

Data collection challenges in Establishment Surveys: The Case of Uganda Business Inquiry (UBI) 2009/10

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Abstract

The Uganda Bureau of Statistics (UBOS), under the mandate of the UBOS Act of 1998, conducts establishment surveys every five to ten years to obtain information on economic activities. The UBI 2009/10 is the most recent establishment survey and was conducted in 2011/12¹. The UBI 2009/10 findings revealed that the economy is highly informal based given that it had the highest number of establishments (96 percent) and employed the highest number of persons (82 percent). To provide a greater coverage of the informal sector, both the household and non-household based establishments were combined. The household based establishments were covered under the Uganda National Household Survey (UNHS) 2009/10 using the Uganda Population and Housing Census 2002 as the sampling frame. A two-stage stratified sampling design was used to draw the sample. The non-household based establishments were covered under the UBI 2009/10 and the Census of Business Establishments (COBE) 2010/11 was the sampling frame. Stratified sampling design was used to select the sample. Among the major challenges was administering the long questionnaires for large establishments, administering the right questionnaire to the right respondent, locating the establishments, obtaining data from establishments with informal setting, among others. This paper therefore presents data collection challenges in establishment surveys and in particular the UBI 2009/10 experience and in certain instances providing some possible solutions. Highlighting these issues and experience sharing, I believe that this information will be of help in future planning and undertaking such kind of surveys.

Key words:

Household based establishments, non-household based establishments, books of Accounts, payment of taxes

1. Introduction

It has been recognised that there are challenges faced when conducting establishment surveys especially for informal dominated economies. The Uganda Business inquiry (UBI) 2009/10, which is the most recent establishment survey, was not an exceptional case in regard to facing the challenges. The UBI is conducted every five to ten years by the Uganda Bureau of Statistics. It covers non-household establishments with fixed locations. It aims at obtaining information on the main economic indicators to determine the contribution of each of the sectors to economic growth of the economy. The UBI 2009/10 findings revealed that the informal sector was the largest employer, accounting for 96 percent of employees and registering 82 percent of the total establishments. It is from these findings that not only do they place the country in an informal dominated economy, but an indication that the UBI 2009/10 faced various data collection challenges. In addition the findings indicate that the informal sector plays a role in contributing towards the economic growth of the country.

The prominence of the informal sector in most African economies cannot really be underemphasised as almost all persons who cannot find replacements within the formal sector find solace in the informal sector of the economy. In as much as the informal sector drives most African economies, it is a much neglected sector as it seldom accounts for a pride of place in government planning for the overall economy (Iwalewa, 2011). Therefore, in order to have a wider coverage of the informal sector, a model on the informal sector was incorporated in the Uganda

¹ The UBI 2009/10 was carried out in 2011/12 but the reference year for data collection is 2009/10.

National Household Survey (UNHS) 2009/10. The UNHS covers household based establishments. The UBI 2009/10 findings therefore include both household and non-household establishments. However, the combined findings were restricted to the main economic indicators at the National level. This was a result of difficulty in obtaining information for all variables of interest at household level – some of the data was not readily available. Therefore, in as much as an attempt was made to obtain information from both non-household and household based establishments, collecting data from establishments comes with a number of challenges because of its diversity and heterogeneous nature.

2. Survey Design

The combination of the UBI 2009/10 and UNHS 2009/10 was one conventional method used to produce statistics for the establishments. The two surveys were conducted independently and results of the key economic indicators² combined at National level.

2.1 The UBI 2009/10

The UBI 2009/10 was conducted in 2011/12 with 2009/10 being the reference year used for data collection. The selection of the non-household based establishments was done using the Census of Business Establishments (COBE) frame 2010/11. The COBE frame had insufficient information to classify establishments by formal and informal. The first stage therefore involved selecting non-household establishments using stratified sampling design by industry and employment. The total sample size was about 7,200 non-household establishments. The UBI 2009/10 covered all business activities as specified in the International Standard Industrial Classification (ISIC) Rev 4. It excluded Public Administration and Defence; Compulsory social security; and Activities of Extraterritorial Organisations and Bodies.

The second stage involved post-stratification by the informal and formal. This classification was done by use of the informal sector definition that was adopted after data collection. The informal status of an establishment therefore was determined by the question as to whether an establishment paid any. Instead of considering the other elements that define the informal sector such as: business not being registered, having of no books of accounts, among others. This arose from the data collection challenges met when administering especially the large questionnaires. The large questionnaires had more questions with more details required from the respondents. The large questionnaires were designed to be completed by the formal establishments which were considered large yet they had completed small questionnaires meant for the informal establishments. This could have been due to the interviewer's preference of administering the small questionnaires for the formal businesses to finish his/her task sooner than later; or having no confidence in administering the large questionnaires.

