
MAPS NIGER-PHASE III: SURVEY OF THE INFORMAL AND FORMAL SECTORS

FINAL REPORT

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PREFACE

Many individuals and organizations participated in the data collection and analysis which went into the production of this report, which is comprised of two private sector surveys, one for the informal sector and one for the formal sector. These surveys were conducted in Niger for USAID/Niger and the A.I.D. Africa Bureau of Market Development and Investment (AFR/MDI) under contract with Ernst and Young. The actual data on the informal and formal sectors were collected by a team of 18 interviewers, including three field supervisors, working under the supervision of Dr. Djibo Maiga and Dr. Robert Seromba, both of the University of Niamey Faculté des Sciences Economique et Juridique, and in close collaboration with Dr. Richard Vengroff, Dean of International Affairs, the University of Connecticut. This work was greatly facilitated by extensive input from USAID/Niger, especially Mr. Jack Slattery, Mr. George Callen, Mr. Sidi-Mohammed Iddal, Ms. Beatrice Beyers, Mr. Frank Martin, Mr. Michael McCarthy and Mr. Hararou Djibo. Mr. Michael Borish, the MAPS/Niger team leader, and Dr. Karen Hendrixson read and provided useful suggestions and comments on the preliminary rough draft of this report. Ms. Charlene Robinson, of Ernst and Young, provided important logistical back stopping for this effort. Mr. Momar N'Diaye, Mr. Papa I'gom, Ms. Katalin Farkas and Ms. Crystal Snow, staff members of the Division of International Affairs at the University of Connecticut, provided useful input and support for the data entry, analysis and report preparation stages of this work. The owners and staff of Desktop Sahel in Niamey were especially tolerant and understanding in keeping their office open for extended hours so that I could type the early draft of this report and do some of the preliminary data analysis in Niger. I also wish to thank the hundreds of business operators throughout Niger who gave freely of their time to participate in the preparatory stages and the formal interviews conducted in the course of this study.

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I. INTRODUCTION

This survey was undertaken as part of an effort to assist the U.S. Agency for International Development (U.S.A.I.D.) to collect and analyze data that will be of assistance to it and the Government of Niger in the design of interventions in support of private sector development. The private sector survey was used for the purpose of collecting up-to-date, relevant information on the perceptions of managers, directors and entrepreneurs of firms operating in the private sector (formal and informal) in Niger. Although there are undoubtedly some differences between perceptions and reality, the correlation between the two, in this case, is likely to be quite high. Business owners and operators in the private sector will be making decisions regarding investments, marketing, employment, product mix, etc., based on their understanding of the environment for business in Niger. **The information collected during the course of this study, the main source of systematically gathered primary data for the MAPS exercise, is important as a measure of how Niger's private sector regards opportunities and constraints in the overall business environment.**

For purposes of organization and analysis, the constraints which potentially have an impact on the success of Nigerien firms have been regrouped into seven broad categories:

- 1) **Competition, both domestic and foreign;**
- 2) **Financial resources, especially credit;**
- 3) **Government economic policy, including policy making, policy implementation, and the role played by functionaries;**
- 4) **The costs and availability of inputs;**
- 5) **Human resources;**
- 6) **The availability of reliable information; and**
- 7) **Internal management needs.**

In the diagnostic that follows, an effort is made to prioritize these issues in accord with the findings of this study.

These results will provide the Government of Niger with much needed information which can be used in the policy making process, and for revisions in that process consistent with new approaches to private sector and overall economic development. They should also facilitate the identification of the most important and potentially promising areas for donor sponsored project and program support.

II. DATA AND METHODS

The Survey Instrument

The questionnaire is designed to assess the relative importance of constraints on and opportunities for the business community. It is based on similar instruments used in MAPS exercises in other countries. Input was collected from A.I.D. officials, Nigerien government officials, representatives of the private sector in Niger, several consultants familiar with the private sector, local training institutions and the firm selected to conduct the survey. It has been adapted to reflect a number of the economic realities which are specific to Niger. It was further revised and streamlined to shorten the required average interview time to between thirty and forty-five minutes.

The questionnaire is divided into five sections, roughly corresponding to the main concerns of the MAPS exercise (see the questionnaire in the Appendix). The purpose of Section One is to collect background information on both formal and informal sector firms. Section Two addresses the issues associated with current business performance. Questions in Section Three are designed to identify and prioritize the various resource and public policy constraints that have an impact on the general business environment. In Section Four, investment and growth opportunities perceived by business leaders are assessed. The value, functions, and performance of professional business associations are the subject of the questions in Section Five.

Multiple translations of the survey instrument were completed using a group consisting of eighteen interviewers. Consensus was reached on translations in both Hausa and Djerma. These versions were reviewed by a multilingual Nigerien specialist in management, Dr. Maiga Djibo. Final corrections and changes were then made to ensure the accuracy of the questions from a technical standpoint. The questionnaire was field tested and final modifications made before it was employed for the survey.

The Sample:

- **The Informal Sector**

Before proceeding, it is important to note that there is a wide range of definitions and perceptions on just what constitutes the informal sector. For the Sahelian countries, the definition that this author finds most satisfactory and comprehensive is one derived from the work of Bremmer-Fox, Bailey et al. (1990) and their borrowing from van Dijk (1978).

Informal enterprises are enterprises engaged in economic activities that do not comply fully with the regulations governing such activities...lack of compliance typically takes three forms...(1) the firms are not registered; (2) some or all of their employees receive less than the minimum wage; and (3) their employees are not registered in the social security system. (Bremmer-Fox, Bailey, et al, 1990, p. 3).

They further suggest that "to a greater degree than in other regions, the Sahelian informal sector includes very large and long-established enterprises as well as small struggling ones." (p. 3)

For this study, four criteria are applied: 1) the firm does not appear on the list of formally registered firms of the Direction de la Statistique in Niamey; 2) the firm has not subsequent to the production of the Direction de la Statistique list registered with the government as a formal firm; 3) the firm is actually a formal sector firm but was accidentally excluded from the Direction de la Statistique list; and 4) the firm has a more or less "permanent" location of operations outside the home (more precisely, "concession") of the operator. In fact, all firms included in this study, by virtue of meeting the above mentioned criteria, also meet all three conditions of the Bremmer-Fox, et al. definition.

The main problem in selecting a sample from among the literally thousands of informal sector firms in Niger is that there are no easily accessible lists or a complete census of these firms which can be used as a sampling frame. Even the numbers of informal sector firms are not accurately known. Although the Ministry of Plan has tried to estimate the size of the informal sector, this author has no confidence in any of the data available from that source. A well designed census of the informal sector in two departments of Niger, conducted by a team of Michigan State University researchers, found the margin of error in the Ministry of Plan estimates to vary from 100 percent in the towns to 500 percent in the rural areas.

Given time, resources and the relative economic importance of certain departments in Niger, five areas were selected as the target of the survey: Niamey, Tahoua, Agadez, Maradi and Zinder. Furthermore, the survey was confined to the major towns rather than including the rural areas. Given their relatively small size, geographic proximity and certain other similarities, Tahoua and Agadez were grouped together for purposes of sample selection and interviewing. It was also decided, for purposes of comparison with existing studies, that three important areas of economic activity (commerce, services and industry/production) would be considered in each of the geographic areas.

The sample was first stratified on the basis of geographic location (département). Within each département, **the sample of informal sector firms to be included in the survey was drawn using a cluster bloc approach.** That is, rather than using the individual firm as the prime source of the sampling frame, permanent markets in the five departments were identified. These were then randomly selected for inclusion in the survey. Since production activities are often not physically associated with these markets per se, the "quartiers" (neighborhoods) surrounding the markets were also included in the clusters. Within clusters, the sample was stratified by type of activity.

A formal set of selection procedures, included in the interviewer training program, was provided to the survey teams. Interviewers were randomly assigned compass point directions

(north, south, east, west) from which to approach their assigned markets and neighborhoods. They were also randomly assigned a direction (clockwise or counter clockwise) in which to proceed and a random number which represented the number of "firms" to pass before selecting the firm to be the subject of the interview. Each interviewer was assigned a quota of types of firms. They continued with the preassigned direction and counting of firms until they had achieved their quota of interviews of the appropriate types. In the very few cases in the informal sector where individuals refused to be interviewed or were away for extended periods or for other reasons not available, replacements were selected by continuing the same selection procedure. In total, 201 usable interviews were completed with informal sector firms.

- **The Formal Sector**

The sample for the formal sector was stratified by both type of economic activity and geographic location. The sampling frame consists of just over 400 firms registered with the government and included on a list obtained from the Ministry of Plan (Direction de la Statistique et de la Démographie). **The firms were classed into three categories, services, industry/production (including those involved in the transformation of agricultural products), and commerce.** Due to the relatively small number of companies in the formal sector with main offices outside of Niamey, **the sample was stratified by area into a Niamey sample and a combined sample drawn from Tahoua, Agadez, Zinder, and Maradi.** Within the two broad stratification categories (sector in which the firm is involved and geographic location), firms were randomly selected for inclusion in the sample. In a similar fashion, replacements were chosen for a reserve list.

Due to the volatility of the Nigerien economy, **it was necessary to use replacement interviews in roughly 10 percent of the cases because many firms on our list had gone out of business or moved into the informal sector.** Each interviewer was assigned a specific list of firms and replacements. Replacements were used only if: 1) the firm no longer existed; or 2) three "call backs" did not result in an interview or an interview being scheduled. In total, 77 usable interviews were completed with formal sector firms.

{SEE TABLES 1, 2 AND 3 APPENDICES I AND II}

Data Collection

A team of 18 interviewers was recruited by the contractor for participation in the study. All 18 have previous experience as interviewers and each possesses a minimum of a BAC. In most cases, the interviewers are either university graduates or current university students. The interviewers participated in a series of training exercises designed to familiarize them with the survey instrument, interviewing techniques, interviewee selection procedures, verification procedures, coding, and the translation of the questionnaire from French into Hausa, Djerma, and Tamachek (only one interviewer conducted interviews in Tamachek).

All interviewers completed at least two practice interviews before going into the field. An additional training session was held for the team supervisors.

The interviewers were divided into four teams, each of which was assigned to a particular region. The choice of assignments was based on familiarity with the local milieu. Each interviewer conducted interviews in both the formal and informal sector. All data were gathered over a period of less than three weeks. Local administrative authorities were informed ahead of time so that the interviewers would not have any problems in the field. All interviewees were guaranteed their anonymity and had the objectives of the survey explained to them. There were very few refusals to be interviewed in the informal sector. In a number of cases in the formal sector, multiple appointments had to be scheduled before the interviews could be conducted, and return visits were made to interviewees to complete and verify responses.

Data were verified in the field and corrections and/or additions made as necessary. Coding was completed by the interviewers and the coding forms were then verified by the supervisors in relation to the original questionnaires. A preliminary analysis of some of these data (15 percent of the total interviews in both the formal and informal sectors) was conducted by this author in Niamey as a final test and means of verification of their reliability. It also served to finalize the coding scheme. All data, after verification, were entered on a Macintosh SE 30 computer and analyzed using StatView SE+ software. **A comparable survey, using essentially the same instrument, was completed as part of the MAPS exercise by the author in Senegal. Therefore, where relevant, comparisons with the Nigerien data are presented.**

INFORMAL SECTOR

III. DESCRIPTION OF INFORMAL SECTOR FIRMS BACKGROUND INFORMATION

Ownership and Foreign Investment

Almost all (92%) of the informal sector firms included in the sample are fully owned and controlled by Nigeriens. Only four firms out of 201 (2%) are partially owned by foreigners and an additional twelve (6%) are wholly owned by foreigners. In most cases, the foreign owners are other West Africans (Maliens, Nigerians, etc.). This pattern of ownership is consistent with ownership patterns found in the informal sector in Senegal.

{SEE TABLE 4 IN APPENDIX I}

Personnel

Given the state of the economy, the projections for the short and medium term, and the rate of population growth, employment in the informal sector is unlikely to grow fast enough to relieve unemployment and underemployment in Niger. The informal sector, however, provides better prospects for employment generation in the short and medium term than does the formal sector. The average number of permanent employees in the firms included in the sample is only 3.8 (compared to 6.8 for Senegal). Many of these are close family members or apprentices. The largest firm in the sample, in terms of employment, has only twenty one full time employees. A relatively small percentage of firms also employ some part time or seasonal laborers.

In general, informal sector firms are not likely to expand the level of employment in the near future. Any such expansion is more likely to occur through the creation of new firms by apprentices who have completed their period of training and possibly functionaries leaving the public service. Several instances of both types were clearly identified during the interview process. The important training function performed by these informal sector firms acts as both a cost effective means of transmitting practical skills and as an important incubator for new firms. The contribution of this training to the economy should not be ignored. As one interviewee involved in artisinal production put it, "*C'est nous qui aidons le Gouvernement, et non le contraire quoi qu'en disent certains haut responsables. Nous avons notre école ou nous formons nous-memes nos fils au métier d'artisan.*" Perhaps incentives could be designed to stimulate growth in apprenticeships. Clearly, this would have to be coupled with an expanded credit system so that more new firms could be set up without having to rely on existing operators for credit.

The employment picture for women in the informal sector in Niger is especially grim. Only 6.5 percent of the firms in the sample were either owned and operated by women or had one or more permanent female employees. To put this figure in perspective, 28 percent of the firms in the informal sector in Senegal have female owners and/or permanent employees. Women in Niger, by contrast, do not show up as a significant

portion of the informal sector labor force in any of the categories noted. It appears that, to the extent that women are involved in the informal economy, they do not operate out of permanent places of work (one of the factors in our sample selection) other than the home. Whether this extremely low level of involvement of women in the informal sector is a function of conservative social and religious practices in Niger is a question which requires further investigation. However, evidence from Northern Nigeria, where among some groups women are confined to the home, would tend to indicate that this is the case.

{SEE TABLE 5 IN APPENDIX I}

Markets

The market orientation of most firms in the informal sector in Niger is strictly local. The overwhelming majority of firms sell all or most of their products on the local domestic market. Only about five percent of the firms in the sample sell a portion of their products outside Niger, and in almost all cases these are confined to other West African countries (primarily Nigeria) or to a lesser extent some of the Maghrebian States. This of course does not take into account those products which are exported illegally. However, it seems fair to say that prospects for growth in exports by this sector do not appear to be very promising.

{SEE TABLE 6 IN APPENDIX I}

Sources of Supplies

The source of supplies for informal sector businesses operating in Niger is somewhat more diversified than are its markets. These, however, are still heavily oriented to the region. About a third of the firms obtain some of their inputs or supplies from outside Niger. Most of these are concentrated in West Africa, particularly Nigeria. This is, given the devaluation of the Naira, probably an underestimate of the actual level of imports from Nigeria by the informal sector. Numerous instances of this were cited in the course of the interview process. Gas stations in areas such as Tahoua, Maradi, and Zinder are said to sell from the pump at official prices only to government or project vehicles. Most others, including government officials, prefer to buy fuel at much lower prices from smugglers who sell gasoline from Nigeria out of barrels and "jerry cans."

Very few firms, just over three percent, import significant portions (51%) of their products from Europe, primarily France. An additional three percent use the Maghrebian States as suppliers. Very little is imported directly from North America, Asia, Latin America, the Middle East or other areas of Africa.

{SEE TABLE 7 IN APPENDIX I}

IV. RECENT PERFORMANCE OF THE INFORMAL PRIVATE SECTOR

Economic Environment for the Private Sector

Perceptions of the state of the economy have an important impact on the activities of companies, notably investment, employment, and diversification of markets and products. Although this may have a greater impact on the formal than the informal sector, it remains an important factor for both. A number of businesses now operating in the informal sector, in better times were themselves formal sector companies. **Business operators in the informal sector currently have a generally quite negative view of the state of the Nigerian economy. Although there are some differences in their views, the tendency is clearly to the negative side. As can be seen in Table Eight, only one in eight (12.5%) of the interviewees feel that economic conditions have improved even a little bit in the last year, whereas over 70 percent suggest that conditions have gotten worse or much worse.** The remaining category, those who say things have stayed about the same (11.9%), should also be regarded as basically negative, given the poor performance of the economy in the base year. It should also be noted that these figures are significantly more negative than the comparable figures for the informal sector in Senegal.

{SEE TABLE 8 IN APPENDIX I}

There appear to be some significant differences between regions in the degree to which the performance of the economy is perceived as having deteriorated during the past year. In the Niamey sample, fully two thirds of those in the informal sector said that conditions were worse or much worse. The comparable figure for the four departments outside of Niamey where interviews were conducted is only 28.4 percent. The modal response for Niamey is "somewhat worse," while the modal response for the other regions is "about the same." This may be indicative of actual differences in economic conditions between the capital and the regions, of a time lag for the regions in realizing the impact of a declining economy, or a greater reluctance on the part of those in the regions to criticize the economy. A greater level of candor and skepticism on the part of business operators in Niamey may also have influenced these findings.

When these data are broken down by type of activity (Table Eight), there do not appear to be any major differences in the assessments of the state of the economy. More of those in the service sector tend to perceive the situation to have deteriorated (78% worse or much worse) than do those in industry (69%) or commerce (66%). Overall, however, the assessment by business people in all three sectors remains overwhelmingly negative.

In relation to their businesses, operators of firms in the informal sector were asked what influence a variety of factors had on performance. **From among the eight factors, two stand out as having the greatest negative impact, taxes and government intervention/actions (policy and regulations). In both cases, about two thirds of the interviewees said these factors had hurt the performance of their firms. The need for**

guarantees for credit, the general availability of credit, and preferential taxes were also cited as important problems for significant numbers of firms.

Some observers, including many in the donor community, are under the impression that those in the informal sector pay no taxes. This is only true in the sense that they tend not to pay taxes which go directly to the central government's treasury. They do, however, pay the registration tax (la patente), market taxes (tax du marché) and advertising taxes (a tax levied on even small signs). **These taxes, all of which are paid to local and municipal authorities, make an important contribution to municipal services, the costs of which would otherwise have to be covered by the central government.** The relationship between paying taxes, even local taxes, and receiving services is not generally perceived by the informal business community. Typical of comments in this area are those of an interviewee who said *"en payant les taxes mon activité se réduirait à verser à l'Etat des sommes d'argent dont je n'ai jamais vu à quoi elles servent."*

In addition, many informal sector businesses are regularly subjected to "unauthorized" taxes imposed on them by corrupt officials. In the transportation sector, for example, the 500 FCFA paid at every police post adds significantly to operating costs and time. Especially as the end of the month approaches, inadequate salaries paid to functionaries by the State are heavily subsidized by the informal business community.

