

**Table 1: Descriptive Statistics**

	2002			2005		
	Obs	Mean	Std. Dev.	Obs	Mean	Std. Dev.
<i>Panel A: Summary Statistics</i>						
Sales	4504	2290	10428	6665	3376	17503
Employment	6122	143	505	9097	105	364
Fixed Assets	3388	2384	33893	4637	1622	10582
Number of Competitors	6029	0.82	0.39	8479	0.82	0.39
Ownership [Privatization]	6153	0.15	0.36	9098	0.14	0.35
Ownership [New Private]	6153	0.55	0.50	9098	0.66	0.47
Ownership [State]	6153	0.14	0.35	9098	0.09	0.28
Ownership [Other]	6153	0.02	0.12	9098	0.01	0.09
Ownership [Foreign]	6153	0.14	0.35	9098	0.10	0.30
Exports as % of Sales	6055	11.16	25.05	9039	8.76	22.34
Workforce Ratio: University / Secondary Education	5289	1.36	4.67	6930	1.24	3.83
Company Age	6153	14.70	18.70	9090	15.55	17.46
University / Secondary Education x Age	5289	19.47	114.49	6925	22.84	124.76
Permanent Employment 3 years ago	6066	134.73	501.85	8967	101.51	405.07
Parttime Employment 3 Years ago	5872	6.96	44.21	8873	5.65	31.70
% change in Fixed Assets (3 year period)	5717	16.30	46.66	8787	11.90	32.17
% change in Exports (3 year period)	6026	5.44	33.76	9030	4.44	29.81
% change in Employment (3 year period)	6059	34.89	135.99	8967	30.30	133.53
% change in Sales (3 year period)	5832	21.69	62.74	8764	12.99	39.25
% change in Sales per Worker (3 year period)	5753	14.69	74.90	8645	12.35	89.17
<i>Panel B: Average number of Competitors</i>						
Construction	772	2.85	0.39	443	2.86	0.41
Manufacturing	1463	2.72	0.49	2161	2.75	0.49
Transport, Storage & Communic	474	2.72	0.52	339	2.79	0.47
Wholesale & Retail Trade	1847	2.88	0.34	949	2.84	0.40
Real Estate Renting & Business Services	637	2.82	0.41	396	2.82	0.45
Other Services	768	2.81	0.43	317	2.74	0.53
Others	68	2.53	0.63	60	2.53	0.68
<i>Panel C: Share of companies taking initiatives</i>						
Change main supplier	6079	0.28	0.45	9098	0.28	0.45
Change main customer	6096	0.23	0.42	9098	0.22	0.41
Export to new country	6153	0.13	0.34	9098	0.10	0.30
Develop major new product	6153	0.39	0.49	9098	0.35	0.48
Upgrading an existing product	6153	0.52	0.50	9098	0.51	0.50
Discontinued at least 1 product	6110	0.21	0.41	9098	0.16	0.37
Joint venture with foreign partner	6153	0.09	0.28	9098	0.04	0.20
New product licensing agreement	6153	0.19	0.39	9098	0.13	0.34
Outsourced a major production	6106	0.08	0.28	9098	0.08	0.27
Quality accreditation	6153	0.14	0.35	9098	0.12	0.33
None of the previous	6149	0.15	0.36	9098	0.23	0.42
Brought in-house a major production	6109	0.08	0.28	9098	0.07	0.26
Opening new plant	6110	0.14	0.35	n.a	n.a	n.a
Close existing plant	6103	0.12	0.32	n.a	n.a	n.a
Introduced a new technology	6115	0.30	0.46	n.a	n.a	n.a
<i>Panel D: Average constraints</i>						
Access to financing	5810	2.33	1.16	8647	2.26	1.14
Cost of financing	5864	2.53	1.13	8698	2.51	1.13
Tax rates	6060	2.76	1.11	8951	2.75	1.10
Tax administration	5953	2.54	1.14	8895	2.47	1.13
Custom/foreign trade regulations	5649	2.04	1.12	8267	1.91	1.07
Business licencing & permit	5906	2.02	1.08	8776	1.98	1.04
Labour regulations	5946	1.74	0.94	8886	1.87	0.98
Uncertainty about regulatory policies	6000	2.85	1.09	8819	2.53	1.12
Macroeconomic instability	5998	2.76	1.11	8823	2.52	1.12
Functioning of the judiciary	5728	2.06	1.08	8417	2.06	1.10
Corruption	5713	2.24	1.16	8497	2.16	1.14
Street crime theft & disorder	5857	1.96	1.07	8661	1.82	1.01
Organised crime mafia	5663	1.81	1.09	8394	1.64	0.97
Anti-competitive practices	5871	2.25	1.11	8739	2.30	1.11
Infrastructure	6122	1.54	0.70	9043	1.54	0.73
Average of all constraints	6134	2.24	0.67	9064	2.17	0.66

