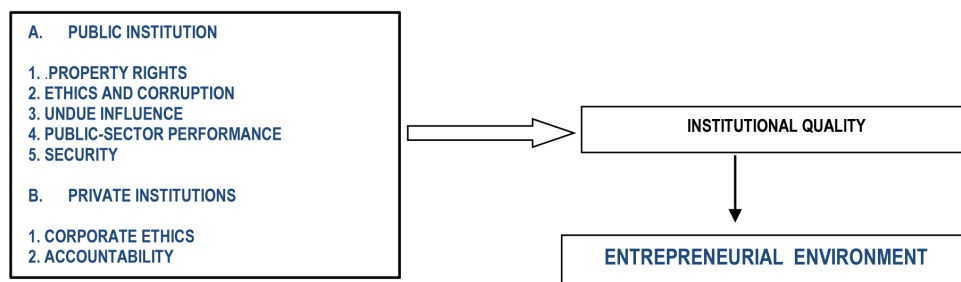
In the following table are represented the detailed data related with sample composition and its demographic characteristics.

Gender	Fre- quency	Valid Per- cent	Education							
Valid			High School	Valid Per- cent	Uni- ver- sity	Valid Per- cent	Master degree	Valid Percent	Phd	Valid Percent
Female	24	35.3	4	16.7	4	16.7	14	58.3	2	8,3
Male	44	64.7	8	18.2	9	20,4	27	61,4	0	
Missing	2									
Total	70	100%	14	20%	13	18,5%	41	58,5%	2	3%

The dependent variable of the study is institutional quality which serves as

a positive or negative incentive for entrepreneurial behavior and activity. The determinant variables are a set of 7 composed dimensions each of them detailed in components. All the composed variables are categorized in two groups: the first developed in order to evaluate the quality of public institutions, and the second developed for the assessment of the quality of private institutions. The methodological model used in this study is configured like the figure below:

FIGURE 1 Methodological model, source authors



The table below describes the detailed indicators and variables and the questions related with each one detailed variable.

FIGURE 2 Study Indicators, Source: GCI Report (World Economic Forum) 2016-2017

Perceived Institutional Quality		
General Group of Indicator	Detailed Indicator	Question
A. Public Institutions Quality Indicators		
1. Property rights	1.01. Property rights	Q01
	1.02. Intellectual property protection	Q02
2. Ethics and corruption	1.03. Diversion of public funds	Q03
	1.04. Public trust in politicians	Q04
	1.05. Irregular payments and bribes	Q05, Q06, Q07, Q08
3. Undue influence	1.06. Judicial independence	Q09
	1.07. Favoritism in decisions of government officials	Q10
4. Public sector performance	1.08. Wastefulness of government spending	Q11
	1.09. Burden of government regulation	Q12
	1.10. Efficiency of legal framework in setting disputes	Q13
	1.11. Efficiency of legal framework in challenging regulations	Q14

	1.12. Transparency of government policymaking	Q15
5.Security	1.13. Business cost of terrorism	Q16
	1.14. Business cost of crime and violence	Q17
	1.15. Organized crime	Q18
	1.16. Reliability of police services	Q19
B. Private Institutions Quality Indicators		
1.Corporate ethic	1.17.Ethical behavior of firms	Q20
2.Accountability	1.18. Strength of auditing and reporting standards	Q21
	1.19. Efficacy of corporate boards	Q22
	1.20. Protection of minority shareholder's interests	Q23

There are 23 questions in total and all the collected data are in the form of attitudes that are held to the respective proposition, and each participant in the study chooses his/her attitude in a range of seven likert scale. Likert scale is a 5- or 7-point ordinal scale used by respondents to rate the degree to which they agree or disagree with a statement. Based on the fact that an attitude can be described in preferential ways of behaving and reacting in specific circumstances around an object, a subject or a concept acquired through social interactions, likert scales are created in order to quantify the subjective preferential thinking, feeling and action in a validated and reliable manner (Schwarz et.al.,2001).

The statistical procedure used to analyze the collected data it refers to descriptive statistics for both public and private institutions as dependent variables. The descriptive results are provided by SPSS, and “the rule” in evaluating the total institutional quality perceived is that every dimension is equally important and affects the performance of the other dimensions. In attempt to answer to our research question “How is evaluated the country institutional environment as a provider of economic growth and sustainable development from entrepreneurs”, the study hypothesis to be investigated are:

H_0 : Entrepreneurs have a positive perception for institutional quality in Albania.