The impact of interest rates, exchange rates, and producer prices were of considerably lesser importance in terms of the number of firms affected. However, since almost none of these firms had received any credit, saying that the interest rate has had little effect does not mean that, under different circumstances, they would not be sensitive to such variation. Also, since most of their business is domestic, the exchange rate, as expected, has an impact on only a relatively small number of informal sector firms.

Although the ranking of these problems in the Niger and Senegal samples is very similar, the depth of feeling in Niger is significantly stronger for both taxes and government action. On the other hand, the percentage distributions for credit guarantees, the third most important factor in Niger (second in Senegal) are roughly comparable for the two countries. This adds weight to the argument that government performance is really a more serious problem in Niger than it is elsewhere. It does not just reflect an overall negativism in attitudes linked to cultural or historic factors which are peculiar to Niger.

{SEE TABLE 9 IN APPENDIX I}

Trends in Volume of Sales

The views expressed by informal sector business leaders on the state of the economy are mirrored in their reported changes in the volume of sales during the past year. **More than half of the interviewees (53.2%) indicated that their volume of sales during the past year had declined or severely declined. It should, however, be noted that more than**

a quarter (29%) said that their sales had actually increased or significantly increased during the same year. The comparable data for Senegal indicate that conditions there are only marginally better.

{SEE TABLE 10 IN APPENDIX I}

Some significant differences were also noted on a regional basis. **As expected, due to the decline in the value of the Naira, the relative overvaluation of the FCFA, the ease of cross border trade with Nigeria, and its relative decline vis a vis Maradi as a center of commerce, Zinder seems to have suffered the most. In Zinder, nearly two thirds of the interviewees noted a decline in sales. This is followed by Niamey (57%) and Maradi and Agadez (each with 53%). The notable anomaly here is Tahoua where only a relatively small percentage (14%) noted a decline in business. In fact, a large majority (62%) said that things had gotten better and nearly a quarter (24%) of the total said sales had gone much better during the course of the past year.**

Two possible explanations, one geographic and the other cultural, for the apparently favorable state of affairs for the informal sector in Tahoua were offered by colleagues at the University of Niamey. Culturally, the Hausa of Tahoua are part of a sub-group, the Aderawa, which have some traditions which distinguish them from other Hausa. The Aderawa are known for being especially mobile. Many work in the Ivory Coast, Nigeria, other neighboring countries, and even France. They regularly remit a portion of their earnings to relatives who remain in Tahoua. Thus, even in bad years farmers in Tahoua have some disposable cash to spend.

This system of remittances is so well established among the Aderawa that for a period when it became impossible to send postal money orders from the Ivory Coast to Niger, they established their own informal system to replace the otherwise preferred method. Aderawa who were flying back to Niger from Abidjan were given lists of individuals and large sums of cash to bring with them for distribution in the normal fashion. This system reportedly functioned very well, with few losses or complaints registered.

In geographic terms, Tahoua is close enough to the Nigerian border for local business operators to easily and regularly import cheaper Nigerian goods (without paying customs duties). However, Nigeria is far enough away so that individual families do not go there for their daily needs. The reverse is the case for towns like Maradi which are very close to the border.

The combination of cultural factors, which tend to ensure that Tahoua has some disposable cash, and geography, which makes buying locally relatively attractive, may well account for the relative prosperity in the informal business community. It should be pointed out that for almost exactly the same reasons, the formal business community in Tahoua has almost ceased to exist. There are currently only three or four formal sector firms functioning in that town.

Aside from the general state of the economy, Nigerien business operators in the informal sector identified competition from other Nigerien firms as the most important factor limiting their volume of sales. Foreign firms would of course have great difficulty competing with Nigerien companies in the informal sector. It can be regarded as a sign of the relative strength and health of the informal sector. It is especially the case because the level of demand for their products was considered to be a positive rather than a negative factor by a plurality of those interviewed. Other constraints worth noting here are distance to markets, foreign competition, and problems associated with road transport (including the levying of unauthorized road taxes). Sectoral differences in the importance of these factors do not appear to be of major consequence.

{SEE TABLE 11 IN APPENDIX I}

Operators of these same informal sector companies are only slightly more optimistic about the future levels of sales. Better than two out of five interviewees (42%) said that they just had no idea about the future and could not speculate. According to Nigerien colleagues at the University of Niamey, this is linked to traditional fatalism as well as a lack of information on general market trends. Among those who would speculate, a majority expect sales to improve in the coming year. Regionally, the greatest optimism was expressed in Maradi and Zinder.

The present self reported operating capacity of these informal sector firms appears to be relatively high. Nearly two thirds are operating at between 75 and 100 percent capacity, while the rest are operating at somewhat lower levels. This may reflect relatively low investment in productive capacity, technology and employment. **There does appear to be some room for expansion, but obviously the unavailability of credit will have a major impact on the expansion of the informal sector and its ability to respond to improvements in the economy.**

Availability and Costs of Factors of Production

The availability, price, and reliability of inputs represent an important aspect of the overall economic environment in which informal sector firms in Niger must function. If the Government of Niger and the donor community are to promote or help promote private sector development, potential road blocks to increased production of goods and services must be identified and addressed.

Interviewees were read a list of twenty factors which are potentially important to production. They were asked to indicate whether the impact of each was positive, neutral or negative with respect to their enterprises. **Their responses indicate that three factors are deemed to be of primary importance: 1) electricity - price and reliability of service; 2) land - uncertainty about land ownership, price of land, access to land ownership; and 3) access to credit.**

The problems associated with electricity make Nigerien businesses uncompetitive with those in neighboring countries (such as Nigeria where electricity is heavily subsidized) and restrict the possibility for increased production for the domestic market. Not only is the price of electricity regarded as being too high, but frequent interruptions in service and spikes in current damage equipment, waste labor time and drive up production costs. The introduction of new technology which depends on electricity is also greatly restricted. This is an important feature of the infrastructure which must be addressed by the government if significant improvements in economic performance are to be feasible.

The land problem is one which tends to be geographically concentrated in the Niamey area. Over three quarters (77%) of the Niamey based informal sector businesses identified uncertainties regarding land ownership and tenure as a serious problem. The highest comparable figure for any of the other departments covered is Maradi with 38 percent identifying the problem. The figures for the other three areas are significantly lower. **There has been considerable fraud, favoritism, and general involvement of government officials (including a number of high ranking military officers) in buying, selling, and gaining access to land in Niamey.** The registering of land purchases, just one part of a very complex process, is generally understood to require a minimum of several very expensive bribes. **If small businesses are to grow and prosper, steps must be taken to clarify the system and provide for a greater degree of equity in distribution and fairness in access to land.** Uncertainty involving land tenure also figures prominently in making access to and the posting of guarantees for credit difficult.

Access to credit, the high cost of primary products and the cost of transportation round out the list of the more important factors limiting the production of goods and services. As mentioned above, transportation costs are linked to the relatively long distances between markets in Niger and the financial and time losses associated with frequent stops to pay bribes. Since Niger is not a resource rich country, much has to be imported. Because it is a landlocked country and has high transportation costs, the price of many primary materials is quite high. The problem of access to credit is discussed below.

With only minor variations, the same factors identified in Niger as having a relatively negative impact on the production of goods and services are the same as those listed for Senegal. Of the top six in Niger, five are also among the top six for Senegal. These include electricity, land, credit and primary products.

The perceived impact of these factors, broken down by sector of activity, shows a relatively high rank correlation between groups. A few differences do exist, but there are no major surprises. For example, while the price of electricity is the number one concern for the services and industry, access to credit is in first place for those in commerce. The problem of the prices of primary materials rank higher (second) for industry than for commerce and services. In general, however, concerns are quite similar among groups.

{SEE TABLES 12 AND 13 IN APPENDIX I}

V. CREDIT IN THE INFORMAL SECTOR

Sources of Credit

The lack of availability of credit, especially for informal sector firms, is a well documented problem. The interviewees were asked to identify the actual sources, both long and short term of credit or financial resources for their firms. Among the 201 companies with which interviews were conducted, only a handful had obtained credit through any of the existing formal mechanisms. Of those who did, most are in the area of commerce. **As noted, credit is severely limited, guarantees or collateral required for credit are extremely high, and the documentation required to apply for credit is well beyond the means of most informal sector businessmen.**

As an obstacle to growth of the private sector, the lack of credit and/or difficulties in obtaining credit, even where it is theoretically available, are almost uniformly decried. For example, access to credit, excessively complicated application procedures and documentation required to apply for credit, unrealistically high guarantees required, and credit ceilings are viewed as important obstacles to the growth of their businesses respectively by 69%, 61%, 59%, and 53% of the interviewees. This situation is not one which can be expected to help stimulate growth.

The only sources of credit or start-up funds for these businesses appear to come from family and or close friends. More than half of the interviewees said that they had received loans of this type. **Other than family support and personal savings, credit provided by suppliers, including the consignment of goods, is the only major source of finance.** Almost a quarter of the firms had received or continue to receive this form of credit.

Several alternative but generally quite limited sources of finance were also noted. A number of individuals had worked as migrant laborers in other countries (most notably Nigeria or France) in order to earn the capital necessary to start a business. Apprentices, upon completion of their training, often start their own businesses and sometimes are financed by the skilled craftsman under whose tutelage they worked. Several individuals indicated that cash settlements they received when leaving the government service provided the basic working capital for their businesses.

Without the possibility of obtaining credit, the opportunity for expansion of production, increased employment, and general growth and movement from the informal to the formal sector is likely to be very limited. There do not appear to be major differences between sectors in terms of the availability or sources of credit.

{SEE TABLE 14 IN APPENDIX I}

VI. OBSTACLES TO GROWTH OF THE PRIVATE SECTOR

In order to diagnose obstacles to growth and constraints under which the informal private sector in Niger must function, seven major areas of potential concern were identified: 1) competition, both domestic and foreign; 2) financial resources, especially credit; 3) the cost and availability of factors of production; 4) the availability and reliability of information which is vital to decisions regarding investments, marketing and employment; 5) government policy making and implementation, including the role played by functionaries; 6) human resources; 7) within firm management practices and capabilities. The first three have been discussed in an earlier section of this report. Issues four to six are discussed in this section, and the seventh is examined in the subsequent section.

For purposes of this survey, 45 individual items were developed and interviewees were asked to rate each as an obstacle to growth of the informal private sector in Niger, especially as they might effect their individual businesses or other businesses like theirs. The distributions and ranking of responses to these questions (grouped by categories) are presented in Table 15 below.

{SEE TABLE 15 IN APPENDIX I}

Government Policy Making and Implementation

The overall opinion of the private sector interviewees is well summarized in a report prepared by one of the supervisors of one of the survey field teams: *"Il y a bien d'autres facteurs qui contribuent à la crise actuelle; mais il ressort de tous les échos enregistrés que la part de responsabilité de l'actuel gouvernement vient en tête."* If a private sector strategy is to play a key role in the economic development of Niger, it is clear that some very important changes are needed in the policy making process, the mechanisms and personnel involved in the implementation of policy and the general attitudes and the behavior of functionaries vis a vis the private sector. As noted in an earlier section, when asked about the importance and impact of various factors on the performance of their firms, "government actions" was rated number one as having a negative impact (67% of the interviewees). Policies currently in effect, such as the rate of the TVA, the lack of protection of local products, and the economic reform measures, are all viewed as constraints. The groups most directly impacted by these policies are, in their view, at no stage directly involved in their design.

Of the forty five constraints to growth of the private sector about which informal sector business people were questioned, the two most important factors are both directly related to the government. More than three quarters of the interviewees (77%) said that the "negative attitudes of the government towards the private sector" is a very important (48.8%) or an important (27.9%) obstacle. The lack of consultation between the government and the private sector on regulatory measures affecting business also ranks

at the top of the list of obstacles. Nearly half of the informal sector business operators interviewed (45%) said that this is a very important problem and an additional group (27%) identify it as an important problem. This perceived general set of attitudes toward the private sector and the resultant lack of consultation help create a situation of uncertainty which makes investment and strategic planning virtually impossible. **Rapid, unexpected and unpredictable changes in the regulations which apply to the privately owned companies is cited as a problem by nearly two thirds of the respondents (66%).**

The difficulties experienced by the private sector are further compounded by the number of ministries and services with which they must deal and a variety of inequities associated with the application of existing regulations. Significant numbers of business people (54%) complain that there are too many ministries involved in the regulation of the private sector. Even more of an obstacle, however, is the apparent lack of coordination between ministries, more than 60 percent saying it is an important or very important obstacle. Very often one Ministry's regulations are directly in conflict with those of another and/or stated national policy. In these cases, local businessmen are confronted by agents representing different services and making conflicting demands on them. The only recourse that they feel that they have in addressing this problem is the bribe.

Measures associated with the economic reform program are regarded as not actually being put into practice. The customs service is a good example. Although the government's program of economic reform includes a package of trade liberalization measures, the service continues to operate as before, carefully defending its corporate interests. According to the interviewees, there are still long delays in clearing customs and significant inequities in the application of customs duties. For the informal sector, the latter ranks third overall in importance among the 45 obstacles listed in the question. Both of these shortcomings in the Customs Service are regarded as significant obstacles to private sector growth.

The interface between the informal sector business community and government functionaries is generally regarded as quite negative. Functionaries are perceived as both lacking understanding of the private sector and lacking the motivation to do their jobs correctly. Charges of favoritism surround the application of the TVA, customs duties, and the role of agents charged with "economic control."

Many interviewees were quite candid in saying that the unjustified, illegal "taxes" they regularly must pay to functionaries is a major obstacle to growth of their businesses. In fact, the 57 percent who said that this constitutes an important or very important problem, is probably a conservative estimate of the real depth of feeling on this issue. Nearly two thirds of the interviewees (65%) said that the special treatment accorded certain "well connected" individuals hurts business. In Niamey, the manner in which land registration and allocation take place is a prime example of this. A case cited by an AID employee of his gardener having to pay a "bribe" of 100,000 FCFA just to have his

relatively small land purchase registered is illustrative. "Illegal" fees and taxes, sometimes mounting into the millions of FCFA, are a regular part of the process.

In sum, the prevalence of irregular practices, including the extraction of bribes and favoritism, greatly increase the cost of doing business, especially in such areas as transport and small trade.

When these findings are compared with the results of the Senegal survey, it is clear that in Niger, the breadth and depth of the problem of corruption, as perceived by the informal sector, are significantly greater. In both countries, the distribution of responses to the question of "special treatment accorded to certain individuals," are virtually identical. This comparison serves as a validity check and adds weight to the argument that corruption is a serious problem in Niger. The distribution of the responses to the corruption question in Niger is not just an artifact of cultural differences between the two countries, but of real differences in the issue at hand.

Information and Uncertainty

In order to make appropriate decisions regarding investments, employment, product diversification, and marketing strategies, to cite a few, business operators must have accurate, up-to-date information on the state of the economy, markets and the regulatory system. **Unfortunately, the private sector in Niger, especially the informal private sector, suffers from an almost total lack of such information.**

Official sources of information, such as the Ministry of Plan's Annuaire Statistique, are out of date by the time they are ready for public distribution. Even more important, however, is the fact that the data presented in those reports are highly inaccurate. For the two very fundamental pieces of information for which MAPS team has matching reliable alternative data, the Ministry of Plan data was shown to include margins of error estimated at between 50 and 500 percent. It is not surprising that few interviewees in either the formal or informal sectors seek out or use information on the economy "collected" (some would suggest "creatively estimated") by the Government of Niger.

The lack of information and the high degree of uncertainty regarding the "rules of the game" and the state of the economy pose serious problems for the private sector in Niger. Rapid, unpredictable changes in regulations affecting the private sector and associated uncertainty about business practices were noted as important problems by heavy majorities (65% in both cases) of the interviewees. In addition, most (59%) say that they lack usable information on the economic situation. All three figures are significantly higher than are the comparable ones for Senegal.

The perception that there are rapid, unpredictable changes in regulations and that these are an obstacle to growth is directly related to the policy process. The explanation for this appears to be that due to the lack of consultation between the Government and the private

sector, especially the informal sector, virtually all new regulations are unexpected when they are finally issued.

In addition, the "special treatment" accorded certain individuals gives them a clear advantage, makes bidding uncompetitive and unprofitable, and creates greater uncertainty for the rest. As one manager of a construction firm put it, "*les marchés sont souvent obtenus par des gens qui ont des relations privilégiées avec certaines autorités. Les lois du marché sont d'office écartés...et la fermeture ne se fera pas beaucoup attendre pour beaucoup d'entre nous.*"

The sources of information available to informal sector firm decision makers are very limited. The two most commonly cited sources are the Chamber of Commerce and the Patronat. However, neither of these organizations reaches more than a quarter of the enterprises. Furthermore, both organizations are generally regarded as being ineffective. More than half of the interviewees said that the lack of dynamism on the part of the Chamber of Commerce is an important or very important handicap for them. Several interviewees said that they see little difference between the Chamber of Commerce and the Government. In other words, the Chamber of Commerce is viewed as part of the problem rather than as part of the solution.

{SEE TABLE 16 IN APPENDIX I}

The whole problem of information is closely associated with the failure of the government to understand the needs of or to collaborate with the private sector in the development of a joint strategy to address economic stagnation. The weakness and failure of organizations such as the Chamber of Commerce in representing the private sector compounds the problem. Were there effective independent associations capable of representing the interests of this sector, policy changes might be less erratic, information might flow more easily, and a joint government- private sector strategy might emerge.

Realistically, in order to serve both the Government and private sector commercial and professional associations in Niger, an independent source of accurate, up-to-date information on the state of the economy is a necessity. No such unit currently exists in the country, and it is doubtful that either the Government or the Associations are capable of developing and sustaining one. It would clearly be in everyone's best interest to establish an independent Private Sector Economic Research Institute built on a solid financial foundation such as a permanent endowment (see recommendations below).

Human Resources

From the perspective of the informal sector, human resources are nowhere as great a problem to them as are government intervention, functionary attitudes and behavior, the lack of information, and credit. Unions, social security regulations, minimum wage, and other labor regulations do not have much of an impact on the informal sector because

few, if any of these firms, conform to these regulations. Many companies consist of the owner and one or two employees, usually nonsalaried relatives or apprentices. The largest firm included in the sample, from the standpoint of employment, has only twenty one permanent employees. Although these larger firms may occasionally be hassled by government officials, they continue to ignore the Labor Code because conforming would make them totally non competitive on the local market.

Two human resource problems which were noted in the informal sector are the lack of experienced laborers (56% of respondents) and the lack of technical qualifications or technicians on the local market (45% of those interviewed). Given the salary structure in the informal sector this is hardly surprising. Those who are experienced or have some formal technical training either seek to establish their own businesses or find employment in the formal sector or with the government.