\* n.a.: information not available

**Table 2: Revenue Efficiency - Baseline Regressions  
(IV Estimation with Year, Country and Sector Fixed Effects)**

	1	2	3	4	5	6	7	8
Log Employment	0.189 [0.177]	0.190 [0.177]	0.203 [0.170]	0.236 [0.163]	0.449 [0.184]**	0.466 [0.200]**	0.508 [0.179]***	0.503 [0.188]***
Log Assets	0.904 [0.190]***	0.880 [0.190]***	0.891 [0.182]***	0.826 [0.177]***	0.522 [0.192]***	0.498 [0.213]**	0.467 [0.189]**	0.470 [0.201]**
Log (1 + Export / Sales)		0.743 [0.359]**		0.981 [0.392]**		-0.540 [0.493]		-0.218 [0.506]
More than 3 Competitors			0.040 [0.052]	0.066 [0.050]			0.072 [0.044]*	0.075 [0.046]
Ownership [Privatized]					-0.435 [0.428]	-0.205 [0.423]	-0.222 [0.384]	-0.159 [0.405]
Ownership [New Private]					-0.531 [0.284]*	-0.523 [0.283]*	-0.408 [0.258]	-0.424 [0.263]
Ownership [Foreign]					1.196 [0.367]***	1.728 [0.544]***	1.388 [0.350]***	1.591 [0.520]***
Constant	0.513 [0.231]**	0.520 [0.231]**	0.488 [0.248]**	0.523 [0.240]**	1.430 [0.423]***	1.422 [0.439]***	1.281 [0.400]***	1.283 [0.416]***
Observations	5897	5844	5677	5624	5897	5844	5677	5624
J-Test	17.78	14.12	16.89	12.16	3.19	1.58	1.50	0.95
p-value	0.003	0.007	0.005	0.016	0.203	0.209	0.472	0.328
<b>First stage F-tests</b>								
Log Employment	109.14	107.58	112.52	110.63	109.14	107.58	112.52	110.63
Log Assets	50.63	49.97	48.24	47.56	50.63	49.97	48.24	47.56
Log (1 + Export / Sales)		18.05		18.09		18.05		18.09
Ownership [Privatized]					22.56	22.17	22.20	21.82
Ownership [New Private]					70.74	71.27	70.98	71.34
Ownership [Foreign]					12.36	11.96	12.42	12.02
Durbin-Wu-Hausman Test	26.51	20.33	19.68	22.04	14.19	11.45	11.79	11.42
p-value	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Robust standard errors, clustered by year, country, industry and firm size (small, medium and large) in brackets

\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%

Note: All models were estimated using IVs for log Employment, log Assets, log(1 + Export/Sales) and three Ownership Dummies. The IVs are: Firm's age, skill ratio (college/high school), skill ratio - age interaction, location (city), % change in fixed assets in previous period, % change in exports in previous period, full time employees in previous period. The skill ratio and the skill ratio - age interaction were also interacted with regional (CEB, SEE and CIS) dummies