H_1 : Entrepreneurs have a negative perception for institutional quality in Albania.

In the following sections will be presented the reliability analysis and descriptive statistics in order to evaluate if it is proven the first or the second hypothesis. Detailed information related with study questionnaire, reliability analysis and descriptive statistics are in the last section appendix.

Results and Discussion

Before examining the percentages of descriptive in order to control the study hypothesis, the reliability analysis will be performed to evaluate the internal validity and to see if all variables will need to be included in the subsequent analysis.

Reliability			
Case Processing Summary			
		N	%
Cases	Valid	67	93.1
	Excluded ^a	5	6.9
	Total	72	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.859	.872	23

The first table we need to look at in our output is the Reliability Statistics table. This gives us our Cronbach's alpha coefficient. We are looking for a score of over .7 for high internal consistency. In this case, $\alpha = .859$, which shows the questionnaire is reliable. The *Item Total Statistic Table*(appendix B) can help us to decide whether any items need to be removed from the questionnaire to make it more reliable. Our current score is $\alpha = .859$, the rule is: if this score goes down if we deleted an item, we want to keep it. But if this score goes up after the item is deleted, we might want to delete it as it would make our questionnaire more reliable. In this case, deleting Question 12, 15 and 16 would increase our Cronbach's alpha score to $\alpha = .859$, so deletion should be considered. All other items should be retained.

The study hypothesis are tested by using percentage.

FIGURE 3 Study results for all the indicators according GCI index (GCI Report World Economic Forum 2016-2017)

Perceived Institutional Quality	ATTITUDE	Evaluation +/-
A. Public Institutions Quality Indicators		
1.01. Property rights	To some extent protected	- Negative
1.02. Intellectual property protection	To a small extent protected	- Negative
1.03. Diversion of public funds	Illegal diversion usually occurs	- Negative
1.04. Public trust in politicians	Ethical standards extremely low	- Negative

1.05. Irregular payments and bribes	Very commonly occurs	- Negative
	Occurs	- Negative
	Usually occurs	- Negative
	Usually occurs	- Negative
1.06. Judicial independence	Judicial system not independent	- Negative
1.07. Favoritism in decisions of government officials	Usually occurs to make undocumented extra payments to obtain favorable judicial decisions	- Negative
1.08. Wastefulness of government spending	Public funds to a great extent spent inefficiently	- Negative
1.09. Burden of government regulation	Excluded from the analysis Q12	
1.10. Efficiency of legal framework in setting disputes	Neutral	- Neutral
1.11. Efficiency of legal framework in challenging regulations	Neutral	- Neutral
1.12. Transparency of government policymaking	Excluded from the analysis Q15	
1.13. Business cost of terrorism	Excluded from the analysis Q16	
1.14. Business cost of crime and violence	Neutral	- Neutral
1.15. Organized crime	Neutral	- Neutral
1.16. Reliability of police services	Neutral	- Neutral
B. Private Institutions Quality Indicators		
1.17. Ethical behavior of firms	Neutral	- Neutral
1.18. Strength of auditing and reporting standards	Neutral	- Neutral
1.19. Efficacy of corporate boards	Neutral	- Neutral
1.20. Protection of minority shareholder's interests	To some extent protected	+Positive

Using the likert scale, we have taken different entrepreneurs consideration for institutional quality where it is shown that Albania's formal institutions according to six indicators of GCI including: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption have a major impact on the entrepreneurship perception and how it is applied.

Having a non-so effective legal framework, businesses face major challenges, where as many of them cause that new business wanting to join the market, with a low chance of survival survive. As described above, we take in consideration that some indicators found in 'Public Institutions Quality Indicators' are not very reliable and very much needed for our study because of their low scale results hence we will not take them in consideration.

While testing the hypothesis through the percentages on the table shown above, we have emphasized some of the questions which have shown high validation that can be included in public institutions, Ethics and Corruption. According to our results, entrepreneurs have a negative perception about the quality of Ethics and Corruption used in formal institutions, which include illegal diversion of public funds, extremely low ethical standards of the politicians, illegal payments and extra bribes regarding import and export as well as with public utilities.

Taking a look at the overall framework we see that the overall perception of entrepreneurs for the institutional quality in public institutions is negative so our is proven to be right. Regarding to the private institutions, the entrepreneurs seem to have a neutral perception and uncertainty of their quality and how they operate.