VII. INTERNAL OPERATIONS AND MANAGEMENT IN THE INFORMAL SECTOR

This study has emphasized the environmental constraints under which Nigerien businesses in the informal sector must function. **Internal factors-- that is, the actual management of these firms in terms of both critical operating tasks and strategic management functions-- may be equally important.** Informal sector firms, with a very few exceptions, are very small operations. Decision making and other management functions are in the hands of one or two people who must divide their time between management and actual production tasks. Accounting may be kept in the head of the owner. Human resource management is a set of very personal relationships, often based on kinship. As we have noted above, finance is most likely to come from family and friends. Production and sales techniques are passed on through the apprentice system. The theory and practice of management, whether part of a consciously elaborated system or not, may be as important as the environmental conditions in determining the success of an informal sector enterprise.

The terms of reference for this study and time and resource constraints did not make it possible to collect and analyze detailed information on the day-to-day management practices and capabilities of private sector firms. However, data on some important indicators of these were collected in the course of the interviews.

The interviewees were asked what actions they might consider worth undertaking to improve the functioning of their respective enterprises. Overall, **the top-ranking items are improvements in the physical capital (equipment) of the enterprise and an effort to improve their own aptitude and knowledge in the area of management.** Nearly two out of three (63%) said that, given the opportunity, they would be very likely to participate in workshops or other management training programs. This is a clear indicator of the recognition on their part of possible shortcomings in the management of their firms. About the same number (64%) suggested that improving their equipment is a very important course of action they would like to undertake. Improving production techniques and buying land and buildings for their enterprises are also actions which a majority (56%) of interviewees say they would be very likely to undertake.

When these data are broken down by type of activity, a few differences appear between groups. Those involved in industry and commerce ranked management aptitude as first while those in the service area placed improving their equipment at the top of their priorities. The need to improve production techniques, which is the second priority for industry, is superseded by the purchase of land and buildings for operations by those in the service area.

Day to day operations including the actual production or service work consume so much of the time of owner-operators in Niger's informal sector, that management functions are not consciously addressed. This, coupled with the general lack of training in even the most fundamental management techniques, does not lend itself to effective

managerial decision-making. **In sum, shortcomings in the area of management of informal sector firms is a factor which must not be ignored while reforms are being sought in the general business environment.** Opportunities should be created for relatively low level, but highly practical short term training. This should also include some opportunity for follow-up by local trainer/consultants to help adapt new techniques to the realities and peculiarities of the small scale Nigerien informal firm.

{SEE TABLE 17 IN APPENDIX I}

VIII. OPPORTUNITIES FOR INVESTMENT IN THE INFORMAL SECTOR

The interviewees were asked to comment on what they perceive to be good areas of the Nigerien economy to invest in the future. **What is noteworthy is that there appears to be little optimism for any serious investments. Commerce clearly ranked number one and is the only area of investment for which a majority of the informal sector interviewees agree that investment prospects are excellent.** This is an area in which Nigerien businessmen have traditionally excelled and for which turnover of goods and relatively high profits still seem possible. This is not, however, an area in which, given the local orientation of most trade, there is great room for stimulating overall growth in the economy. The only other areas that fared reasonably well as investment prospects are the re-sale of agricultural products on the local market and construction.

{SEE TABLE 18 IN APPENDIX I}

When these data are disaggregated by region some interesting differences do emerge. Whereas only twenty three percent of the interviewees nationally identified tourism as a worthwhile area for future investment, nearly three quarters (73%) of those in Agadez said that it is an excellent investment opportunity. Interviewees in both Tahoua and Agadez are significantly more optimistic than their counterparts in Niamey, Maradi and Zinder about investment in the resale of agricultural products on the local market. Consistent with their more positive assessment of the general state of the economy, informal sector business people in Tahoua and Zinder tend to be more optimistic about investment possibilities in most areas of the economy than are those from other departments.

{SEE TABLES 19 AND 20 IN APPENDIX I}

Since the economy of Niger depends very heavily on agriculture, interviewees were asked to comment on which agricultural products they deemed most worthy of investing in. Millet, cowpeas, and livestock head the list, followed by rice, sorghum and peanuts. From the number of individuals naming several crops, it can be said that there is at least some optimism about the local marketing of basic agricultural necessities.

The relative isolation and local orientation of most Nigeriens in the informal sector is underscored by their general lack of confidence in the profitability of foreign markets. Even West Africa, which is rated as a good prospect by the largest number of interviewees, is only considered to have potential by about half of those questioned. This is followed by the European Community which is noted by only about a quarter of the respondents. All other external markets seem to be beyond the purview of most Nigeriens in the informal sector.

IX. INFORMAL SECTOR ASSOCIATIONS

Among the business owners, operators and managers in the informal sector included in our sample, only about forty percent (40.8%) said that they are members of any kind of trade or professional association. The others (59.2%), do not participate in any professional or commercial organizations whatsoever. It should be further pointed out that according to a recent study of the many commercial and professional associations which officially operate in Niger, the vast majority exist only on paper (Iddal, 1990).

Of the organization members in our sample, the majority belong to the Chamber of Commerce. The Chamber of Commerce in Niger, rather than being an independent organization designed to represent the interests of its members, is a government financed and directed entity. Even its officials, who are themselves functionaries, are appointed by the Government rather than elected by the membership. **Many business people see no real advantage in joining such an organization because they do not believe that it serves any real purpose. Half of the interviewees said that the lack of dynamism on the part of the Chamber is an obstacle to the success of private business. Even among those who are members of the Chamber of Commerce, 45 percent say that it is not effective. Of the other organizations (fourteen were named) to which these individuals belong, almost none were regarded as providing effective representation of the interests of the membership.**

The regional distribution of membership in associations is both interesting and surprising. In Niamey, where expectations are that membership rates would be higher than in the less cosmopolitan regional towns, the reverse is the case. Organizational membership varies by department from a high of sixty three and sixty two percent in Agadez and Tahoua respectively, to forty seven percent in Maradi, thirty one percent in Zinder and a low of only twenty five percent in Niamey. Those in Niamey may be much more skeptical and more experienced with such organizations than are their counterparts in other towns. Alternatively, these organizations may be more closely wound into the social fabric of towns like Tahoua and Agadez and therefore have larger membership based on social rather than purely associational criteria.

What are the things that operators of informal sector firms look for or would like to see in organizations they might consider joining and actively participating in. **Not surprisingly, the possibility of access to credit is on top of the list of priorities with over eighty percent of the interviewees feeling that it is very important. The findings presented earlier indicate that problems associated with the lack of consultation with the government on regulations affecting the private sector is a major obstacle to growth. Consistent with this finding, the second and third highest priorities for services business operators would like to see provided by their associations are increased contact and dialogue with government authorities (72%) and the dissemination of up-to-date information on government regulations (68%). Also high on the list of proposed services**

are the provision of information on market conditions (60%), technical assistance (63%), and training programs for them and their staffs (51%).

{SEE TABLE 21 IN APPENDIX I}

As noted in an earlier section of this report, **the private sector, especially its informal component, has been left out of the policy making process in Niger.** Most existing organizations are too small, too poorly organized and too specialized to have much impact. **Associations which group together business interests and represent a broad based membership might presumably have a better chance to influence government policy toward the private sector than do the extremely fragmented associations which exist today but barely function.** This is especially so with the emergence of a multi-party, democratic system like that which appears to be developing in Niger.

It is not entirely clear that informal sector business operators are ready at this time to support an association designed to represent their interests. Cultural traditions are not fully consistent with the notion of associational groups based on strictly economic interests. In addition, past experience, especially with the Chamber of Commerce, has made them quite skeptical. However, should appropriate organizations be established and concrete technical and financial assistance provided directly to such an association, it might succeed in developing a high enough profile to actually exert some influence over government policy and attract a substantial following.

FORMAL SECTOR

X. DESCRIPTION OF FORMAL SECTOR FIRMS: BACKGROUND INFORMATION

Ownership and Foreign Investment

Nearly two thirds (65%) of all firms included in the sample are wholly owned by Nigeriens. An additional eight percent are jointly owned by Nigeriens and foreigners. Of the foreign owners or partners in formal sector firms in our sample, two thirds (68%) are French. This is followed by nationals from other African countries (12%), Lebanese (8%), EEC countries other than France (8%), and a smattering of others. No involvement was noted in this sample for Asian, North American, or Latin American investors. With few exceptions, the level of investment is quite modest.

Given the relatively low level of foreign interest in the Nigerien economy, it is not surprising that the figure for foreign ownership is much lower than it is for the formal sector in Senegal. In that country, just over half (51%) of formal sector enterprises are wholly, or partly owned by non-Senegalese. This can also be contrasted with foreign involvement in the informal sector in Niger, which is minimal.

{SEE TABLE 4 IN APPENDIX II}

Personnel

Formal sector companies in Niger tend to be quite small in terms of the number of permanent employees, even by African standards. On the average, the firms included in our sample employ just over 27 full time employees, with the range being 1 to 188. The average formal sector firm in Senegal, by contrast, employs 44 permanents (range 1-970). With roughly comparable populations, the level of formal sector activity in Senegal in terms of the number of firms is roughly two and a half times that of Niger. Thus, the contribution of the formal sector to employment in Niger, both in terms of average number of employees per firm and the total number of firms is relatively low. With the continuing economic crisis and the closing or transfer to the informal sector of increasing numbers of enterprises, employment prospects in the formal sector do not appear to be good. The rapidly growing, relatively youthful Nigerien population will have to look elsewhere, either in other countries or in the domestic informal sector, for jobs.

Similarly, the employment prospects for women in the formal sector are not especially bright. As noted in the informal sector report, employment of women (in the informal sector) in Niger is especially dismal when compared to other West African countries like Senegal. This trend seems to hold up for the formal sector. Only 60 percent of the formal sector firms in our Nigerien sample employ women in permanent positions, compared to 80 percent in Senegal.

Surprisingly, the average number of permanent female employees per firm employing women is 4.4, or just slightly higher (although not significantly different) than that for Senegal. The number of women involved in managerial positions is quite low, but as a percentage of the total women employed, is higher in Niger (9.4%) than the comparable figure for Senegal (8.5%). Two thirds of the permanent full-time female employees in the formal sector in Niger occupy secretarial roles, compared with only 42 percent for Senegal. **A major difference, which seems to be linked to culture or the nature of the production system, or some combination of these, is the very limited number of women working as laborers for formal sector firms in Niger.** There are nearly five times as many female laborers per firm in Senegal. Overall, **employment opportunities for women in the formal sector are dismal and the informal sector does not provide the alternative opportunities that are available to women in other African countries or to men in Niger.**

{SEE TABLE 5 IN APPENDIX II}

Markets

The market orientation of most firms in the formal sector in Niger is, as with the firms in the informal sector, strictly domestic. The overwhelming majority of companies in the sample (87%) sell, on average, 93 percent of their products or services in Niger. The second most important market for Nigerien products, in terms of the number of firms involved (14%), is in other West African countries, primarily Nigeria. The only other area of note to which Nigerien products are sold is the European Community, particularly France (8% of the firms sampled sell products there). The Maghreb and other African countries (outside of West Africa) are represented as markets in the sample, but just barely. The continued reliance of Nigerien businesses on local or regional markets where resources are already scarce, does not lend itself to optimism regarding the prospects for growth in the formal sector.

{SEE TABLE 6 IN APPENDIX II}

Sources of Supplies

As is the case with the informal sector, **the sources of supplies for formal sector firms are somewhat more diversified than are their external markets.** Other than local Nigerien sources, which predominate, the European Community, especially France, figures prominently among the suppliers of Nigerien formal sector firms. More than a third (36%) of the firms in the sample buy supplies or other inputs (on the average 52 percent of their needs) in the EC. West Africa is a close second with 34 percent of Nigerien firms secure inputs from this region. The level of actual imports from this area, especially Nigeria, is probably understated because of the extensive "parallel" trade system. A few obtain some of their supplies from the Maghreb, North America, or other European and African countries not already mentioned.

{SEE TABLE 7 IN APPENDIX II}

The pattern of trade, both sales and sources of inputs, is not conducive to sustained growth. The scarce resources needed to pay for imported inputs is not made up for in export earnings. Nigerien businessmen have little knowledge of foreign markets, so even those few products for which Niger should have a comparative advantage do not necessarily find their way into the most attractive markets.

XI. RECENT PERFORMANCE OF THE FORMAL PRIVATE SECTOR

The Economic Environment for the Formal Sector

The environment in which formal sector business operates provides critical cues to the managers of firms about the types of actions they should or should not take or at least consider taking. For this purpose **it is not just the realities of the economic situation which influence behavior, but perhaps more precisely, the perceptions of economic conditions.** Nigerian business leaders in the formal sector have an **extremely negative, although probably realistic, view of the current status of the economy in which they and their enterprises must function.** Less than four percent of the interviewees feel that conditions have improved during the past year. Two out of five (40.3%) of the respondents said that conditions had gotten worse or much worse. The modal category, no change (48.1%), should be regarded as basically negative, given the poor performance of the base year, and the dire economic circumstances in which the country finds itself. Under these conditions, few individuals are willing to invest in increased production and employment.

{SEE TABLE 8 IN APPENDIX II}

There appear to be significant regional differences in perceptions of the trends in the economy. Since the sample in the formal sector is too small to use as the basis for departmental level generalizations, all the interviewees were grouped into two categories: those operating in the capital, Niamey, and those operating in the vast hinterland. As is the case with the informal sector, **the trend in the economy appears to be much worse from the perspective of Niamey than it does when viewed from the interior.** More than half of the interviewees from Niamey (53.3%) said that the economy had gotten worse during the past year, while less than a quarter (24%) of the respondents from the other departments feel that way. That is not to say that things are better or getting better in the regions. In fact, the modal response for those areas is no change, which, as noted above, can be regarded as a negative assessment.

When these data are disaggregated by sector of activity, there do not appear to be any major differences in perspectives between those in commerce and those in the services area. The production sector (agricultural transformation, industry, mines) differs from the other two in that, taken as a whole, business people in this area tend to be somewhat more optimistic. They are also much more likely to indicate that they do not know, a sign of their uncertainty regarding the state of the economy.

In relation to their individual enterprises, the interviewees in the formal sector were asked to assess the relative impact of a variety of factors on the performance of their companies. **A majority of them identified four factors as being generally negative in their impact**

on business: taxes (74%); government actions (55%); required guarantees for credit (53%) and; preferential taxes (51%).

Government policy and its implementation in the form of taxes and preferential taxes are paramount in the minds of businessmen in the formal sector. Difficulties associated with obtaining credit are also generally attributed to government actions. Time and time again, the interviewees were provided examples of how the high rate of taxation, the misapplication of taxes, preferential treatment, and other interactions with functionaries in particular, and the State in general, inhibit the growth and success of their businesses. If Niger is to develop a vibrant formal sector, a radical revision in tax and regulatory policy seems to be called for.

{SEE TABLE 9 IN APPENDIX II}

Trends in Volume of Sales

The poor showing of the economy is clearly reflected in self-reported changes in the volume of sales during the past year. Nearly three quarters of the interviewees (73%) said that sales had declined or sharply declined in the past year. Only 17 percent indicated that sales had improved during that period. These figures for the formal sector are much more severe than those noted by the informal sector in Niger. They are also significantly worse than perceptions held by their counterparts in the formal sector in Senegal toward their nation's economy.

{SEE TABLE TEN IN APPENDIX 2}

When these data are partitioned by region (Niamey compared to the other departments), once again it appears that **those in the capital city sample are slightly more negative in their interpretation than are those in the sample drawn from the other departments. Among the Niamey interviewees, four out of five (80%) indicated that sales had either declined or declined severely during the past year. The comparable figure for the departmental sample is nearly 63 percent.** It is not possible to say that conditions are good in the hinterland, but only that they are not quite as grim as those in Niamey.

There is also little optimism about the future status of the economy. When asked about prospects for sales for next year, less than one in five interviewees said that they expected sales to improve. About equal numbers said that they expected a further decline in sales (31.2%), or had no idea and could not speculate (31.1%). This latter figure may be indicative of an important sociological factor noted by several Nigerian social scientists: the relatively high degree of fatalism, which characterizes even the business community in Niger. On a regional basis, Niamey businessmen are consistently less optimistic about the future than are their colleagues in the other departments. Less than seven percent of those in the Niamey sample think that things will get better, while 37 percent of those from the hinterland share that feeling.

The percent of operating capacity currently being utilized by formal sector firms is also indicative of the state of the economy. Only about 58 percent of the firms sampled are operating at 75 percent or more of capacity. Niamey appears to be hardest hit in this respect. The modal category (49% of firms) is operation at between 50 and 74 percent of capacity and only nine percent are operating at below 50 percent capacity. This represents a considerable capital investment and production potential sitting idly by. In the other areas of the country included in this survey, less than one in five firms (19%) is reported to be operating at below 75 percent of capacity, and none reported a figure below 50 percent. For the areas other than Niamey, this may reflect a better economic situation, smaller investment in plant capacity and labor, or both.

The interviewees were also asked to assess the relative impact of eight different factors on the volume of sales for their respective businesses. Overall, the most important factor is distance from markets. This is also the top constraint on the industry and commerce sectors. The difficulties of traversing the long distances between major towns in Niger to access markets, are compounded by high transportation costs. This is especially so because of complex and costly registration procedures and excessive “illegal” taxes levied by police and other government officials. Typical of comments in this area are those of one interviewee in the transport sector who said that *“J’avais l’habitude de donner 500 Francs a chaque poste de police...les controles faisaient doubler la durée du voyage. Je payais 500 Fr. a chaque poste car un petit quelque chose manquait toujours au niveau des papiers de la voiture.”*

Competition is also a very important determinant of the volume of sales. Foreign competition ranked second, after distance to markets, for both industry and commerce. Given the unfavorable exchange rate between the FCFA and the devalued Naira, and the length of the common border with Nigeria, this is as expected. Many (69%) in the formal sector as a whole feel that the lack of protection for their products is an important obstacle for their businesses. For the service sector, the most important influence on sales volume is competition from domestic firms in both the formal and informal sectors. **In fact, the move by many firms from the formal to the informal sector, and the associated social security and relative tax advantages, make competition from the informal sector intense.**

{SEE TABLE 11 IN APPENDIX II}

Availability and Costs of Factors of Production

The availability and cost of basic infrastructure, services and other inputs have a major impact on the competitiveness of Nigerien firms in the formal sector and hence their ability to export as well as compete with imported products. The interviewees were read a list of 21 services and inputs and asked to identify whether each has had a positive or a negative impact on their productivity .