**Table 3: Revenue Efficiency - Impact of Individual Constraints  
(IV Estimation without Year, Country or Sector Fixed Effects)**

	1	2	3	4	5	6	7	8	9	10	11
Log Employment	0.079 [0.100]	0.067 [0.102]	0.064 [0.103]	0.079 [0.109]	0.081 [0.108]	0.088 [0.106]	0.044 [0.109]	0.063 [0.108]	0.077 [0.103]	0.073 [0.101]	0.109 [0.118]
Log Fixed Assets	0.941 [0.080]***	0.963 [0.082]***	0.970 [0.081]***	0.947 [0.089]***	0.945 [0.090]***	0.953 [0.089]***	0.965 [0.090]***	0.968 [0.092]***	0.942 [0.086]***	0.948 [0.080]***	0.899 [0.102]***
Ownership [Privatized]	0.789 [0.671]	0.758 [0.708]	0.834 [0.743]	0.806 [0.737]	0.924 [0.765]	1.016 [0.747]	0.801 [0.754]	0.940 [0.731]	0.642 [0.729]	0.752 [0.658]	0.371 [0.756]
Ownership [New Private]	0.050 [0.446]	0.096 [0.434]	0.121 [0.439]	0.049 [0.453]	0.143 [0.456]	0.229 [0.441]	0.002 [0.457]	0.180 [0.449]	0.011 [0.434]	0.041 [0.423]	-0.140 [0.445]
Ownership [Foreign]	2.416 [0.871]***	2.542 [0.872]***	2.456 [0.901]***	2.563 [0.853]***	2.719 [0.899]***	2.653 [0.902]***	2.684 [0.887]***	2.764 [0.913]***	2.446 [0.877]***	2.450 [0.821]***	2.101 [0.940]**
Log (1 + Export / Sales)	-1.510 [0.776]*	-1.673 [0.805]**	-1.632 [0.820]**	-1.557 [0.805]*	-1.756 [0.840]**	-1.662 [0.835]**	-1.737 [0.852]**	-1.694 [0.835]**	-1.565 [0.813]*	-1.557 [0.761]**	-1.370 [0.880]
More than 3 Competitors	0.134 [0.076]*	0.114 [0.076]	0.135 [0.075]*	0.130 [0.079]*	0.122 [0.077]	0.119 [0.076]	0.155 [0.079]*	0.121 [0.080]	0.152 [0.074]**	0.137 [0.074]*	0.164 [0.078]**
Cost of Financing	-0.123 [0.056]**										-0.007 [0.060]
Infrastructure		-0.287 [0.090]***									-0.238 [0.092]***
Tax Rates			-0.204 [0.062]***								-0.127 [0.065]*
Customs / Foreign Trade Regulations				-0.113 [0.060]*							0.061 [0.065]
Business Licencing & Permits					-0.137 [0.063]**						-0.067 [0.066]
Macroeconomic Instability						-0.134 [0.055]**					-0.110 [0.065]*
Corruption							-0.097 [0.053]*				0.007 [0.071]
Street Crime, Theft & Disorder								0.013 [0.064]			0.170 [0.083]**
Anti-competitive Practices									-0.150 [0.071]**		-0.049 [0.092]
Average of all Constraints										-0.246 [0.092]***	
Constant	1.238 [0.557]**	1.306 [0.550]**	1.379 [0.561]**	1.113 [0.571]*	1.097 [0.594]*	1.057 [0.605]*	1.133 [0.591]*	0.711 [0.644]	1.321 [0.529]**	1.477 [0.541]***	2.028 [0.584]***
Observations	4992	5121	5091	4741	4968	5059	4843	4938	4981	5127	4305
J-Test	4.77	5.96	4.51	4.60	5.33	4.79	5.66	3.78	7.79	5.50	5.99
p-value	0.029	0.015	0.034	0.032	0.021	0.029	0.017	0.052	0.005	0.019	0.014
First stage F-tests											
Log Employment	97.15	102.49	105.37	98.73	101.54	102.51	100.04	101.66	104.15	101.01	84.04
Log Assets	33.36	33.81	34.04	31.00	33.49	33.93	33.43	33.50	34.64	34.35	30.11
Ownership [Privatized]	17.55	17.35	18.09	17.04	17.53	17.84	17.05	17.64	18.80	18.24	17.48
Ownership [New Private]	63.40	64.49	65.94	61.18	64.76	65.88	63.06	62.17	62.85	67.30	54.21
Ownership [Foreign]	10.18	10.27	10.05	9.83	10.28	9.87	9.79	9.76	10.06	10.41	8.85
Log (1 + Export / Sales)	16.54	16.73	16.66	16.00	16.29	15.82	15.06	15.50	16.32	16.68	13.86
Durbin-Wu-Hausman Test	7.93	7.67	7.94	7.34	6.84	7.46	8.26	7.43	7.17	8.27	6.00
p-value	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Robust standard errors, clustered by year, country, industry and firm size (small, medium and large) in brackets