Conclusions

The purpose of this study was to provide an assessment of the perceived efficiency of both public and private institutions of the country. Based on the fact that the legal and administrative interaction between individuals, firms and governments impacts growth and competitiveness, and also based on the fact that great and favorable private institutions have a considerable influence in the sustainable development of a country economy this topic's results represent a significant importance for policymakers. The positive perceptions of entrepreneurs related with institutional framework, have a substantial importance to influence investment decisions, and entrepreneurial incentives.

Institutions the first dimension of GCI it refers to the legal and administrative framework within agents of society interact between each other and the quality of this framework has a very important influence on competitiveness, growth and sustainable development of an economy. The aim of this dimension of GCI index is to assess the ability of national economies to ensure and guarantee high levels of prosperity in order to offer sustainable economic development. As described and analyzed in the previous section, it results a low level of perceived institutional quality for the public institutions and also a low level of perceived institutional quality for private institutions, although for public institutions the comparative assessment is lower. Those attitudes and perceptions describe not a very favorable framework to be promotional for competitiveness and entrepreneurial incentives.

One of our study limitations is the number of participants included in the study, a larger number of participants would enable a more accurate overall outcome of the study population. Also we think that the study model would be more completed and comprehensive, if it could be incorporated more elements of country competitiveness (other components of GCI) and some variables to

measure the change in entrepreneurial activity and incentives. This study offered a specific view of only one of the GCI components and a more completed model remains a starting point for another more extensive study.

The reported attitudes and perceptions related with institutional quality in general talk about an environment in which is needed more attempt in order to guarantee an environment that encourages entrepreneurship. One of the reasons why business have this kind of perceptions related with institutional quality of the country are explained by the levels of trust they have for the country institutions. This low level of trust it may be result of previous experiences related with the relationship between them and institutions and also may be result of the very slow improvement of the work of these institutions in guaranteeing the competitive environment and the promotion of entrepreneurship. Those assumptions in order to explain the entrepreneurs attitudes are based on social capital theory, and cast a new light on the broader review of this study incorporating this theory into a more extensive and up-to-date work.

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Appendix

	Scale Mean if Item Deleted	Item-Total Statistics Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Q01	70.7313	288.260	.383	.639	.855
Q02	71.0149	289.530	.352	.610	.856
Q03	71.6567	286.592	.537	.504	.851
Q04	71.8507	289.371	.516	.600	.852
Q05	71.2537	280.556	.533	.794	.850
Q06	71.4328	280.825	.554	.815	.850
Q07	70.4179	277.914	.503	.661	.851
Q08	71.1194	281.076	.497	.648	.851
Q09	71.3433	272.199	.653	.794	.845
Q10	71.3284	293.739	.351	.682	.856
Q11	71.4627	289.555	.600	.686	.851
Q12	70.7761	299.237	.113	.437	.868
Q13	70.4030	283.668	.558	.590	.850
Q14	70.8060	294.553	.264	.464	.859
Q15	70.1343	293.512	.261	.562	.860
Q16	68.3881	295.908	.172	.741	.865

Q17	69.8358	281.291	.423	.654	.854
Q18	70.1493	279.765	.443	.660	.854
Q19	70.0299	281.302	.531	.609	.850
Q20	70.1194	283.713	.578	.683	.850
Q21	70.0746	280.828	.614	.668	.848
Q22	69.3731	286.025	.409	.642	.855
Q23	70.0299	293.211	.326	.635	.857

Frequency Tables

PROPERTY RIGHT

- In your country, to what extent are property rights, including financial assets, protected?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	13	18.1	18.1	18.1
	To a small extent	15	20.8	20.8	38.9
	To some extent	17	23.6	23.6	62.5
	Neutral	15	20.8	20.8	83.3
	To a moderate extent	8	11.1	11.1	94.4
	To a great extent	2	2.8	2.8	97.2
	To a very great extent	2	2.8	2.8	100.0
	Total	72	100.0	100.0	

- In your country, to what extent is intellectual property protected?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	14	19.4	19.4	19.4
	To a small extent	24	33.3	33.3	52.8
	To some extent	15	20.8	20.8	73.6
	Neutral	11	15.3	15.3	88.9
	To a moderate extent	3	4.2	4.2	93.1
	To a great extent	2	2.8	2.8	95.8
	To a very great extent	3	4.2	4.2	100.0
	Total	72	100.0	100.0	

2. ETHICS AND CORRUPTION

- In your country, how common is illegal diversion of public funds to companies, individuals, or groups?