The distribution of responses to these questions indicates that **what are normally considered the most basic services for the modern formal sector, electricity, telephone, water, and transportation, are priced at levels which are perceived as a restraint on the growth and competitiveness of Nigerien business.** Over two thirds (69%) of those in the sample said that the price of electricity had a negative impact on their businesses. This is especially so because energy costs in neighboring Nigeria are heavily subsidized. In addition to the price of electricity, the reliability of electrical service also poses a major problem. Frequent interruptions of services and power surges damage equipment and disrupt and slow down production considerably.

Many (62%) indicated that the price for communications (telephone service) and the prices of water (48%) and land (47%) are also constraining factors. **The land situation is especially critical in Niamey.** These problems are not unique to Niger, but tend to characterize such services throughout the Sahel. For example, the same three factors, the price of telephone service, water, and electricity, also rank at the top of the list of negative factors for the formal sector in Senegal. The high cost of new technology should be added to the list of constraints as it is identified as an obstacle by many (62%) of the interviewees.

Surprisingly, access to credit, access to land, and the availability of experienced laborers (this does not refer to technicians) do not rank high as major negative influences. On balance, a larger number of the interviewees rate these items as having a positive, rather than negative influence on their businesses. For example, less than one in five respondents (19.5%) feel that the unavailability of experienced laborers has a negative impact on business. To the contrary, more than three out of five (62%) suggest that this factor has a positive effect. In the case of land, access is a severe problem only in Niamey. In the other departments, it is more likely than not to be regarded as having a positive impact. Although prices of inputs, such as electricity, are frequently regarded as constraints in Niger, access and availability are not. Very few formal sector business leaders identified access to electricity, primary products, water, or buildings as adversely affecting them. Price, rather than access, appears to be the main concern.

{SEE TABLE 12 IN APPENDIX II}

When these data are disaggregated by type of activity, very few differences emerge between sectors. The rank correlations between the three groups (services, industry, commerce) are extremely high and positive. As per expectations, those in industry are more concerned about access to primary products and the price of transportation than are either those in services or commerce. In the service area, problems affecting the availability of spare parts are rated much higher than it is in the other two areas. Other differences are minimal.

{SEE TABLE 13 IN APPENDIX II}

XII. CREDIT IN THE FORMAL SECTOR

Sources of Credit

The availability of credit from the banking system is a severe limiting factor for the formal sector in Niger. Credit tends to be short term, at high rates of interest, and requires excessive documentation and guarantees. Of the 77 formal sector firms in the sample, only 22 (29%) reported having received bank loans to cover any part of their investment or operating expenses (either long or short-term). About one in five (19%) reported receiving credit from a development bank. Other than these, the only major commonly used sources of credit are family and friends (38%), and consignments of goods or other forms of credit from suppliers (39%). In general, most funds for these enterprises (at least those that are fully owned by Nigeriens) come from personal savings. Several individuals indicated that they were able to start their businesses with funds provided them in the form of the "golden handshake" when they voluntarily left the public service. Regardless of the type of activity in which they engage, Nigerien firms show a similar distribution of credit sources.

{SEE TABLE 14 IN APPENDIX II}

As noted, credit is a long-standing problem for the private sector in Niger. The most important obstacle in this area according to the interviewees (87%) is the extremely high level of guarantees required to obtain a loan. A good example is provided by an A.I.D. supported cooperatives project which, in spite of donor backing, still requires the deposit of a guarantee equivalent to 110 percent of the amount of the loan.

A related problem is the tremendous amount of documentation required in order to apply for credit. Many small businesses lack the expertise on their regular staffs to prepare such documentation and can not afford the high cost of hiring a consultant to produce it for them. Thus, only the largest and best-connected firms can possibly meet these requirements. The ceiling on credit is also considered by many (81%) to be too low in relationship to both needs and the costs associated with establishing the dossier required in order to apply. Without appropriate standard guarantees and full documentation, many in the formal sector are excluded and a majority (56%) feel that they have no access to credit at all.

In addition to credit, the other service aspects of the banking industry should not be ignored. One of the important areas of potential growth, tourism, requires the support of a functioning banking system so that tourists can exchange money, deposit valuables (including jewelry and other local artisanal products), buy and cash travelers checks, transfer money from abroad, and meet a variety of other needs. As noted by a hotel manager in the course of the survey, *"l'activité des banques est quasi inexistante et les touristes rencontrent toutes les difficultés pour mettre leurs fonds en sécurité."* Although the entire country suffers from these difficulties, the problem is especially acute in the most prominent tourist center, Agadez.

The banking system in Niger is not at all prepared to address the credit needs of local businesses, either in the formal or informal sectors. When and if a clear, consistent policy is developed toward the private sector, reform of the banking system will be a crucial component. The demise of many of the parastatals, which traditionally consumed the lion's share of available credit, may lay the groundwork for such a reform. Without a complete transformation of the banking and credit system, investment-stimulated economic growth and employment generation in the formal sector are very unlikely to be achieved.

XIII. OBSTACLES TO GROWTH OF THE FORMAL PRIVATE SECTOR

If an adequate set of private sector policies is to be developed either by the Government of Niger or by the donor community or both, it will be necessary to identify existing obstacles to growth and address them in the context of any reform package. **Seven major sets of potential obstacles to growth of the formal private sector in Niger were identified: 1) questions of information and uncertainty regarding the environment for business; 2) credit services; 3) government policy and policy making processes; 4) policy implementation, especially the role of government functionaries; 5) human resources; 6) the cost of inputs; and 7) internal management capacity.** Several of these items, (eg., credit, input costs, and competition) have already been dealt with in previous sections of this report, and will be noted here only in passing. The questionnaire includes more than 60 items aimed at determining the importance of the seven factors from the perspective of Nigerien businessmen.

{SEE TABLE 15 IN APPENDIX II}

Government Policy Making and Implementation

In the course of the interview process, the interviewers were literally bombarded with negative comments about the government and its policies. As concluded by one of the survey team supervisors in his final report on the interview process in the regions he covered, *"Il y a bien d'autres facteurs qui contribuent à la crise actuelle: mais il ressort de tous les échos enregistrés que la part de responsabilité de l'actuel gouvernement vient en tête."* The distribution of responses to questions addressing these issues is very strongly negative, even stronger for the formal sector than for the informal. Government actions are considered by the interviewees as a factor which has had a strong negative impact on the performance of their businesses. To put this in comparative perspective, interviewees in the formal sector in Senegal were also quite negative in their assessment of government policy toward the private sector, but the depth of the feeling in Niger is significantly stronger. Based on these data, it is fair to say that there is an extremely grave crisis of confidence in the Government of Niger on the part of the private sector, especially the formal private sector.

The lack of government consultation with the business community stands out as the most significant and important issue. Seventy percent of the interviewees (as opposed to 42% in Senegal) said that this is a very important problem and an additional 17 percent said it is an important problem. Thus, nearly nine out of ten formal sector businessmen in Niger are unhappy about the lack of consultation by the government with them regarding policies which impact private businesses. Some commented on the Round Table held with the government in 1987. As a result of that conference, price controls were lifted, but virtually all other recommendations made by the private sector were ignored or at least not implemented.

Equally strong negative reactions are found regarding the perceived lack of coordination between ministries involved in regulating the private sector. More than four out of five interviewees noted it as an important or very important problem. It is also fairly uniformly agreed in the business community there are many ministries involved in regulating the private sector. This perceived lack of coordination and lack of clear administrative lines of authority makes doing business extremely complex and costly. Contradictory policies are often enforced in turn by government agents representing their respective services. This situation opens up a wide variety of opportunities for bribery and corruption. In some cases, given the complexity and contradictory nature of the policies, paying off public officials is perceived to be the only way to stay in business.

Many businessmen (83%) believe that at least some of the problems of communication and cooperation between the private sector and the government are derived from the fact that the government harbors negative attitudes toward them. This they feel is underlined by the difficulties they regularly experience with the constraints imposed by the Economic Control Police. Nearly three quarters of the interviewees (74%) say the "Control Economique" is important or very important as a constraint.

While the donor community has exerted pressure on the government to institute a program of economic liberalization, little has been done to assure its implementation. Policies which are designed to reform the economic system and the associated regulatory mechanisms are viewed as being improperly applied or as being only halfheartedly implemented by functionaries who continue to benefit from the previous system. They are perceived to harbor negative attitudes toward the private sector which bias their work and create increased obstacles to business. Some proposed changes may even have been directly sabotaged by those charged with their implementation.

There is also considerable resentment of the perceived special treatment accorded individuals with connections in high places. Seventy-six percent of those in the sample regard this as a serious problem. The comments of the owner of a construction company in one department are typical. *"Aujourd'hui, nous n'arrivons pas à avoir des contrats avec le gouvernement, et les marchés sont souvent obtenus par des gens qui ont des relations privilégiées avec certaines autorités. Les lois du marché sont d'office écartées...et la fermeture ne se fera pas beaucoup attendre pour beaucoup d'entre nous."* Similarly, about the same number feel that customs duties are not applied in an equitable fashion to all. It is also felt that the TVA is misapplied, but not necessarily randomly. Thus, the government is viewed not only as restraining the development of the private sector in general, but of favoring a select group at the expense of others. This serves to limit investment in the country and to introduce distortions by channeling investment to areas which do not require fixed assets but allow for quick turnover, particularly some areas of commerce.

Functionaries charged with regulating, monitoring or assisting the private sector are not highly regarded by Niger's entrepreneurs. They are widely viewed as misunderstanding the private sector (74%), and failing to recognize the role of the entrepreneur in the

Nigerien economy (71%). The payment of “illegal” taxes to functionaries, although extremely common, is seen as an important or very important obstacle to growth by most (74%) businessmen. Finally, government employees are considered by the private sector to be lazy and to lack motivation (62%). In light of this history of negative interactions and bad feelings between the two groups, considerable retraining will be required before the interface between government and the private sector can be expected to function more smoothly. Workshops designed to sensitize functionaries and business operators to each other’s needs and perspectives may be a useful and cost-effective way to begin to address the issues.

Information and Uncertainty

In Niger, there is a general lack of information available on: 1) the state of the economy; 2) the rules of the game from a government regulatory perspective; 3) acceptable business practices; and 4) on the state of the market for a particular product, both domestically and internationally. In addition there is a lack of institutions which regularly provide such information to the private sector.

There are few reliable sources of available information. None of the Ministries disseminate information specifically targeted at the private business community. Little is done to identify appropriate external markets and not much is known about demand for Nigerien products, even in neighboring countries. The attention paid by the Nigerien business community, government, and public to the recent Burkina Faso trade fair in Niamey is instructive. Apparently, nothing of this type or magnitude has ever been attempted by Niger. Some artisans in Agadez spoke of a government-organized crafts fair held outside Niger. They are quite bitter about the fact that government officials (including those from the Chamber of Commerce) who know nothing about artisanal production, rather than the artisans themselves, participated in the fair, received the associated benefits of foreign travel and per diem, and apparently kept the profits from sales of these items. More than nine out of ten business operators identified the lack of information on the state of the economy as a very important or important obstacle to the growth of their companies.

Official sources of information, such as the Ministry of Planning’s Annuaire Statistique (Statistical Yearbook) are out of date by the time they are ready for publication and public distribution. In addition, the data presented in those reports are highly inaccurate. For the two very fundamental pieces of data for which the MAPS team has reliable alternative data, the Ministry of Planning’s data were shown to have margins of error of between 50 and 500 percent. It is not surprising that few interviewees in either the formal or informal sector seek or use information on the economy “collected” (some, familiar with the actual process suggest “creatively estimated” rather than collected) by the Government of Niger.

The lack of information about government regulations also inhibits investment and growth. Partly because the private sector is rarely if ever consulted by government

authorities in the policy making process, there are rapid and often unpredictable changes in regulations affecting business. Eighty eight percent of the interviewees said that this is a very important (66%) or an important (22%) problem for them. It contributes to the high degree of uncertainty regarding acceptable business practices that permeates the private sector, especially the formal sector. As a result, even when the level of demand in a particular market is known and economic conditions appear favorable, business leaders are reluctant to invest because of risks derived from the regulatory practices and changes. This is further complicated by the relatively high costs of doing business associated with corruption, especially in areas such as transportation.

Alternative sources of information and assistance are **potentially available through professional and trade associations. The Chamber of Commerce, which might be looked to for both information and as a representational tool, is in fact a creature of the State. Its directors and boards are appointed by the State, and its resultant lack of dynamism (82% of those in the sample say this lack of initiative is an important problem) is yet another obstacle the business community must face.** Other sources of information cited by the interviewees include the "Patronat" (employers association), foreign partners for those who have them, and professional and trade journals. None of these sources are considered to be highly effective in either representing the Nigerien business community or as information sources on the Nigerien economy or regulatory system. **Until the business community is effectively brought into the policy process as a full partner, uncertainty is likely to continue to act as a serious constraint to economic growth.**

{SEE TABLE 16 IN APPENDIX II}

Creation of an independent source of timely, high quality information on the state of the economy and the regulatory system in Niger is absolutely essential. A national private sector research institute, perhaps affiliated with the University of Niamey's Faculté des Sciences Economique et Juridique, could be established with a permanent endowment. Such an institute could take advantage of the competence of university faculty, private Nigerien consultants, and business leaders to: 1) develop a priority research agenda; 2) develop mechanisms for the dissemination of information to the business community and commercial associations in a timely fashion; 3) provide low-cost or free consulting services to businesses; 4) develop workshops and training programs for the business community and government functionaries; and 5) contract to provide specific services such as market studies to private businesses and the donor community.

Human Resources

Unlike the situation in the informal sector, human resource limitations have a significant impact on the growth of many formal sector firms. **Especially important is the lack of skilled technicians (as opposed to experienced laborers who are in plentiful supply), a problem which 70 percent of the interviewees identified as important.** At the mid and upper levels, there are few Nigeriens who possess the appropriate technical or managerial skills

required by business. Recent graduates of the nation's academic and training institutions are seen as lacking practical experience and not having developed the spirit of competition on which the private sector depends.

The education system in Niger is notoriously weak and underfinanced. This is probably the single most important factor in explaining the tremendous difference in human resource problems between Senegal and Niger. For example, while 45 percent of the interviewees in the formal sector sample in Senegal said that the lack of skilled technicians is an important stumbling block for growth of their firms, the comparable figure for Niger is significantly higher (70%). **Development of the formal sector will clearly require some investment in the expansion and institutionalization of appropriate educational and training, especially technical training programs in Nigerien institutions.**

The University of Niamey has responded to the needs in the management area by revising its curriculum in the Faculté des Sciences Economique et Juridique to include many business related courses. Although students study modern accounting, marketing, information systems, management, commercial law, and economics, they still lack practical business experience when they graduate. Internship programs have recently been developed but are not yet widely subscribed to by the business community. **A supervised consultancy program, whereby advanced students work with small businesses to develop business plans, conduct marketing studies, improve or set up accounting systems would provide mutually rewarding opportunities for business and the University.** Given the small size of the formal private sector and growth in popularity of business related courses at the University, entry level management needs of Nigerien and foreign businesses can probably be met from the pool of graduates for the foreseeable future.

XIV. INTERNAL OPERATIONS AND MANAGEMENT

While this study has emphasized the environmental constraints under which Nigerien businesses must function, internal factors-- that is, the actual management of these firms in terms of both critical operating tasks and strategic management functions-- may be equally important. The terms of reference for this study and time and resource constraints did not make it possible to collect and analyze detailed information on the day-to-day management capabilities of private sector firms. However, data on some important indicators of these capacities were collected in the course of the interviews.

The interviewees were asked what actions they might consider worth undertaking to improve the functioning of their respective enterprises. Overall, **the top-ranking item is an effort to improve their own aptitude and knowledge in the area of management.** Three out of four said that, given the opportunity, they would be very likely to participate in workshops or other management training programs. This is a clear indicator of the recognition on their part of possible shortcomings the management of their firms.

Improving production techniques was rated second as an action which they would be very likely to undertake. Nearly two-thirds of the interviewees noted this as an area of concern. Increased capital investments, improved quality control, marketing, and training of their staffs were also rated as important by more than half of the interviewees.

When these data are broken down by type of activity, a few significant differences appear between groups. While increasing their management skills ranks first for the service and commerce areas, for industry, improved quality control is more important. The need to improve production techniques, which is the second priority for the industry and service areas, is superseded by the need to increase capital investments for those in commerce.

Like firms throughout Africa, day to day operations consume so much of the time of owner-operators and managers in Niger, that strategic management functions are not addressed (Kiggundu, 1990). This, coupled with the general lack of experienced managers, the high cost of modern technology, and the limited number of skilled technicians, does not lend itself to effective managerial decision-making. **In sum, shortcomings in the area of management of firms is a factor which must not be ignored while reforms are being sought in the general business environment.** Opportunities should be created for in-service training of managers. This should also include some opportunity for follow-up by local trainer/consultants to help adapt new techniques to the realities and peculiarities of the individual Nigerien firm.

{SEE TABLE 17 IN APPENDIX II}

XV. OPPORTUNITIES FOR INVESTMENT IN THE FORMAL SECTOR

Business operators in the formal sector were asked to assess the opportunities for investment in a variety of different areas in the Nigerien economy. **Although there is not much room for optimism, a number of activities stand out in their responses. First and foremost are the perceived opportunities in the area of commerce.** This is certainly consistent with Hausa culture and traditions as well as suitable to current conditions in which high investment in equipment and infrastructure is hard to justify. In the area of commerce, consumer goods can be turned over quickly and profits reinvested or deposited for later use. Tax difficulties can also be minimized through personal "contacts" with a few of the "right people" and the "investment" of some resources in them. This, however, is not likely to increase investment in the growth of the economy or in employment generation.

The transformation of agricultural products for re-sale and the purchase of unprocessed agricultural products for re-sale on the local market, are rated as excellent investments by a solid proportion of the interviewees. Construction rounds out the list of investment opportunities for which there is some support. Tourism registers quite low nationally. However, as noted in the informal sector survey report, regionally expectations are quite good for tourism in Agadez. Although none of these investments seems overly attractive as an opportunity, especially in light of difficulties in obtaining credit, the level of interest regarding them is considerably higher in Niger than it is in Senegal.

Based on sector of activity, there do not appear to be any major differences between respondents in the ranking of these opportunities. Geographically, as is also the case with Niger's informal sector, those outside Niamey tend to be slightly more optimistic about investment prospects than are those operating in the capital. This seems to apply to almost all of the areas of investment included in the survey instrument.

{SEE TABLE 18 IN APPENDIX II}

The interviewees were also asked to comment on those agricultural products they think might be worth investing in the future in terms of profitability. The choices made by informal sector interviewees are almost exactly replicated in the responses from the formal sector. Millet and livestock head the list, followed by cowpeas, rice, peanuts and sorghum. Surprisingly, horticultural production (fruit and vegetables) does not generate much interest in either the formal or informal sectors in Niger. In Senegal, by contrast, this was far and away the number one choice. The small size of the market, transport costs, negative connotations associated with the settlement of pastoralists on market gardening plots, and the lack of a well developed network for exporting such produce from Niger to Europe may be the determining factors.