2.1 The UNHS 2009/10

The UNHS 2009/10 is the latest in a series of household surveys that started in 1989. The survey collected information on socio-economic characteristics at both household and community levels as well as information on the informal sector. The informal sector was one of the six³ modules covered under the survey. The module findings were to provide indicators on the extent of informal activity in the economy undertaken at household level, as well as access to credit and market. The module covered the following sectors: Agriculture – livestock, bee keeping, fishing and crop farming where a farmer sells off more than half of his produce; Forestry; Mining and Quarrying; Manufacturing; Hotels, lodges, bars, restaurants and eating places; Trade and Services. The household based establishments were selected using the Uganda Population and Housing Census 2002 Frame. A two-stage stratified sampling design was used. The first stage involved grouping of enumeration areas (EAs) by districts and rural – urban location; then selected using probability proportional to size. The second stage was the selection of the households, the Ultimate Sampling Units, drawn using systematic sampling. For the UNHS 2009/10, the informal sector was defined by the following attributes: absence of final accounts, having less than 5 employees, no fixed location, not registered and businesses being operational for at most 6 months.

² The key economic indicators include: Number of establishments, employment size, intermediate consumption, gross output and value added.

³ The six modules included: the Informal sector, Socio-economic, Labour force, Community, Price and the Qualitative.

3. Some Highlights of the UBI 2009/10 Findings

The UBI 2009/10 findings reveal that out of the 2 million businesses covered, 96 percent were informal meaning that nearly 19 out of every 20 businesses were Informal. The findings further show that analysis of the ratio of Value Added (VA) to Gross Output (GO), the Informal sector registered VA to GO ratio of 69 percent higher than that of the formal sector of about 58 percent. This implied that the costs of production in the informal sector were lower compared to the Formal sector; thus the Informal businesses were more efficient compared to the Formal businesses, Table 1.

Table 1: Main Economic Indicators by Formal and Informal, 2009/10

Type	Number of Establishments	Employment	Million Shillings			Percent		
			Intermediate Consumption	Gross Output	Value Added	Establishments	Employment	VA:GO
Informal	1,979,509	4,087,701	3,614,249	11,656,914	8,042,665	96.0	81.9	69.0
Household based	1,563,885	3,078,348	1,940,211	4,222,278	2,604,902	75.8	61.7	61.7
Non-household based	415,624	1,009,353	1,674,038	7,434,636	5,437,763	20.1	20.2	73.1
Formal	83,319	903,226	13,191,819	31,339,652	18,147,834	4.0	18.1	57.9
Total	2,062,828	4,990,927	16,806,068	42,996,566	26,190,499	100	100	60.9

4. Data Collection Challenges

4.1 Failure to locate establishments. The UBI 2009/10 like the previous surveys was a national exercise. The survey encountered various data collection challenges. Among the challenges included failure to locate some establishments. This was a major problem especially for the small businesses that never had contacts; and even those with contacts like the telephone numbers (including mobile numbers) that had been provided during the COBE exercise were not operational and not on any Telecom network. In addition to this, the GPS codes that were assigned to the establishments could not be used for locating them because often they were outside the range. This means that during the listing exercise, COBE, field enumerators were not keen at recording the right codes.

4.2 Identifiable Establishments. The other challenge faced during data collection for the UBI 2009/10 was the issue of businesses sampled for the survey with no names; and businesses being named after the first name of the owner such as Peter, Jane, etc. These were quite a number on the Business register and therefore their chances of being sampled for the survey were very high. During the data collection exercise often the establishments approached for data would ask the interviewers to prove that they were the ones to be interviewed. In fact, the interviewer would approach any respondent who was willing or did not mind providing data and had similar characteristics provided on the list of establishments he/she was to interview. Some interviewers would go for those they knew and were offering the same services for the interviews.

4.3 Non-response. Another data collection challenge was the issue of non-response. It is not a smooth road when one is required to obtain data from the business community in my country. It is especially so when it comes to respondents who have attained higher education and are owners of the establishments. The respondents can even tell the interviewer about the importance of the survey towards the development of the country but will stubbornly not respond to the interview. The non-response is usually reduced by visiting the establishment several times – usually not more than ten times depending on the time left for the exercise to end. If this fails too, the supervisor tries his/her luck – may succeed or fail as well. In the event that the establishment is an important one that its results are a must to get, then the National Supervisors visit the establishment or if it so happens that it is a member of a certain association e.g. Uganda Manufacturer's Association, then the Bureau informs the Chairman of the association to intervene.