\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%

Note: All models were estimated using IVs for Log Employment, Log Assets, Log (1 + Export/Sales) and three Ownership Dummies. The IVs are: Firm's age, skill ratio (college/high school), skill ratio - age interaction, location (city), % change in fixed assets in previous period, % change in exports in previous period, full time employees in previous period. The skill ratio and the skill ratio - age interaction were also interacted with regional (CEB, SEE and CIS) dummies. The constraint variables at the firm level represent the average of the constraint reported by the other firms in the same year, country, 2-digit sector and firm size (small, medium, large). The average of all constraints is based on all 15 constraints in the BEEPS survey.

**Table 4: Revenue Efficiency - Impact of Individual Constraints  
(IV Estimation with Year, Country and Sector Fixed Effects)**

	1	2	3	4	5	6	7	8	9	10	11
Log Employment	0.586 [0.190]***	0.590 [0.184]***	0.608 [0.177]***	0.604 [0.184]***	0.541 [0.192]***	0.512 [0.195]***	0.540 [0.201]***	0.605 [0.182]***	0.585 [0.183]***	0.592 [0.185]***	0.458 [0.221]**
Log Fixed Assets	0.369 [0.204]*	0.367 [0.195]*	0.349 [0.187]*	0.361 [0.191]*	0.422 [0.201]**	0.462 [0.201]**	0.397 [0.216]*	0.341 [0.198]*	0.368 [0.195]*	0.365 [0.197]*	0.511 [0.228]**
Ownership [Privatized]	-0.237 [0.387]	-0.422 [0.426]	-0.411 [0.422]	-0.407 [0.440]	-0.379 [0.469]	-0.337 [0.486]	-0.414 [0.444]	-0.413 [0.406]	-0.446 [0.429]	-0.306 [0.375]	-0.327 [0.527]
Ownership [New Private]	-0.489 [0.273]*	-0.530 [0.261]**	-0.518 [0.256]**	-0.493 [0.263]*	-0.496 [0.276]*	-0.448 [0.272]*	-0.597 [0.275]**	-0.517 [0.257]**	-0.543 [0.261]**	-0.486 [0.252]*	-0.478 [0.306]
Ownership [Foreign]	1.765 [0.516]***	1.577 [0.538]***	1.560 [0.526]***	1.479 [0.520]***	1.514 [0.571]***	1.504 [0.596]**	1.644 [0.545]***	1.591 [0.502]***	1.556 [0.546]***	1.699 [0.492]***	1.508 [0.636]**
Log (1 + Export / Sales)	-0.385 [0.528]	-0.250 [0.543]	-0.237 [0.534]	-0.146 [0.531]	-0.219 [0.568]	-0.116 [0.561]	-0.167 [0.565]	-0.103 [0.504]	-0.193 [0.552]	-0.339 [0.514]	-0.163 [0.633]
More than 3 Competitors	0.091 [0.051]*	0.092 [0.051]*	0.094 [0.050]*	0.090 [0.050]*	0.096 [0.052]*	0.099 [0.052]*	0.117 [0.055]**	0.092 [0.049]*	0.096 [0.051]*	0.090 [0.051]*	0.118 [0.059]**
Cost of Financing	0.009 [0.032]										0.024 [0.041]
Infrastructure		-0.035 [0.049]									-0.024 [0.066]
Tax Rates			-0.019 [0.031]								0.002 [0.043]