Those external markets which are perceived to afford the best opportunities and profits from the perspective of the formal sector in Niger are somewhat broader than those perceived by the informal sector. The European Community is ranked first, followed by West Africa and

the United States. There is a large gap between these and the other international markets on the list in terms of perceived opportunities for profit.

{SEE TABLES 19 AND 20 IN APPENDIX II}

Overall, the key areas for formal sector business growth and development appear to be linked to the agricultural sector. Increased emphasis on technology for the transformation of agricultural products, the development of foreign markets and counter season production of high value fruits and vegetables for export seem to be provide the best hopes in the near future.

XVI. FORMAL SECTOR ASSOCIATIONS

The majority (71%) of business operators in the formal private sector are members of associational groups which are theoretically designed to represent their interests. The most commonly held membership is in the Chamber of Commerce. The Chamber of Commerce is a government entity, the leadership of which is appointed by the government, rather than selected by the membership per se. **Most businessmen, even those who are members of the Chamber, do not believe that it is very effective in addressing their needs.** In fact, as discussed in an earlier section of this report, the lack of dynamism on the part of the Chamber is regarded by the interviewees (32%) as an important factor acting as an obstacle to growth of the private sector. The many other professional and commercial associations, to which at least some of the interviewees belong, are also regarded as being largely ineffective.

There are indications that Nigerien business operators would be willing to pay at least some membership dues to a business association which is capable of providing the kinds of services and fulfilling the functions they deem essential. Their top priority for such an organization is as a liaison with the government. Three quarters of those interviewed want an organization which can maintain contact and engage in a two-way dialogue with the government. The most important single service sought by Nigerien businessmen from this type of organization is the provision of regular, up-to-date information on government regulations affecting the private sector. Eighty three percent of the interviewees feel that this is very important.

{SEE TABLE 21 IN APPENDIX II}

In addition to the government liaison role, Nigerien entrepreneurs would like to participate in an organization which could provide a variety of economic services. Information on the status and prospects for markets is at the top of this list. They are also very interested in assistance in gaining access to credit, in particular, possible collective guarantees for loans to individual firms. Closely linked to credit is the perceived need for assistance in conducting feasibility studies and preparing the other supporting documents required by commercial banks.

The government and people of Niger are in the process of writing a new constitution and attempting to establish a multi-party, democratic system. There is potentially an important role in such a system for associational groups which represent the interests of particular economic and social constituencies. Among the most important obstacles to private business is the current lack of effective representation of its interests and communication with the government. The time may be ripe to help establish serious representation for the private sector. Rather than relying on one or more of the 24 already registered political parties, associational groups which can traverse party lines may be a more appropriate mechanism for the business community.

A donor strategy designed to support the creation of new organizations or the revitalization and/or privatization of existing ones, such as the Chamber of Commerce, might be highly appropriate. This strategy, which should be undertaken independent of government, could take the form of organization to organization technical assistance and training. Required skills include public relations, lobbying, economic and financial analysis, market analysis, credit management, and the monitoring and dissemination of government activities affecting the private sector.

XVII. CONCLUSIONS AND RECOMMENDATIONS FOR THE INFORMAL AND FORMAL PRIVATE SECTORS

This study of the informal and formal private sectors in Niger employed systematic sampling and survey research techniques to collect data for a diagnostic of problems and opportunities for the business community. It represents most of the systematically collected and analyzed primary data input into the MAPS-Niger activity. In light of these data, the informal and formal sectors are described and the major environmental and internal constraints under which they operate are evaluated and prioritized. Logic would suggest that these priority areas be addressed first in initiating new reforms or project interventions.

Based on an analysis of these data, the following priorities are recommended in order to address these major constraints:

- A. Government Policy Making and Implementation**
- B. Private Sector Information Needs**
- C. Human Resources**
- D. Credit**

The recommendations that follow respond to these priority areas of concern. The priorities for the informal sector are very close to those for the formal sector, but with a slightly different emphasis. The reader is directed to the MAPS Phase V report (Private Sector Strategy Recommendations) for a fuller discussion of strategy considerations and options broadly recommended by the MAPS team.

Government Policy Making and Implementation

1. **Government Regulation of the Private Sector - Government regulations are ill conceived, poorly coordinated, subject to rapid, unpredictable changes, include a tax system that provides disincentives to investment and growth, are based on limited information, and do not include consultation with the private sector itself. The number of government agencies dealing with the private sector should be reduced to ease the regulatory burden on these enterprises and mechanisms should be found under the new constitution for full and open participation in policy making by the business community.** Government attitudes toward the private sector are largely negative in tone. At the very least, donors ought to be encouraging timely consultation between the government and the private sector on economic reform and regulatory measures.

● The Informal Sector

The informal sector is, contrary to the opinion of the formal sector and some Government agencies and donors, an extremely vibrant and contributing part of the Nigerien economy.

Currently, informal sector companies are paying a significant share of their revenue in local taxes and registration fees which support municipal services. Tax collections from them by

functionaries in the form of “informal” taxes are also considerable. **The Government of Niger would like to regulate and extract additional taxes from this sector. These valuable enterprises are able to survive precisely because they fall outside the regular purview of the government. The best thing that can be done for the informal sector in the larger sense is to leave it alone.** Rather than seeking to expand regulatory and revenue generating procedures designed to transform them into formal sector firms, lightening the regulatory burden may be the most appropriate action.

- **The Formal Sector**

If the economy of Niger is to recover and grow, there is an important role to be played by the formal sector. The combination of economic conditions, donor pressure for reform, and the disincentives to business coming from the policy making and policy implementation mechanisms of the State have almost totally destroyed the formal private sector. **Donor demands for reform have produced some changes at the policy level but much confusion and little real change at the implementation level.** Disbanding and/or reassigning the ineffective Economic Police to other functions would send exactly the right message of support to the business community.

2. **The Role of Government Functionaries** - The prime contact of informal sector businesses with the Government takes the form of the extraction of “informal taxes” by functionaries. The day-to-day contact of the operators of formal businesses in Niger is not with something as amorphous as government, but with real people in the form of functionaries at all levels. **The complex web of government regulations has helped nurture a system of “extralegal” taxation and out-and-out corruption that greatly increases the cost of doing business.** Basic services such as transport are among the most directly affected. Decreasing the size of the public service, paying those who are retained a decent wage, and rigorous enforcement of anti-corruption measures would all be helpful steps, although not solutions in and of themselves. Departing functionaries should be provided with increased assistance in establishing themselves in the private sector. Training programs in the National School of Administration, both for entry level and in-service functionaries, should be initiated to sensitize those in the public service to the informal and formal private sectors and the important role it has to play in the economy of Niger.

Private Sector Information Needs

3. **Business Associations** - **The Nigerien business community is in dire need of an organization(s) to perform the vital liaison role between the government and the private sector, and to disseminate useful, timely information on economic conditions at both the micro and macro levels.** As a new democratic state in Niger is in its formative stages, action in support of private sector associational groups is essential and propitious. The organizations which represent the interests of informal sector firms are even weaker than those which serve the formal sector. Support for strengthening, and in some cases

establishing new associations, is very much needed. **If successfully nurtured, such associations could provide a mechanism for disseminating information, lobbying with the government on behalf of, and managing credit for the informal sector. However, there is a real need to overcome the existing skepticism on the part of business people toward associations like the Chamber of Commerce.**

A donor strategy designed to support the creation of new organizations or the revitalization of existing ones, such as the Chamber of Commerce, might be highly appropriate. Required skills that should be developed include public relations, lobbying, credit management, and the monitoring and dissemination of government activities affecting the private sector. This strategy, which should be undertaken independent of government, could take the form of organization-to-organization technical assistance and training.

Realistically, these associations can not be expected to either conduct or finance the actual research (data collection and analysis). Their primary role is most appropriately concentrated on the communication and representational functions. They will require accurate economic and regulatory information in a timely fashion. The research and analysis which they can distribute to their members is probably best produced by an independent Private Sector Economic Research Unit. Translation of these materials into local languages and their dissemination by radio as well as in written form is probably a necessity.

4. A Private Sector Economic Research Unit - An additional useful step would be to strengthen the data collection, analysis and dissemination capabilities of Nigerien institutions so that vital economic information can be made available to the existing private sector firms, commercial and professional associations, and potential investors. This center, probably most appropriately housed at the University of Niamey, should also provide in-service training programs and follow up, customized consulting service to private sector business operators. A documentation center, open to the public, would round out the functions of the Center. The financial arrangements for this center should be as independent of the Government as possible. Three appropriate means for supporting the Center are: 1) a donor financed permanent endowment, the interest from which would cover recurrent operating costs; 2) contracts by the institution for research for private businesses, the Government of Niger and the donor community; and 3) tuition charges for Center run workshops and training programs.

Human Resources

5. Human Resources

- **The Informal Sector**

Many of the human resource needs in the informal sector of Niger's economy are being met through apprenticeships and other forms of on the job training. These firms employ many individuals, primarily as apprentices. Costs are kept very low and labor is thus relatively productive, especially when compared to the formal sector. **The apprentice system is well adapted to local conditions and resources that make local enterprises viable. In addition, apprentice programs serve as incubators for new firms.**

It is doubtful that externally financed training programs would be able to address the full range of skill needs in the informal sector. **However, improved technical and trade schools might be worthwhile investments if they can provide fairly low level technical training which could complement, rather than compete with, the apprenticeship system.** Increasing the involvement of women in the informal sector labor force is a necessity. **Targeting new training programs to the technical and managerial needs of potential female entrants in the informal sector may have the greatest impact on employment generation.**

The informal sector is able to survive because it is largely able to ignore and work around the Labor Code. Attempted interventions in this area may lead to greater enforcement of the Labor Code or, perhaps more likely, greater payoffs to government officials, union representatives and others for ignoring the Code.

- **The Formal Sector**

The skill level of the available human resource pool for the formal sector is woefully inadequate, especially for technicians. There are very few trained technicians and experienced managers. Those who come through the existing educational and training institutions are generally poorly prepared to make an immediate contribution in the formal private sector. Development of the formal sector will clearly require some investment in the expansion and institutionalization of appropriate educational and training facilities, especially technical training programs in Nigerien institutions.

The University of Niamey has responded to these needs in the management area by revising its curriculum in the Faculté des Sciences Economique et Juridique to include many business related courses. This faculty, already the second largest in the University, is experiencing rapid growth as student demand increases steadily. **Although students study modern accounting, marketing, information systems, management, commercial law, and economics, they still lack practical business experience when they graduate. Internship programs have recently been developed but are not yet widely subscribed**

to by the business community. A supervised consultancy program, whereby advanced students work with small businesses to develop business plans, conduct marketing studies, and improve or set up accounting systems would provide mutually rewarding opportunities for business and the University.

Donor support in this area, perhaps linked to the Private Sector Economic Research Center, would be extremely valuable. Some technical assistance might be required. A few American universities offer relevant program models in small business and entrepreneurship training programs. A cost effective approach to this problem is available through A.I.D.'s Board for International Food and Agricultural Development and Economic Cooperation (BIFADEC) institutional linkage program currently in its early stages of implementation. A relatively small Mission buy-in to this program would go a long way to addressing key training issues.

An additional concern is the Nigerien Labor Code. The informal sector is able to survive because it is largely able to ignore and work around it. The burden of these labor regulations fall disproportionately on the shoulders of the formal sector firms. Modification of the Code is clearly needed by both the formal and informal sectors.

Credit

6. Credit

- **The Informal Sector**

The major need expressed by owner/operators in the informal sector is for access to credit. Given the size of the loans that could be justified, the real needs for finance, uncertainty associated with land tenure, and the understanding of credit mechanisms, neither a revitalized formal banking system nor large scale projects will be able to address this need. **Instead, informal credit mechanisms, or credit distributed through groups which can provide collective guarantees, particularly business associations, appear to make the most sense.** This could also be a mechanism which could help bring more women into the informal sector's more permanent enterprises. This will require some technical and financial assistance to strengthen and expand the role played by such associations.

- **The Formal Sector**

Credit, the lifeblood of business, is for all practical purposes not available to Nigerien businesses. **An effective banking system oriented to providing service to the private sector rather than merely servicing loans to the Government and the parastatals would be very helpful.** As mentioned above, revitalized professional/commercial associations could be used as a mechanism through which credit can be granted with appropriate guarantees. **Support for reforms in this area is essential.**

APPENDIX I

TABLE ONE
DISTRIBUTION OF INFORMAL SECTOR FIRMS IN THE SAMPLE BY CITY

<u>CITY</u>	<u>n</u>	<u>%</u>
Niamey	60	29.9
Maradi	45	22.4
Zinder	45	22.4
Agadez	30	14.9
Tahoua	21	10.4
Total	201	100.00

Informal Sector Firms in the Sample by Location

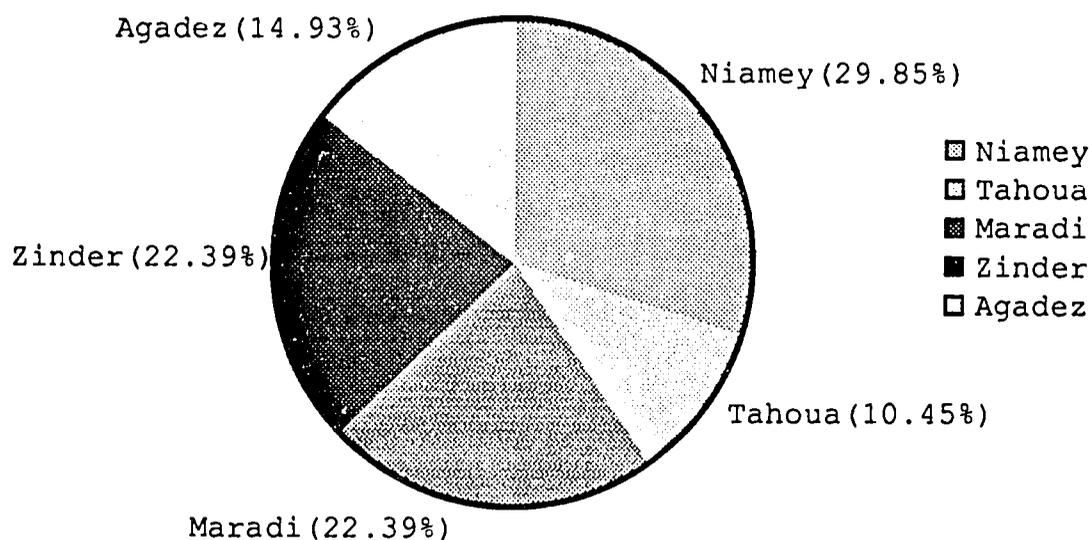


TABLE TWO
SECTOR OF PRODUCTION OF FIRMS INCLUDED IN THE SAMPLE

<u>Sector</u>	<u>n</u>	<u>%*</u>
Agriculture (includes forestry, fishing, livestock production and agricultural business) and Industry	74	36.8
Services	77	38.3
Commerce	93	46.3

*The n is greater than 201 because 42 firms operate in two sectors.
 The % total is greater than 100 because of the 42 firms which operate in more than one sector.

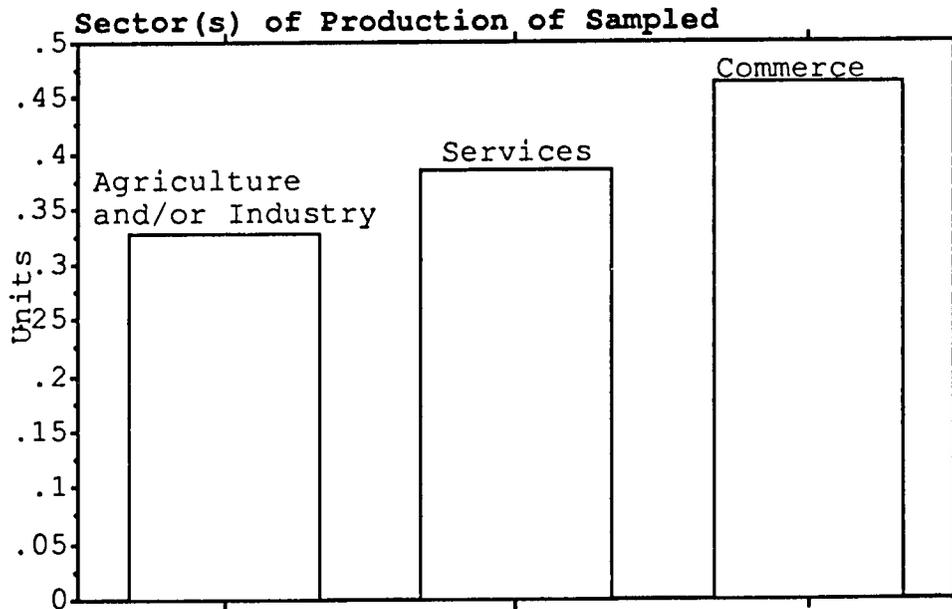


TABLE THREE
POSITIONS OF INDIVIDUALS INTERVIEWED

<u>POSITION</u>	<u>n</u>	<u>%</u>
Owner	169	84.1
Manager	20	9.9
Other	12	6.0
Total	201	100.00

TABLE FOUR
OWNERSHIP/CONTROL OF FIRMS OPERATING IN NIGER
INCLUDED IN THE INFORMAL SECTORS SAMPLE

	<u>Count:</u>	<u>Percent:</u>
Firms Fully Owned/ Controlled by Nationals	185	92.0
Firms Partially Owned/ Controlled by Foreigners	4	2.0
Firms Fully Owned/ Controlled by Foreigners	12	6.0
	---	-----
Total	201	100.0

TABLE FIVE
TYPE AND LEVEL OF PERSONNEL

	<u>ALL</u>				<u>WOMEN</u>	
<u>Personnel</u>	<u>x</u>	<u>Range</u>	<u>n*</u>	<u>x</u>	<u>Range</u>	<u>n*</u>
Permanent	3.8	1-21	199	1.9	1-7	13
Part Time	1.9	1-6	23	1.5	1-2	4
Seasonal	2.3	1-5	19	1	1-1	1
 <u>Level</u>						
Mgt./Admin.	1.1	1-5	167	1	1-1	5
Secretarial	1.2	1-3	37	1	1-1	6
Professional	3.0	1-11	35	5	1-9	2
Technical	3.0	1-19	31	3	3-3	1
Laborers	3.1	1-19	108	1.5	1-3	4
Other	2.7	1-8	24	1	1-1	1

*n is the number of firms.