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	Very commonly occurs	25	34.7	34.7	34.7
	Usually occurs	27	37.5	37.5	72.2
	Occurs	11	15.3	15.3	87.5
	Neutral	6	8.3	8.3	95.8
	Almost doesn't occur	1	1.4	1.4	97.2
	Does not occurs	1	1.4	1.4	98.6
	Never occurs	1	1.4	1.4	100.0
	Total	72	100.0	100.0	

- In your country, how do you rate the ethical standards of politicians?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely low	34	47.2	47.2	47.2
	Somewhat low	19	26.4	26.4	73.6
	Low	11	15.3	15.3	88.9
	Neutral	6	8.3	8.3	97.2
	Somewhat High	1	1.4	1.4	98.6
	High	1	1.4	1.4	100.0
	Total	72	100.0	100.0	

- In your country, how common is it for firms to make undocumented extra payments or bribes connected with imports and exports?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very commonly occurs	27	37.5	37.5	37.5
	Usually occurs	10	13.9	13.9	51.4
	occurs	14	19.4	19.4	70.8
	Neutral	13	18.1	18.1	88.9
	Almost doesn't occur	6	8.3	8.3	97.2
	Does not occurs	1	1.4	1.4	98.6
	Never occurs	1	1.4	1.4	100.0
	Total	72	100.0	100.0	

- In your country, how common is it for firms to make undocumented extra payments or bribes connected with public utilities?

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	Very commonly occurs	28	38.9	38.9	38.9
	Usually occurs	16	22.2	22.2	61.1
	occurs	12	16.7	16.7	77.8
	Neutral	9	12.5	12.5	90.3
	Almost doesn't occur	3	4.2	4.2	94.4
	Does not occurs	3	4.2	4.2	98.6
	Never occurs	1	1.4	1.4	100.0
	Total	72	100.0	100.0	

- In your country, how common is it for firms to make undocumented extra payments or bribes connected with annual tax payments?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very commonly occurs	14	19.4	19.4	19.4
	Usually occurs	11	15.3	15.3	34.7
	occurs	15	20.8	20.8	55.6
	Neutral	11	15.3	15.3	70.8
	Almost doesn't occur	9	12.5	12.5	83.3
	Does not occurs	10	13.9	13.9	97.2
	Never occurs	2	2.8	2.8	100.0
	Total	72	100.0	100.0	

- In your country, how common is it for firms to make undocumented extra payments or bribes connected with public contracts and licenses?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very commonly occurs	24	33.3	33.8	33.8
	Usually occurs	14	19.4	19.7	53.5
	Occurs	13	18.1	18.3	71.8
	Neutral	6	8.3	8.5	80.3
	Almost doesn't occur	11	15.3	15.5	95.8
	Does not occurs	2	2.8	2.8	98.6
	Never occurs	1	1.4	1.4	100.0
	Total	71	98.6	100.0	
Missing	999.00	1	1.4		
Total		72	100.0		

3. UNDUE INFLUENCE

- In your country, how common is it for firms to make undocumented extra payments or bribes connected with obtaining favorable judicial decisions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very commonly occurs	24	33.3	33.3	33.3
	Usually occurs	25	34.7	34.7	68.1
	occurs	7	9.7	9.7	77.8
	Neutral	3	4.2	4.2	81.9
	Almost doesn't occurs	4	5.6	5.6	87.5
	Does not occurs	9	12.5	12.5	100.0
	Total	72	100.0	100.0	

- In your country, how independent is the judicial system from influences of the government, individuals, or companies?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not independent at all	18	25.0	25.4	25.4
	Not independent	22	30.6	31.0	56.3
	Dependent	15	20.8	21.1	77.5
	Neutral	10	13.9	14.1	91.5
	Somewhat Independent	5	6.9	7.0	98.6
	Independent	1	1.4	1.4	100.0
	Total	71	98.6	100.0	
Missing	999.00	1	1.4		
Total		72	100.0		

4. PUBLIC SECTOR PERFORMANCE

- In your country, how efficiently does the government spend public revenue?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To a very great extent no efficient	17	23.6	23.6	23.6
	To a great extent no efficient	25	34.7	34.7	58.3
	No efficient	18	25.0	25.0	83.3
	Neutral	12	16.7	16.7	100.0
	Total	72	100.0	100.0	

- In your country, how efficient are the legal and judicial systems for companies in settling disputes?