Customs / Foreign Trade Regulations				-0.002 [0.032]							0.069 [0.047]
Business Licencing & Permits					-0.056 [0.037]						-0.072 [0.046]
Macroeconomic Instability						-0.012 [0.037]					0.004 [0.043]
Corruption							-0.062 [0.035]*				-0.053 [0.050]
Street Crime, Theft & Disorder								-0.053 [0.035]			0.015 [0.059]
Anti-competitive Practices									-0.034 [0.041]		-0.054 [0.053]
Average of all Constraints										-0.055 [0.055]	
Constant	1.470 [0.436]***	1.585 [0.388]***	1.601 [0.404]***	1.482 [0.392]***	1.559 [0.402]***	1.373 [0.402]***	1.742 [0.436]***	1.680 [0.436]***	1.603 [0.374]***	1.616 [0.402]***	1.481 [0.453]***
Observations	4992	5121	5091	4741	4968	5059	4843	4938	4981	5127	4305
J-Test	0.95	0.76	0.71	0.34	0.59	0.68	0.90	0.45	0.79	0.95	0.79
p-value	0.329	0.385	0.399	0.560	0.444	0.409	0.342	0.501	0.374	0.331	0.373
<b>First stage F-tests</b>											
Log Employment	88.55	93.33	93.98	85.51	92.10	93.40	91.99	89.96	91.48	93.75	78.81
Log Assets	35.66	38.42	37.92	34.58	37.45	37.77	36.53	36.35	37.79	38.27	29.71
Ownership [Privatized]	18.39	18.74	18.61	17.86	18.67	18.38	18.52	19.02	20.67	18.69	17.86
Ownership [New Private]	56.54	58.75	59.08	54.54	58.58	59.26	57.07	56.92	58.21	59.27	49.83
Ownership [Foreign]	9.83	10.16	10.19	9.86	10.13	9.89	9.72	9.79	10.02	10.24	8.83
Log (1 + Export / Sales)	15.03	15.59	15.52	14.57	15.08	14.79	14.00	14.32	15.10	15.31	12.55
Durbin-Wu-Hausman Test	8.89	9.78	9.40	9.55	9.59	9.63	10.85	10.41	10.11	9.36	9.78
p-value	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Robust standard errors, clustered by year, country, industry and firm size (small, medium and large) in brackets

\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%

Note: All models were estimated using IVs for Log Employment, Log Assets, Log (1 + Export/Sales) and three Ownership Dummies. The IVs are: Firm's age, skill ratio (college/high school), skill ratio - age interaction, location (city), % change in fixed assets in previous period, % change in exports in previous period, full time employees in previous period. The skill ratio and the skill ratio - age interaction were also interacted with regional (CEB, SEE and CIS) dummies. The constraint variables at the firm level represent the average of the constraint reported by the other firms in the same year, country, 2-digit sector and firm size (small, medium, large). The average of all constraints is based on all 15 constraints in the BEEPS survey.