TABLE SIX
DISTRIBUTION OF SALES BY REGION OF DESTINATION (%)

<u>Region /Area</u>	\bar{X}	<u>Range</u>	n
Local (Niger)	97.48	10-100	186
West Africa	21.27	2-70	11
Maghreb	17.26	2-50	7
Asia	0	---	---
EEC	80	80-80	1
Europe (other)	0	---	---
Africa (other)	0	---	---
North America	0	---	---
Middle East	0	---	---
Other	100	100-100	

TABLE SEVEN
DISTRIBUTION OF SUPPLIES OF PRIMARY PRODUCTS
BY REGION OF ORIGIN (%)

<u>Region /Area</u>	\bar{X}	<u>Range</u>	n
Local (Niger)	86.56	3-100	154
West Africa	55.11	5-100	63
Maghreb	39.5	5-75	6
Asia	11.67	5-25	3
EEC	51.43	10-100	7
Europe (other)	35	20-50	2
Africa (other)	26	10-50	5
North America	0	---	---
Middle East	32.5	5-60	2
Other	100	100-100	2

TABLE EIGHT
RECENT TRENDS IN THE ECONOMIC ENVIRONMENT
IN NIGER FOR THE PRIVATE SECTOR (%)

<u>Factor</u>	<u>Much</u>	<u>Somewhat</u>	<u>Unchanged</u>	<u>Somewhat</u>	<u>Much</u>	n^*
	<u>Better</u>	<u>Better</u>		<u>Worse</u>	<u>Worse</u>	
Commerce	1.1	5.4	38.7	26.9	10.8	93
Agriculture & Industry	0.0	2.8	39.7	24.1	19.2	74
Services 40	0.0	1.3	49.4	28.6	7.8	77
All	0.5	3.5	43.8	27.9	11.9	201

Totals by sector are greater than the overall total because some firms are involved in more than one sector.

TABLE EIGHT-B
RECENT TRENDS IN THE ECONOMIC ENVIRONMENT
IN NIGER FOR THE PRIVATE SECTOR (%)

<u>CITY</u>	<u>Much Better</u>	<u>Somewhat Better</u>	<u>Unchanged</u>	<u>Somewhat Worse</u>	<u>Much Worse</u>	<u>n*</u>
Niamey	0.0	5.0	21.7	45.0	21.7	60
Tahoua	0.0	4.8	42.9	23.8	4.8	21
Maradi	0.0	4.4	35.6	17.8	15.6	45
Zinder	0.0	2.2	68.9	22.2	2.2	45
Agadez	3.3	0.0	63.3	20.0	6.7	30
ALL	0.5	3.5	43.8	27.9	11.9	201

TABLE NINE
FACTORS WHICH HAVE INFLUENCED THE PERFORMANCE
OF YOUR ENTERPRISE IN THE PAST YEAR

<u>Factor</u>	<u>% Positive</u>	<u>% Neutral</u>	<u>% Negative</u>	<u>% D.K.</u>	<u>Rank*</u>
Taxes	11.4	22.4	64.2	2.0	1.5
Credit guarantees	10.9	32.3	47.8	9.0	3
Government Actions	9.9	20.4	64.2	5.5	1.5
Credit Availability	26.9	21.9	41.3	9.9	5
Interest Rates	12.5	57.7	16.4	13.4	7
Producer Prices	21.4	45.8	22.9	9.9	6
Preferential Taxes	5.0	41.8	44.3	8.9	4
Exchange Rate	5.0	61.2	21.4	12.4	8

*Ranks are from the most negative to least negative impact (1-8)

TABLE TEN
TRENDS IN VOLUME OF SALES DURING THE PAST YEAR
AND PROJECTIONS FOR NEXT YEAR (%)

	<u>Strong Improvement</u>	<u>Improvement</u>	<u>Stable</u>	<u>Decline</u>	<u>Sharp Decline</u>	<u>D.K.</u>	<u>n</u>
Past Year	9.0	18.9	14.4	40.3	12.9	4.5	201
Next Year	11.9	21.4	9.9	5.0	9.5	42.3	201

45

TABLE TEN-B
TRENDS IN VOLUME OF SALES DURING THE PAST YEAR
AND PROJECTIONS FOR NEXT YEAR (%)

	Past Year						n
	<u>Strong Improvement</u>	<u>Improvement</u>	<u>Stable</u>	<u>Decline</u>	<u>Sharp Decline</u>	<u>D.K.</u>	
Niamey	1.7	18.3	20.0	48.3	8.3	3.4	60
Tahoua	23.8	38.1	14.3	9.5	4.8	9.5	21
Maradi	15.6	20.0	4.4	33.3	20.0	6.7	45
Zinder	11.1	15.6	4.4	57.8	8.9	2.2	45
Agadez	0.0	10.0	33.3	30.0	23.3	3.4	30
ALL	9.0	18.9	14.4	40.3	12.9	4.5	201

	Next Year						n
	<u>Strong Improvement</u>	<u>Improvement</u>	<u>Stable</u>	<u>Decline</u>	<u>Sharp Decline</u>	<u>D.K.</u>	
Niamey	1.7	25.0	23.3	5.0	0.0	45.0	60
Tahoua	9.5	28.6	4.8	9.5	4.8	42.8	21
Maradi	20.0	33.3	0.0	6.7	6.7	33.3	45
Zinder	20.0	13.3	4.4	4.4	4.4	53.5	45
Agadez	10.0	3.3	10.0	0.0	43.3	33.4	30
ALL	11.9	21.4	9.9	5.0	9.5	42.3	201

TABLE ELEVEN
**RANKING OF FACTORS HAVING AN INFLUENCE ON THE VOLUME OF SALES
 BY SECTOR***

<u>Factor</u>	<u>Sector</u>			
	<u>All</u>	<u>Agric. Industry/Mines</u>	<u>Services</u>	<u>Commerce</u>
Competition Nigerien Firms	1	1	1	1
Competition Foreign Firms	2	5	2.5	4
Distance from markets	3	4	5	2.5
Road Transport	4	6	6	2.5
Demand for our products	5	7	2.5	7
Competition from Public Enterprises	6	2	4	5

*Rankings are from most (1) to least negative impact. Of the ten factors, only those ranking in the top six or seven and showing a consensus negative impact for at least one sector are shown. The factor Markets Informations is ranked 3 for Agriculture/Industry and 6 for Commerce.

TABLE TWELVE
**THE PERCEIVED EFFECT OF VARIOUS FACTORS ON
 PRODUCTION OF GOODS AND SERVICES (%)**

	<u>Impact</u>			
	<u>Positive</u>	<u>Neutral</u>	<u>Negative</u>	<u>DK</u>
Price of Electricity	8.96	38.31	48.26	4.48
Prices for Primary Materials	29.35	25.87	36.82	7.96
Uncertainty Regarding Land Tenure	17.41	27.86	38.81	13.93
Access to Credit	36.32	19.4	38.31	5.97
Cost of Land	20.90	31.34	36.82	10.95
Reliability of Electric.	12.44	45.27	32.34	9.95
Price of Transport	14.93	48.26	29.35	7.46

GA

(table twelve continued)

Access to Land	34.33	29.85	28.36	7.46
Security of Buildings	34.83	29.35	26.37	9.45
Availability of Land	34.33	30.35	24.88	10.45
Availability of Buildings	38.31	32.34	22.89	6.47
Access to Electricity	29.35	43.28	22.39	4.98
Access to Primary Products	49.25	24.38	20.9	5.47
Price of Water	5.97	70.65	19.40	3.98
Availability of Skilled Labor	29.35	44.28	18.41	7.76
Access to Transport	26.37	49.25	16.92	7.46
Price of Telephone	0.00	62.69	14.43	22.89
Access to Water	23.38	60.2	10.45	5.97
Telephone Reliability	4.48	62.19	7.96	25.37
Quality of Water	17.91	67.16	7.46	7.46

TABLE THIRTEEN
**THE PERCEIVED EFFECT OF VARIOUS FACTORS ON
PRODUCTION OF GOODS AND SERVICES BY SECTOR (RANKS)***

<u>Factor</u>	<u>Sector</u>			
	<u>Commerce</u>	<u>Services</u>	<u>Agric. Industry.</u>	<u>All</u>
Price of Electricity	2.5	1	1	1
Prices for Primary Materials	5	7	2	4
Uncertainty Regarding Land Tenure	4	2	4.5	2
Access to Credit	1	5	3	3
Cost of Land	6	3.5	7	5
Reliability of Electric.	7	3.5	4.5	6
Price of Transport	2.5	15.5	9.5	7
Access to Land	8	8	6	8
Security of Buildings	9	10	9.5	9
Availability of Land	10.5	14	13.5	10
Availability of Buildings	12.5	12	9.5	11
Access to Electricity	12.5	9	9.5	12
Access to Primary Products	14	12	15	13
Access to spare parts	19	6	17	14
Price of Water	17	12	13.5	15
Availability of Skilled Labor	15.5	15.5	12	16
Access to Transport	10.5	18	19.5	17
Price of Telephone	15.5	18	17	18
Access to Water	20	18	17	19
Telephone Reliability	18	21	21	20
Quality of Water	21	20	19.5	21

*Ranks are from most (1) to least negative impact

TABLE FOURTEEN
SOURCES OF CAPITAL FOR NIGERIAN
ENTERPRISES IN THE INFORMAL SECTOR (n)

<u>Source</u>	<u>Sector*</u>					
	<u>1-20%</u>	<u>21-50%*</u>	<u>>50%</u>	<u>A&I</u>	<u>S</u>	<u>C</u>
Local Commercial						
Banks	3	3	1	3	3	5
Development Banks	5	2	9	5	4	11
Informal Institutions	5	7	4	9	6	6
External Sources	4	1	0	2	1	1
Transfers from						
Abroad	2	0	0	0	0	1
Cooperatives	0	1	3	3	1	2
Family/Friends	32	38	38	34	44	48
Consignments	23	11	13	20	15	21
Group Contributions	7	3	0	6	4	4
Credit from Unions	1	0	0	1	0	1
Other	0	2	50	21	23	29

*Sector groups are A&I=Agriculture and Industry, C=Commerce
S=Services. Totals by sector may be greater than totals because of
involvement by some firms in more than one sector.

TABLE FIFTEEN
OBSTACLES TO GROWTH OF THE PRIVATE SECTOR IN NIGER
WHICH AFFECT YOUR BUSINESS AND OTHERS LIKE IT
(% OVERALL AND RANK BY SECTOR)

<u>Obstacle</u>	<u>%Very*</u>	<u>%</u>	<u>Rank by Sector**</u>			
	<u>Important</u>	<u>Important</u>	<u>all</u>	<u>S</u>	<u>C</u>	<u>A&I</u>
CREDIT						
Access to credit	57	11	1	2	1	1
Required guarantees for credit are too high	41	18	8	9	8.5	3.5
Too much documentation required for credit	41	20	8	5	12	3.5
Ceiling on credit	32	21	17	17.5	18	13.5
POLICY MAKING AND IMPLEMENTATION						
Lack of Govt. consult. with Private Sector on new regulations	45	27	4.5	6.5	2	21.5
"Special" treatment to certain individuals	36	29	12.5	13	16	9.5
Too many ministries involved in regulating the private sector.	24	30	25	24.5	24	36.5
Lack of coordination between ministries regulating priv.sect.	32	28	17	14.5	17	35
Lack of incentives in the investment code	18	13	30	34.5	32.5	15.5
New economic policy measures not well implemented	24	22	25	24.5	22	36.5
Lack of rigor in NPI implementation	24	28	25	27	22	33.5
Lack of coordination between industrial and agricultural policies	14	19	35.5	30	37.5	31.5
Long delay in customs	26	22	21.5	21.5	14	28.5
Inequities-application of customs duties	48	12	3	3	3	12

(table fifteen continued)

TVA too high	45	9	4.5	6.5	4	18.5
Constraints-"Economic Control"	35	29	14	17.5	8.5	15.5
TVA misapplied	38	14	10.5	10.5	8.5	24
Smig too high	9	1	41	39.5	42	40.5
Functioning of the "Guichet Unique"	14	6	35.5	32.5	37.5	31.5
Lack of protection for local products	32	20	17	19	14	21.5

FUNCTIONARIES

Payment of "illegal" tax to functionaries	38	19	10.5	12	14	13.5
Negative attitudes of Govt. to Private Sect.	49	28	2	1	5	11
Functionaries lack motivation	18	27	30	28.5	26.5	28.5
Misunderstanding Priv. Sect. by Functionaries	27	18	19.5	21.5	19.5	9.5
Lack of recognition of role of entrepreneur	27	24	19.5	21.5	22	18.5
Costs linked to payment of overtime	7	4	43	43	41	42

COSTS

High cost of new technology	25	14	23	16	39.5	33.5
Availability of spare parts	23	17	27.5	14.5	28.5	25
High cost of sea trans.	4	2	45	45	44.5	43.5

HUMAN RESOURCES

Lack of qualified managers	15	21	33	37.5	30.5	20
Lack skilled workers	36	20	12.5	8	25	2
Lack of technical qualifications on the local market	18	27	30	31	28.5	27
Low productivity of Nigerien Labor	15	20	33	32.5	35	30
Lack of flexibility in Labor Code	15	8	33	39.5	35	17
Graduates lack spirit						

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(table fifteen continued)

of competition	12	11	38.5	39.5	35	39
Graduates lack						
practical experience	12	10	38.5	36	39.5	26
Problems with unions	13	6	37	34.5	30.5	38
Procedures for dealing						
with labor disputes	11	5	40	37.5	32.5	40.5
High cost of hiring	7	6	43	39.5	44.5	43.5

INFORMATION/UNCERTAINTY

Lack of dynamism in						
Chamber of Commerce	23	27	27.5	28.5	26.5	21.5
Rapid, unpredictable						
changes in regulations						
affecting private sect.	41	24	8	4	8.5	7
Uncertainty about						
business practices	44	21	6	10.5	6	6
Lack of usable info.						
on economic situation	34	25	15	21.5	11	8
Lack useful info on						
external demand for						
Nigerien products	26	20	21.5	26	19.5	3.5
Lack of access to data						
available to certain						
research institutions	7	9	43	44	43	45

*All percentages are for the entire sample.

**Ranks go from most important problem (1) to least important problem (45).

S=Services C=Commerce A&I= Agriculture and Industry.

TABLE SIXTEEN
MAJORSOURCESOFINFORMATION

<u>Source of Information</u>	<u>n*</u>
Ministry of Commerce	13
Foreign Partners	13
Chamber of Commerce	58
"Patronat" (Employers Association)	32
Special Commercial Journals	3
Other	74

*Several interviewees cited more than one source of information.

TABLE SEVENTEEN
RANKING OF POSSIBLE ACTIONS TO IMPROVE
THE FUNCTIONING OF THEIR ENTERPRISE

<u>Action</u>	<u>Overall</u>	<u>All</u>	<u>Rank by Sector*</u>		
	<u>%Very Likely</u>		<u>A&I</u>	<u>S</u>	<u>C</u>
Improve my own aptitude in management	63	1	1	4	1
Capital investments	64	2	3	1	2
Improved production techniques	56	3.5	2	3	4
Buy land or buildings	56	3.5	4	2	3
Improve Marketing	44	5	6	7	5
Improve quality control	36	6.5	7	6	6
Training of staff	36	6.5	5	5	7

*Actions are ranked from 1, most likely, to 7, least likely on the list.
A&I= Agriculture, Industrie, Mines S=service C=commerce

TABLE EIGHTEEN
FUTURE INVESTMENT OPPORTUNITIES EXPECTED PROFITABILITY

<u>Investment</u>	<u>Overall</u>	<u>All</u>	<u>Rank by Sector*</u>		
	<u>%Excellent</u>		<u>A&I</u>	<u>S</u>	<u>C</u>
Re-sale of Agricultural products on local market	39	2	3	3	2
Re-sale of Agricultural products on international market	18.5	9	9	10	6
Transformation of Agricult. products for resale on local market	29.5	5	6	4	5
Transformation of Agricult. products for resale on the international market	17.5	10	10	9	10
Industrial production for the local market	31.34	4	5	5	4
Industrial production for the international market	22.39	8	8	8	7.5
Construction	38.31	3	2	2	3
Tourism	22.89	7	7	6.5	7.5
Commerce	55.22	1	1	1	1
Banking	23.38	6	4	6.5	7.5

*Investments are ranked from 1, most likely to be profitable, to 10, least likely on the list to be profitable.
A&I=Agriculture, Industry, Mines S=service C=commerce

TABLE NINETEEN

AGRICULTURAL PRODUCTS DEEMED MOST WORTHY OF INVESTING IN

<u>Product</u>	<u>n*</u>
peanuts	111
fruit and vegetables	75
livestock	130
aquiculture	28
cotton	67
maize	93
sugar	70
rice	118
cowpeas	146
Sorghom	116
Millet	170
other	19

*Many interviewees named more than one product worth investing in.

TABLE TWENTY

**REPUTED MOST PROFITABLE OR POTENTIALLY PROFITABLE FOREIGN
MARKETS**

<u>Market</u>	<u>n*</u>
EEC	53
West Africa	99
Maghreb	34
Other Africa	24
Middle East	34
Asia	10
U.S.A.	30
Latin America	4
Other	1

*Many interviewees named more than one region as a potentially profitable market.

TABLE TWENTY-ONE
FACTORS OF IMPORTANCE IN AFFILIATIONS WITH PROFESSIONAL ASSOCIATIONS

<u>Factor</u>	<u>Overall</u> <u>%very important</u>	<u>Rank by Sector*</u>			
		<u>All</u>	<u>A&I</u>	<u>S</u>	<u>C</u>
Possible access to credit	80	1	1	1	1
Contacts and dialogue with the Government	71	2	4	2.5	2
Ability to provide information on government regulations	68	3	3	2.5	3
Technical assistance	63	4	2	2.5	5
Ability to provide information on markets	60	5	6	6	4
Training programs	51	6	5	5	7
Capacity to conduct feasibility studies	48	7	7	7	6

*Factors are ranked from 1, most important, to 7, least important on the list provided the interviewees.