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	To a very great extent no efficient	4	5.6	5.6	5.6
	To a great extent no efficient	16	22.2	22.5	28.2
	No efficient	17	23.6	23.9	52.1
	Neutral	20	27.8	28.2	80.3
	Efficient	8	11.1	11.3	91.5
	To a great extent efficient	5	6.9	7.0	98.6
	To a very great efficient	1	1.4	1.4	100.0
	Total	71	98.6	100.0	
Missing	999.00	1	1.4		
Total		72	100.0		

- In your country, how easy is it for private businesses to challenge government actions and/or regulations through the legal system?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely difficult	14	19.4	19.4	19.4
	Difficult	15	20.8	20.8	40.3
	Somewhat difficult	16	22.2	22.2	62.5
	Neutral	17	23.6	23.6	86.1
	Somewhat easy	6	8.3	8.3	94.4
	Easy	2	2.8	2.8	97.2
	Extremely easy	2	2.8	2.8	100.0
	Total	72	100.0	100.0	

5. SECURITY

- In your country, to what extent does the incidence of crime and violence impose costs on businesses?

		Frequency	Percent	Valid Percent
Valid	To a very great extent imposes huge costs	7	9.7	9.7
	To a great extent imposes huge costs	12	16.7	16.7
	To a moderate extent imposes huge costs	9	12.5	12.5
	Neutral	14	19.4	19.4
	To some extent imposes huge costs	10	13.9	13.9
	To a small extent imposes huge costs	13	18.1	18.1
	Not at all	7	9.7	9.7
	Total	72	100.0	100.0

- In your country, to what extent can police services be relied upon to enforce law and order?

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	Not at all	3	4.2	4.2	4.2
	To a small extent	16	22.2	22.5	26.8
	To some extent	10	13.9	14.1	40.8
	Neutral	21	29.2	29.6	70.4
	To a moderate extent	9	12.5	12.7	83.1
	To a great extent	11	15.3	15.5	98.6
	To a very great extent	1	1.4	1.4	100.0
	Total	71	98.6	100.0	
Missing	999.00	1	1.4		
Total		72	100.0		

- In your country, to what extent can police services be relied upon to enforce law and order?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	3	4.2	4.2	4.2
	To a small extent	16	22.2	22.5	26.8
	To some extent	10	13.9	14.1	40.8
	Neutral	21	29.2	29.6	70.4
	To a moderate extent	9	12.5	12.7	83.1
	To a great extent	11	15.3	15.5	98.6
	To a very great extent	1	1.4	1.4	100.0
	Total	71	98.6	100.0	
Missing	999.00	1	1.4		
Total		72	100.0		

PRIVATE INSTITUTIONS

1. CORPORATE ETHICS

- In your country, how do you rate the corporate ethics of companies (ethical behavior)?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely poor	6	8.3	8.5	8.5
	Poor	5	6.9	7.0	15.5
	Fair	17	23.6	23.9	39.4
	Neutral	21	29.2	29.6	69.0
	Good	18	25.0	25.4	94.4
	Very good	4	5.6	5.6	100.0
	Total	71	98.6	100.0	
Missing	999.00	1	1.4		

Total	72	100.0		
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2. ACCOUNTABILITY

- In your country, how strong are financial auditing and reporting standards?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely weak	6	8.3	8.3	8.3
	Weak	7	9.7	9.7	18.1
	Somewhat week	15	20.8	20.8	38.9
	Neutral	23	31.9	31.9	70.8
	Somewhat strong	12	16.7	16.7	87.5
	Strong	9	12.5	12.5	100.0
	Total	72	100.0	100.0	

- In your country, to what extent is management accountable to investors and boards of directors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	3	4.2	4.3	4.3
	To a small extent	6	8.3	8.6	12.9
	To some extent	8	11.1	11.4	24.3
	Neutral	19	26.4	27.1	51.4
	To a moderate extent	11	15.3	15.7	67.1
	To a great extent	16	22.2	22.9	90.0
	To a very great extent	7	9.7	10.0	100.0
	Total	70	97.2	100.0	
Missing	999.00	2	2.8		
Total		72	100.0		

- In your country, to what extent are the interests of minority shareholders protected by the legal system?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not protected at all	2	2.8	2.8	2.8
	To a small extent protected	13	18.1	18.1	20.8
	To some extent protected	21	29.2	29.2	50.0
	Neutral	15	20.8	20.8	70.8
	Protected	10	13.9	13.9	84.7
	Protected to a great extent	10	13.9	13.9	98.6
	Protected to a very great extent	1	1.4	1.4	100.0
	Total	72	100.0	100.0	