4.4 The issue of response fatigue. At the time of the UBI 2009/10, there were other economic surveys that had been conducted by other Institutions like Bank of Uganda which had conducted the Private Sector Investor Survey. The establishments that had been part of the other survey saw it as a bother on their side and some refused to participate for the UBI 2009/10. The Bureau also collects data on monthly and quarterly basis for other surveys

like Price surveys for some establishments which unfortunately were chosen with certainty because of their high contribution towards the economy. These price surveys however are not that detailed like the UBI. It is not surprising this time round that some of these establishments were a bit reluctant to complete the questionnaires in time. Nevertheless, the Bureau assigned these very establishments to those that usually visit them. A good number responded.

4.5 Incompleteness of the questionnaires. The incompleteness of the questionnaires that were brought from the field was also another challenge. This was very common for those establishments that were of the informal setting. The majority never had any cost of staff – one would think they work for no pay. Employment was also another variable that was missing for some establishments irrespective of whether formal or informal. The Bureau therefore had to impute the total cost of staff by taking a third of the total expenditure to equal the total cost of staff. The COBE frame was used to fill the gaps of employment. Other sources such as Tax Authority (Uganda Revenue Authority), Uganda Investment Authority, Bank of Uganda, among others were also used to supplement the missing data.

4.6 The shopping malls in urban areas. There was a challenge of collecting data from especially the traders operating from the shopping malls. There are many shops (establishments) within one shop (establishment) especially those located in the main urban centres such as the Capital city. For example you visit a shop in the city centre selling ladies' clothes and find ten "shop attendants". These ten shop attendants, each operates a stand or a segment in that shop. One would think that the ten are shop attendants yet represent an establishment. Data collection becomes very difficult for one to be able to know that it is not one or several establishment. It is also a challenge to administer the questionnaire to the correct respondent.

4.7 Missing established establishments. Data collection was indeed a challenge for the UBI 2009/10. This is because that even those establishments that are known with certainty that do exist and fully established their returns were missing. This was mainly discovered during the analysis time when preliminary findings were not satisfactory for some sectors. This therefore called for using secondary data as the best proxy source to fill the gaps given the limited time that was left for the survey. In fact after the exercise during stock taking of the used and unused questionnaires, it was discovered some data had been collected even at listing time but was never captured. It could be that some of these formal and large businesses were among those that had not been captured yet listed.

4.8 The informal establishments. There was a challenge of collecting accurate data especially from establishments with an informal setting. These establishments by nature of their operations do not have books of accounts. They were therefore asked questions on income and expenditure relating to their past week or month. It was also a challenge for the respondent to recall all and accurately on what had been transacted during that period.

4.9 High mortality and mobility of small establishments. Although the UBI 2009/10 was conducted in 2011/12 and used the COBE 2010/11 as the sampling frame, the period taken to process the census results and start the survey seemed too long for some establishments to be still in operation for the survey. There were some businesses that had closed and those that had moved to other locations without trace.

4.10 False information provided. The UBI 2009/10 experience revealed that some establishments would provide false data due to fear of taxes. Some establishments prepare different accounts for different purposes: one for the Tax Authority; one for Management of the Business; and another for the Shareholders and Owners of the establishments. This was discovered on some occasions when an establishment returned a questionnaire that was not balancing. The Bureau would then use other secondary sources to cross check and rectify the anomalies.

4.11 Language barrier. English being the official language the questionnaires were therefore written in English. However, during data collection some respondents could not understand. This delayed the process of data collection and would also lead to collecting wrong information.

4.12 Poor infrastructure. The poor infrastructure in some areas of the country hindered the data collection exercise. For example some roads especially in the rural areas were impassable and the situation worsened during the rainy days forcing the interviewers to take longer to reach the respondents than it was anticipated.

4.13 Politicising of the UBI 2009/10 exercise. It is often the case when surveys are carried out for leaders to politicise the public about such exercises. During the data collection exercise, some local leaders would misinform the public about that the exercise and relate it to tax issues such as: the survey is aimed at bringing on board new types of taxes or increase tax rates. The Bureau however held talk shows on a few radio stations to sensitise the public about the exercise. However, their band width was not wide enough to reach all parties.

4.14 The red-tape bureaucracy. The interviewers on a number of occasions had to go through so many managerial or supervisory levels to meet the owner of the establishment to be informed about the interview exercise. The owners are usually responsible for deciding on whom to complete the questionnaire being administered.

The challenges highlighted are a testimony that data collection for establishment surveys if not well planned, can lead to underestimating the contribution of the establishments towards the economic growth of a country.

5. Concluding Remarks

This paper has attempted to show, on the basis of the UBI 2009/10 experience, that data collection from establishments comes with a number of challenges. However, these challenges can be minimised at a certain scale. There is need to strengthen close collaboration between the data collectors, potential users and the providers of the information. In other words the public should be part of the survey prior to the data collection exercise and should be regularly be sensitised about the establishment and other economic surveys.

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