**Table 5: Country level growth regressions, 2003-2005: Coefficients on Doing Business indicators**

Indicators	(1)	(2)	(3)	(4)	(5)
Starting business: procedures	<b>0.0045*</b>				0.0039
Starting business: time	0.0001				0.0000
Starting business: cost	0.0000				0.0000
Employing workers: rigidity employment		-0.0002			-0.0003
Employing workers: firing cost		0.0000			0.0000
Enforcing contracts: procedures			0.0004		-0.0003
Enforcing contracts: time			0.0000		0.0000
Enforcing contracts: cost			0.0001		0.0001
Closing business: time				<b>0.0091*</b>	<b>0.0094*</b>
Closing business: recovery rate				0.0005	0.0001

Coefficients marked bold and with “\*” denote coefficients that are statistically significant at 10% P-value. None of the coefficients is significant at 5% level.

**Table 6: Intermediate outcomes and Doing Business indicators**

Left hand side variables and DB indicators	Regressions with one DB indicator category included	Regressions with all relevant DB indicators jointly entered
<b>• Private credit to GDP</b>		
Dealing with licences: procedures	-0.495	0.031
Dealing with licences: time	-0.073	-0.016
Dealing with licences: cost	0.002	0.001
Getting credit: legal rights	<b>5.020**</b>	<b>5.077*</b>
Getting credit: credit information	-0.034	0.720
Getting credit: public registries	<b>0.631*</b>	0.442
Getting credit: private registries	<b>0.527**</b>	0.236
Registering property: procedures	<b>-3.337**</b>	-1.386
Registering property: time	-0.079	-0.063
Registering property: cost	<b>1.732**</b>	1.060
Enforcing contracts: procedures	<b>-0.729*</b>	-0.090
Enforcing contracts: time	-0.002	0.005
Enforcing contracts: cost	0.077	0.032
Closing business: time	1.475	-0.372
Closing business: cost	0.522	0.272
Closing business: recovery rate	1.135	0.527
<b>• Private bank credit to GDP</b>		
Dealing with licences: procedures	-0.885	-0.585
Dealing with licences: time	-0.089	-0.084
Dealing with licences: cost	0.002	0.004
Getting credit: legal rights	3.443	5.122
Getting credit: credit information	0.229	0.555
Getting credit: public registries	0.675	0.530
Getting credit: private registries	<b>0.488**</b>	0.247

The coefficients marked bold and with “\*” indicated statistical significance at 10% level and with “\*\*” at 5% significance level.

**Table 6 (cont'd). Intermediate outcomes and Doing Business indicators**

Left hand side variables and DB indicators	Regressions with one DB indicator category included	Regressions with all relevant DB indicators jointly entered
Registering property: procedures	-1.771	0.252
Registering property: time	-0.102	-0.070
Registering property: cost	<b>1.648*</b>	1.355
<b>• Private credit to GDP</b>		
Enforcing contracts: procedures	-0.691	-0.031
Enforcing contracts: time	0.006	0.024
Enforcing contracts: cost	0.098	0.186
Closing business: time	1.533	-0.404
Closing business: cost	0.505	0.133
Closing business: recovery rate	<b>1.097**</b>	0.467
<b>• Construction to GDP</b>		
Registering property: procedures	0.162	
Registering property: time	0.008	
Registering property: cost	-0.007	
<b>• Gross fixed capital formation to GDP</b>		
Dealing with licences: procedures	<b>-0.214**</b>	-0.171
Dealing with licences: time	-0.008	-0.011
Dealing with licences: cost	-0.001	-0.001
Getting credit: legal rights	0.143	-0.072
Getting credit: credit information	-0.461	-0.655
Getting credit: public registries	0.023	0.001
Getting credit: private registries	-0.027	-0.027
Registering property: procedures	0.204	0.018
Registering property: time	0.000	-0.005
Registering property: cost	-0.089	0.039
Enforcing contracts: procedures	<b>-0.104*</b>	-0.103
Enforcing contracts: time	0.000	0.001
Enforcing contracts: cost	-0.031	-0.021
Protecting investors: investor protection	-0.201	-0.035
<b>• Gross private capital flows to GDP</b>		
Getting credit: legal rights	<b>13.920**</b>	<b>12.740**</b>
Enforcing contracts: procedures	-0.972	-0.391
Enforcing contracts: time	-0.025	-0.013
Enforcing contracts: cost	0.038	0.054
<b>• Net foreign direct investments to GDP</b>		
Getting credit: legal rights	<b>1.037**</b>	<b>1.034**</b>
Enforcing contracts: procedures	-0.039	-0.012
Enforcing contracts: time	-0.002	-0.001
Enforcing contracts: cost	-0.016	-0.020
<b>• Export to GDP</b>		
Trading across borders: documents export	-0.922	
Trading across borders: time export	0.082	