A&I=Agriculture, Industry, Mines S=service C=commerce

APPENDIX II

TABLE ONE
DISTRIBUTION OF FORMAL SECTOR FIRMS IN THE SAMPLE BY CITY

<u>CITY</u>	<u>n</u>	<u>%</u>
Niamey	45	58.4
Agadez	12	15.6
Maradi	9	11.7
Zinder	9	11.7
Tahoua	2	2.6
Total	77	100.0

Informal Sector Firms in the Sample by Location

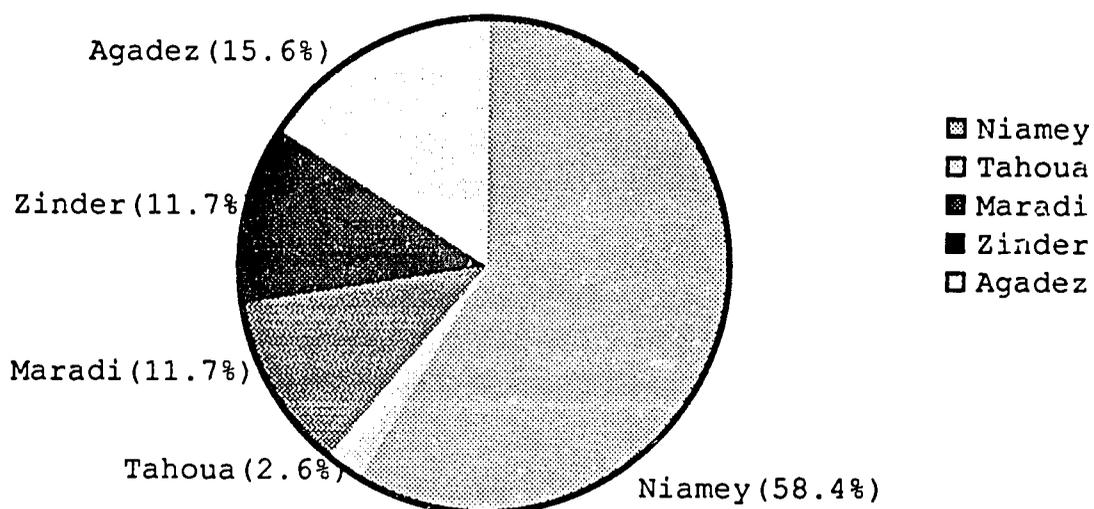


TABLE TWO
SECTOR OF PRODUCTION OF FIRMS INCLUDED IN THE SAMPLE

<u>Sector</u>	<u>n</u>	<u>%*</u>
Agriculture (includes forestry, fishing, livestock production and agricultural business) ,Industry and Mines	28	36.4
Services	39	50.7
Commerce	39	50.7

*The n is greater than 77 and the % total is greater than 100 because of the firms which operate in more than one sector.

TABLE THREE
POSITIONS OF INDIVIDUALS INTERVIEWED

<u>POSITION</u>	<u>n</u>	<u>%</u>
Owner	28	36.3
Manager	23	29.9
CEO	4	5.2
Other	22	28.6
Total	77	100.0

TABLE FOUR
OWNERSHIP/CONTROL OF FIRMS OPERATING IN NIGER
INCLUDED IN THE FORMAL SECTOR SAMPLE

	Count:	Percent:
Firms Fully Owned/ Controlled by Nationals	50	64.9
Firms Partially Owned/ Controlled by Foreigners	6	7.8
Firms Fully Owned/ Controlled by Foreigners	20	26.0
	---	-----
Total	76	98.7*

*1 respondent (1.3% of the 77 sampled firms) dont know about the ownership.

TABLE FIVE
TYPE AND LEVEL OF PERSONNEL

<u>Personnel</u>	<u>ALL</u>			<u>WOMEN</u>		
	<u>x</u>	<u>Range</u>	<u>n*</u>	<u>x</u>	<u>Range</u>	<u>n*</u>
Permanent	27.3	1-188	77	4.4	1-68	46
Part Time	17.3	1-100	18	1	1-1	2
Seasonal	30.4	2-125	13	3	1-5	2
 <u>Level</u>						
Mgt./Admin.	3.2	1-27	74	1.7	1-5	11
Secretarial	3.6	1-61	59	3.5	1-66	39
Professional	11.0	1-85	35	4.4	1-12	5
Technical	6	1-38	43	2.2	1-5	5
Laborers	19.5	1-131	63	1.7	1-2	6
Other	10.8	1-97	16	---	---	--

*n is the number of firms.

W

Chart3

Position of Individuals Interviewed

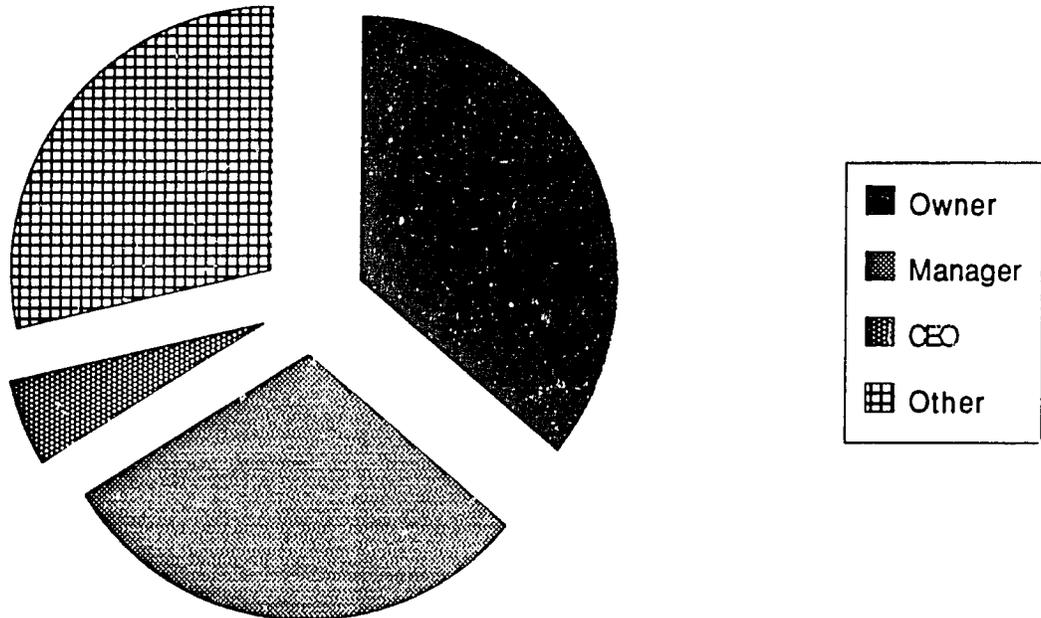


Chart4

Ownership/Control of Sampled Firms

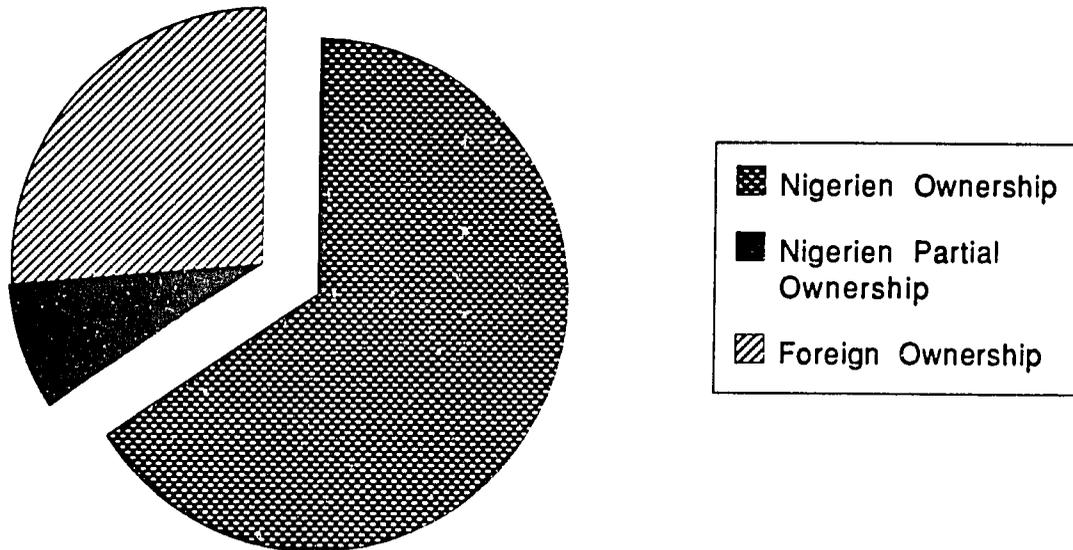


TABLE SIX
DISTRIBUTION OF SALES BY REGION OF DESTINATION (%)

<u>Region /Area</u>	<u>\bar{X}</u>	<u>Range</u>	<u>n</u>
Local (Niger)	92.7	3-100	67
West Africa	42.7	10-100	11
Maghreb	50	50-50	1
Asia	0	0	0
EEC	52	10-100	6
Europe (other)	0	0	0
Africa (other)	10	10-10	1
North America	0	0	0
Middle East	0	0	0
Other	100	100-100	1

TABLE SEVEN
DISTRIBUTION OF SUPPLIES OF PRIMARY PRODUCTS
BY REGION OF ORIGIN (%)

<u>Region /Area</u>	<u>\bar{X}</u>	<u>Range</u>	<u>n</u>
Local (Niger)	65.9	1-100	52
West Africa	43.0	2-100	26
Maghreb	34	2-90	3
Asia	0	0	0
EEC	58.6	2-100	28
Europe (other)	85	70-100	2
Africa (other)	26.5	3-50	2
North America	24	2-40	3
Middle East	5	5-5	1
Other	5	5-5	1

Chart9

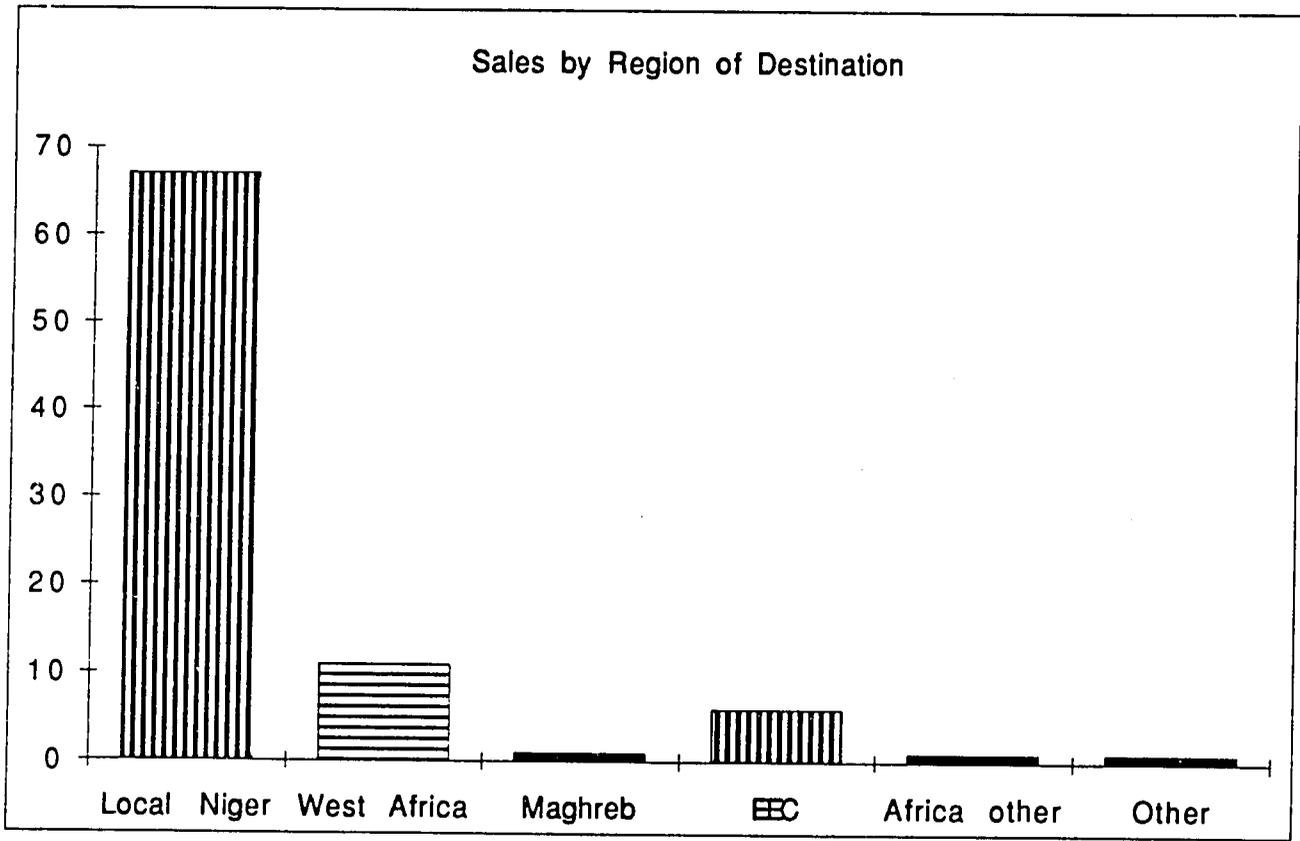


Chart11

Supplies of Primary Products by Region of Origin

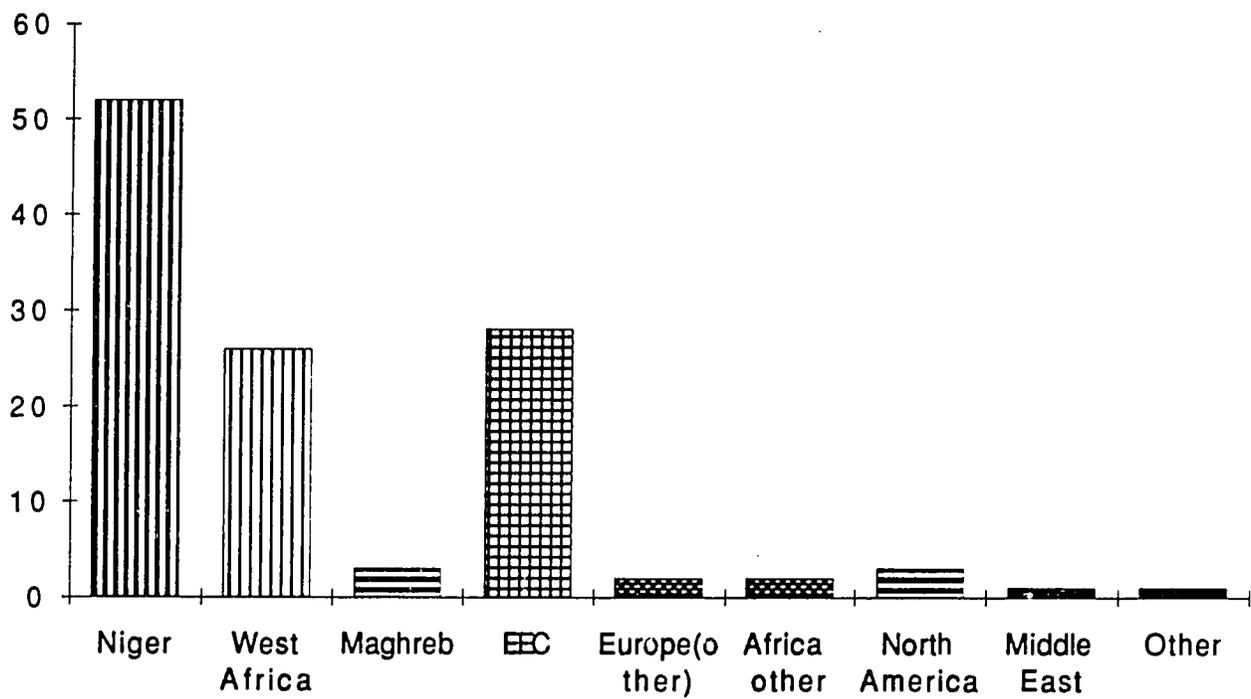


TABLE EIGHT
RECENT TRENDS IN THE ECONOMIC ENVIRONMENT
IN NIGER FOR THE PRIVATE SECTOR (%)

<u>Factor</u>	<u>Much Better</u>	<u>Somewhat Better</u>	<u>Unchanged</u>	<u>Somewhat Worse</u>	<u>Much Worse</u>	<u>n*</u>
Agriculture, Industry and Mines	0	26.3	17.8	21.2	4.0	28
Services	0	2.6	61.5	23.1	10.3	39
Commerce	2	0	51.3	28.2	10.3	39
All	1.3	2.6	48.1	31.2	9.1	77

* 2 respondents said that they did not know; 1 is not concerned.

Totals by sector are greater than the overall total because some firms are involved in more than one sector.

TABLE EIGHT-B

RECENT TRENDS IN THE ECONOMIC ENVIRONMENT
IN NIGER FOR THE PRIVATE SECTOR (%)

<u>Factor</u>	<u>Much Better</u>	<u>Somewhat Better</u>	<u>Unchanged</u>	<u>Somewhat Worse</u>	<u>Much Worse</u>	<u>n*</u>
Niamey	0	2.2	37.8	46.7	6.7	45
Agadez	0	0	91.7	8.3	0	12
Maradi	11.1	11.1	33.3	22.2	0	9
Zinder	0	0	66.7	0	33.3	9
Tahoua	0	0	0	0	50	2
All	1.3	2.6	48.1	31.2	9.1	77

TABLE NINE

FACTORS WHICH HAVE INFLUENCED THE PERFORMANCE
OF YOUR ENTERPRISE IN THE PAST YEAR

<u>Factor</u>	<u>% Positive</u>	<u>% Neutral</u>	<u>% Negative</u>	<u>% D.K.</u>	<u>Rank*</u>
Taxes	14.3	11.7	74.0	0	1
Government Actions	11.7	29.9	54.5	3.9	2
Credit guarantees	14.3	27.3	53.3	5.2	3
Preferential Taxes	10.4	36.4	50.7	2.6	4
Credit Availability	33.8	19.5	44.2	2.6	5
Interest Rates	15.6	37.7	32.5	14.3	6
Exchange Rate	5.2	55.8	28.6	10.4	7
Producer Prices	23.4	40.2	27.3	9.1	8

*Ranks are from the most negative to least negative impact (1-8)

TABLE TEN

**TRENDS IN VOLUME OF SALES DURING THE PAST YEAR
AND PROJECTIONS FOR NEXT YEAR (%)**

	<u>Strong</u> <u>Improvement</u>	<u>Improvement</u>	<u>Stable</u>	<u>Decline</u>	<u>Sharp</u> <u>Decline</u>	<u>D.K.</u>	<u>n</u>
Past Year	6.5	10.4	6.5	58.4	14.3	3.9	77
Next Year	7.8	11.7	18.2	23.4	7.8	31.1	77

TABLE TEN-B

**TRENDS IN VOLUME OF SALES DURING THE PAST YEAR
AND PROJECTIONS FOR NEXT YEAR (%)**

Past Year

	<u>Strong</u> <u>Improvement</u>	<u>Improvement</u>	<u>Stable</u>	<u>Decline</u>	<u>Sharp</u> <u>Decline</u>	<u>D.K.</u>	<u>n</u>
Niamey	6.7	6.7	4.4	64.4	15.6	2.2	45
Agadez	16.7	16.7	16.7	33.3	16.7	0	12
Maradi	0	33.3	0	33.3	11.1	22.2	9
Zinder	0	0	0	88.9	11.1	0	9
Tahoua	0	0	50	50	0	0	2
Next Year							
Niamey	2.2	4.4	31.1	28.9	6.7	26.7	45
Agadez	0	33.3	0	33.3	16.7	33.3	12
Maradi	11.1	22.2	0	0	22.2	44.4	9
Zinder	33.3	0	0	11.1	11.1	44.4	9
Tahoua	50	50	0	0	0	0	2

TABLE ELEVEN

RANKING OF FACTORS HAVING AN INFLUENCE ON THE VOLUME OF SALES BY SECTOR*

<u>Factor</u>	<u>Sector</u>			
	<u>All</u>	<u>Agric. Industry</u>	<u>Services</u>	<u>Commerce</u>
Distance from markets	1	1	3	1
Competition Nigerien Firms	2	4	1	3
Competition Foreign Firms	3	2	4	2
Competition from Public Enterprises	4	8	2	4
Air Transport	5	6	5.5	5

*Rankings are from most (1) to least negative impact. Of the ten factors, only those ranking in the top five and showing a consensus negative impact for at least one sector are shown.