The coefficients marked bold and with “\*\*” indicated statistical significance at 10% level and with “\*\*\*” at 5% significance level.

**Table 6 (cont'd). Intermediate outcomes and Doing Business indicators**

Left hand side variables and DB indicators	Regressions with one DB indicator category included	Regressions with all relevant DB indicators jointly entered
<b>• Import to GDP</b>		
Trading across borders: documents import	-0.509	
Trading across borders: time import	-0.135	
<b>• Stock market capitalization to GDP</b>		
Protecting investors: disclosure	<b>7.579**</b>	
Protecting investors: director liability	<b>14.024**</b>	
Protecting investors: shareholder suits	-0.046	
Protecting investors: investor protection		<b>21.757**</b>
<b>• Stock market turnover ratio</b>		
Protecting investors: disclosure	0.823	
Protecting investors: director liability	5.643	
Protecting investors: shareholder suits	-2.406	
Protecting investors: investor protection		3.417
<b>• Size of informal economy</b>		
Starting business: procedures	<b>0.888*</b>	0.690
Starting business: time	-0.012	0.034
Starting business: cost	-0.028	-0.034
Employing workers: rigidity	0.059	0.087
Employing workers: non-wage cost	0.069	0.005
Employing workers: firing cost	0.002	-0.024
Enforcing contracts: procedures	0.049	-0.011
Enforcing contracts: time	0.004	0.003
Enforcing contracts: cost	-0.071	-0.089
<b>• Size of informal economy</b>		
Employing workers: rigidity	0.069	
Employing workers: firing cost	0.016	

The coefficients marked bold and with “\*” indicated statistical significance at 10% level and with “\*\*” at 5% significance level.

**Appendix Table 1: Doing Business indicators and intermediate outcomes – hypothesised relationships**

<b>Indicator</b>	<b>Intermediate outcome and expected sign of the relationship</b>	
Constraints in starting a business	Firm creation (-) Investments (-) Job creation (-) Informal economy (+)	Corruption (+) Efficiency of production (-) Tax revenues (-)
Constraints in dealing with licences	Construction sector (-) Cheaper offices (-) Cheaper warehouses (-)	Informal economy (+) Government expenditure (+)
Rigidities in hiring and firing workers	Productivity (-) Informal economy (+) Business costs (+) Adj. to new technologies (-)	Adj. to macroeconomic shocks (-) Adj. to migrant inflows (-) Benefits of trade liberalisation. (-)
Constraints in registering property	Property rights (-) Property market (-) Credit (-)	Investment (-) Corruption (+) Informal economy (+)
Ease of getting credit	Credit (+) Non-performing loans (-)	Investment (+) Small enterprises and women (+)
Strength of protecting investors	Equity investments (+) Entrepreneurship (+)	Investment (+) Size of stock market (+)
Constraints in paying taxes	Informal economy (+) Quality of public services (-) Corruption (+)	Government revenue (-) Investment (-)
Constraints in trading across borders	Trade (-) Corruption (+)	
Constraints in enforcing contracts	Bank credit (-) Interest rates (+) Entry of new firms (-)	Employment (-) Government expenditures (+) Integrity of court system (-)
Constraints in closing a business	Investments (-) Credit (-) Non-performing loans (+)	Entrepreneurship (-) Productivity (-) Job creation (-)

Source: Commander and Tinn (2008)