TABLE TWELVE

THE PERCEIVED EFFECT OF VARIOUS FACTORS ON PRODUCTION OF GOODS AND SERVICES (%)

	<u>Impact</u>			
	<u>Positive</u>	<u>Neutral</u>	<u>Negative</u>	<u>DK</u>
Price of Electricity	13.0	12.2	68.8	0
Price of Telephone	15.6	20.8	62.3	1.3
Reliability of Electric.	15.6	24.7	57.1	1.3*
Price of Water	18.2	33.8	48.0	0
Cost of Land	7.8	40.3	46.7	5.2
Price of Transport	19.5	37.6	41.6	1.3
Uncertainty Regarding Land Tenure	9.1	41.6	36.4	10.9
Prices for Primary				

(table twelve continued)

Materials	32.5	33.7	31.2	2.6
Telephone Reliability	29.9	40.2	28.6	1.3
Access to Credit	54.5	14.3	28.6	2.6
Access to Land	37.6	27.3	28.6	6.5
Availability of Skilled Labor	62.3	18.2	19.5	0
Availability of Land	45.4	33.8	19.5	1.3
Access to Electricity	50.6	32.5	16.9	0
Access to Primary Products	57.1	28.6	14.3	0
Availability of Buildings	50.6	32.5	13.0	3.9
Access to Transport	55.8	32.5	11.7	0
Access to Water	48.0	41.6	10.4	0
Security of Buildings	50.6	36.4	9.1	3.9
Quality of Water	33.8	58.4	5.2	2.6

*Total % does not add to 100 because of 1 missing value.

TABLE THIRTEEN
**THE PERCEIVED EFFECT OF VARIOUS FACTORS ON
PRODUCTION OF GOODS AND SERVICES BY SECTOR (RANKS)***

<u>Factor</u>	<u>Sector</u>			
	<u>Commerce</u>	<u>Services</u>	<u>Agr/Ind/Mines</u>	<u>All</u>
Price of Electricity	1	1.5	2	1
Price of Telephone	2	3	1	2
Reliability of Electric.	4.5	1.5	7	3
Price of Water	4.5	5	4	4
Cost of Land	3	4	6	5
Price of Transport	6	7.5	3	6
Uncertainty Regarding Land Tenure	7	6	13	7
Prices for Primary Materials	8	7.5	9	8
Telephone Reliability	10	10	5	10
Access to Credit	11.5	11	11	10
Access to Land	15.5	12.5	14	10
Availability of Skilled Labor	13.5	12.5	10	12.5
Availability of Land	9	9	17	12.5

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(table thirteen continued)

Access to Electricity	11.5	14	15	14
Access to Primary Products	17.5	15.5	8	15
Availability of Buildings	15.5	18	18	16
Access to Transport	13.5	18	12	17
Access to Water	17.5	18	16	18
Security of Buildings	19.5	15.5	19	19
Quality of Water	19.5	20	20	20

TABLE FOURTEEN
SOURCES OF CAPITAL FOR NIGERIAN
ENTERPRISES IN THE FORMAL SECTOR (n)

<u>Source</u>	<u>Sector*</u>					
	<u>1-20%</u>	<u>21-50%*</u>	<u>>50%</u>	<u>A&I</u>	<u>S</u>	<u>C</u>
Local Commercial Banks	9	8	5	7	11	13
Development Banks	3	6	6	7	7	11
Informal Institutions	1	1	2	3	1	1
External Sources	4	2	9	4	6	7
Transfers from Abroad	0	0	0	0	0	0
Cooperatives	0	0	1	1	0	0
Family/Friends	10	7	12	9	17	16
Consignments	11	8	11	12	10	17
Group Contributions	0	0	0	0	0	0
Credit from Unions	0	0	0	0	0	0
Other	1	4	10	5	11	6

*Sector groups are A&I=Agriculture and Industry, C=Commerce
S=Services. Totals by sector may be greater than totals because of
involvement by some firms in more than one sector.

TABLE FIFTEEN
OBSTACLES TO GROWTH OF THE PRIVATE SECTOR IN NIGER
WHICH AFFECT YOUR BUSINESS AND OTHERS LIKE IT
(% OVERALL AND RANK BY SECTOR)

<u>Obstacle</u>	<u>%Very*</u> <u>Important</u>	<u>%</u> <u>Important</u>	<u>Rank by Sector**</u>			
			<u>all</u>	<u>S</u>	<u>C</u>	<u>A&I</u>
CREDIT						
Access to credit	43	13	28.5	27.5	28.5	29
Required guarantees for credit are too high	69	18	2	6.5	2	5
Too much documentation required for credit	62	20	8	11	8.5	20
Ceiling on credit	55	26	18	21	13.5	11
POLICY MAKING AND IMPLEMENTATION						
Lack of Govt. consult. with Private Sector on new regulations	70	17	1	2.5	2	6
"Special" treatment to certain individuals	55	21	18	15	25.5	11
Too many ministries involved in regulating the private sector.	62	26	8	2.5	13.5	8
Lack of coordination between ministries regulating priv.sect.	68	18	3	1	4	3
Lack of incentives in the investment code	49	23	23.5	15	27	23.5
New economic policy measures not well implemented	53	30	20	21	20	21.5
Lack of rigor in new economic policy implementation	58	25	13.5	15	8.5	21.5
Lack of coordination between industrial and agricultural policies	30	31	35	36	37.5	23.5
Long delay in customs	51	17	21.5	24.5	20	18
Inequities-application of customs duties	60	13	11.5	11	13.5	7

(table fifteen continued)

TVA too high	66	14	4.5	6.5	5.5	4
Constraints-"Economic Control"	55	19	18	18.5	8.5	28
TVA misapplied	56	14	15.5	21	8.5	25
Smig too high	12	9	45	45	45	37
Functioning of the "Guichet Unique"	27	16	38.5	40	37.5	38

FUNCTIONARIES

Payment of "illegal" tax to functionaries	58	16	13.5	13	13.5	9
Negative attitudes of Govt. to Private Sect.	61	22	10	4	28.5	18
Functionaries lack motivation	35	27	31.5	29	24	39
Misunderstanding Priv. Sect. by Functionaries	45	29	26.5	18.5	22	27
Lack of recognition of role of entrepreneur	49	22	23.5	17	44	26
Costs linked to payment of overtime	16	12	43	40	25.5	45

COSTS

High cost of new technology	45	17	26.5	24.5	34	32
Availability of spare parts	29	17	36.5	34	23	33
Lack of protection for local products	48	21	25	31.5	33	2
High cost of sea trans.	22	21	41	43.5	30.5	36

HUMAN RESOURCES

Lack of qualified managers	43	32	28.5	28	30.5	16
Lack skilled workers	62	16	8	9.5	13.5	15
Lack of technical qualifications on the local market	38	32	30	24.5	30.5	40
Low productivity of Nigerien Labor	32	27	33.5	33	41	30
Lack of flexibility in Labor Code	35	19	31.5	31.5	32	42.5
Graduates lack spirit						

(table fifteen continued)

of competition	27	34	38.5	36	37.5	34
Graduates lack						
practical experience	29	34	36.5	36	37.5	31
Problems with unions	32	17	33.5	30	37.5	35
Procedures for dealing						
with labor disputes	23	29	40	38	37.5	41
High cost of hiring	17	16	44	43.5	42.5	42.5

INFORMATION/UNCERTAINTY

Lack of dynamism in						
Chamber of Commerce	56	26	15.5	11	20	18
Rapid, unpredictable						
changes in regulations						
affecting private sect.	66	22	4.5	6.5	2	1
Uncertainty about						
business practices	60	27	11.5	9.5	17.5	13
Lack of usable info.						
on economic situation	65	26	6	6.5	5.5	11
Lack useful info on						
external demand for						
Nigerien products	51	23	21.5	27	13.5	14
Lack of access to data						
available to certain						
research institutions	19	25	42	40	42.5	44

*All percentages are for the entire sample.

**Ranks go from most important problem (1) to least important problem (45).

S=Services C=Commerce A&I= Agriculture and Industry.

TABLE SIXTEEN
MAJOR SOURCES OF INFORMATION

<u>Source of Information</u>	<u>n*</u>
Ministry of Commerce	18
Foreign Partners	29
Chamber of Commerce	39
"Patronat" (Employers Association)	19
Special Commercial Journals	23
Other	20

*Several interviewees cited more than one source of information.

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Chart12

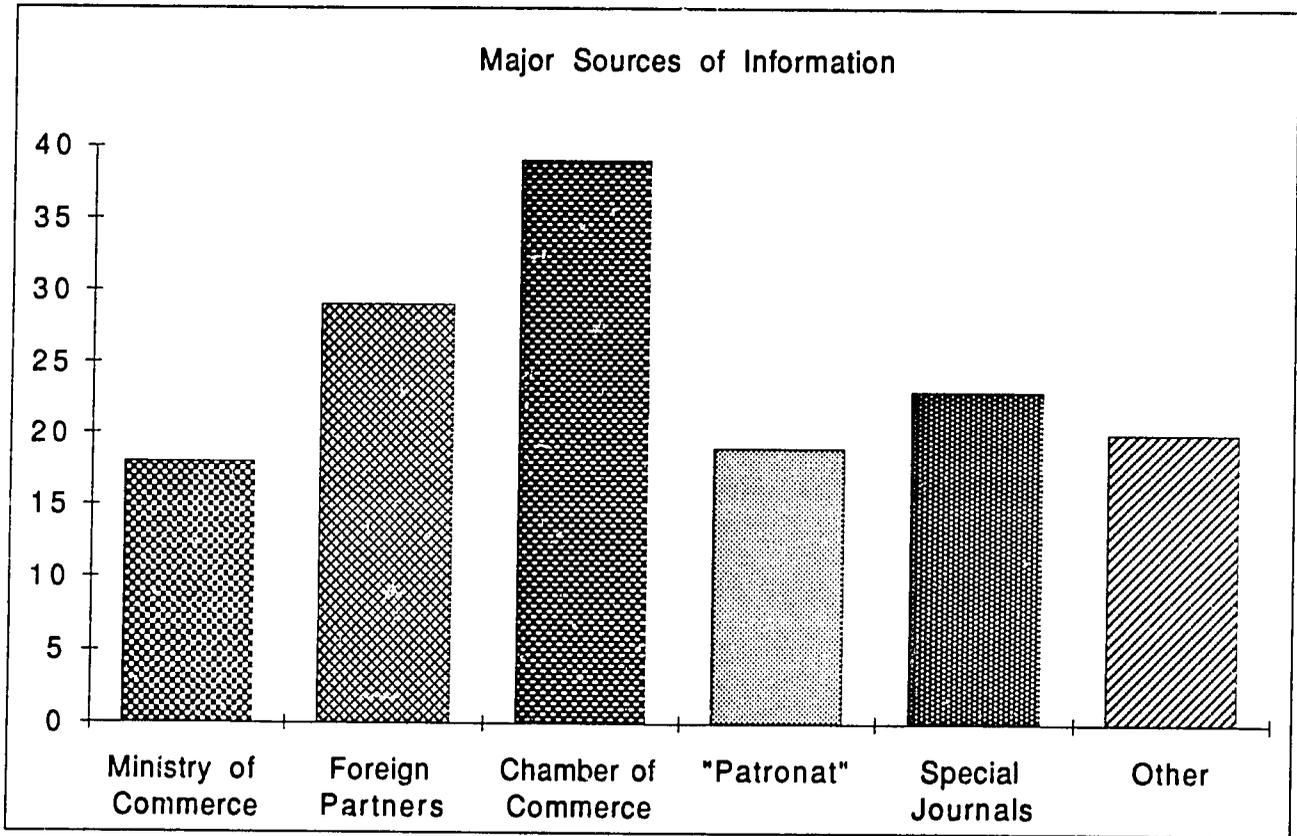


TABLE SEVENTEEN

**RANKING OF POSSIBLE ACTIONS TO IMPROVE
THE FUNCTIONING OF THEIR ENTERPRISE**

<u>Action</u>	<u>Overall</u>	<u>All</u>	<u>Rank by Sector*</u>		
	<u>%Very Likely</u>		<u>A&I</u>	<u>S</u>	<u>C</u>
Improve my own aptitude in management	75	1	3	1	1
Improved production techniques	66	2	2	2.5	3
Capital investments	65	3	4	2.5	2
Improve quality control	60	4	1	4	4
Improve Marketing	56	5	6	5.5	7
Training of staff	55	6	7	5.5	6
Buy land or buildings	44	7	5	7	5

*Actions are ranked from 1, most likely, to 7, least likely on the list.

A&I= Agriculture, Industrie, Mines S=service C=commerce

TABLE EIGHTEEN

FUTURE INVESTMENT OPPORTUNITIES EXPECTED PROFITABILITY

<u>Investment</u>	<u>Overall</u>	<u>All</u>	<u>Rank by Sector*</u>		
	<u>%Excellent</u>		<u>A&I</u>	<u>S</u>	<u>C</u>
Re-sale of Agricultural products on local market	39	4	3	5	3
Re-sale of Agricultural products on international market	28	9.5	7	10	8.5
Transformation of Agricult. products for resale on local market	49	2	1	3	2
Transformation of Agricult. products for resale on the international market	32	7	4	7.5	7
Industrial production for the local market	35	5.5	8	7.5	4.5
Industrial production for the international market	27	9.5	10	9	8.5
Construction	43	3	6	3	4.5
Tourism	29	8	5	6	10
Commerce	53	1	2	1	1
Banking	35	5.5	9	3	6

*Investments are ranked from 1, most likely to be profitable, to 10, least likely on the list to be profitable.

A&I=Agriculture, Industry, Mines S=service C=commerce

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TABLE NINETEEN
AGRICULTURAL PRODUCTS DEEMED MOST WORTHY OF INVESTING IN

<u>Product</u>	<u>n*</u>
peanuts	49
fruit and vegetables	39
livestock	62
aquiculture	22
cotton	39
maize	33
sugar	38
rice	53
cowpeas	56
Sorghom	41
Millet	62
other	4

*Many interviewees named more than one product worth investing in.

TABLE TWENTY
**REPUTED MOST PROFITABLE OR POTENTIALLY PROFITABLE FOREIGN
 MARKETS**

<u>Market</u>	<u>n*</u>
EEC	50
West Africa	36
Maghreb	11
Other Africa	9
Middle East	10
Asia	6
U.S.A.	23
Latin America	3
Other	1

*Many interviewees named more than one region as a potentially profitable market.



Chart13

Reputed Most Profitable Foreign Markets

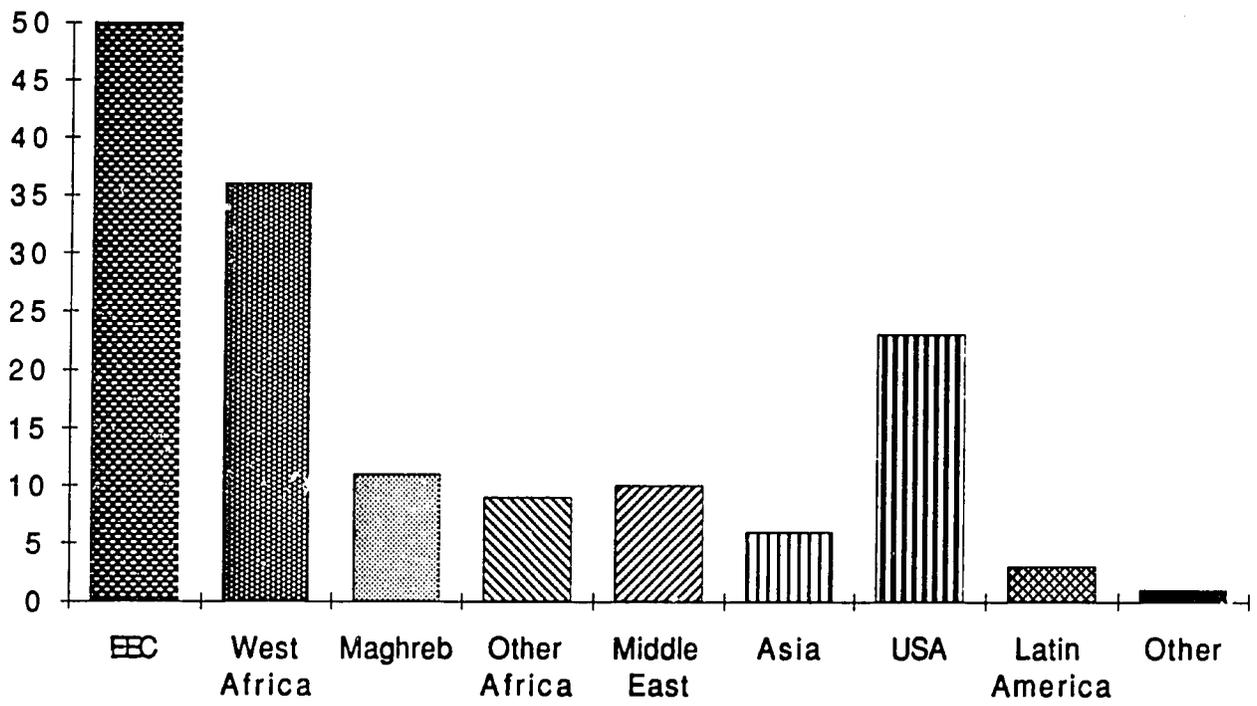


TABLE TWENTY-ONE
FACTORS OF IMPORTANCE IN AFFILIATIONS WITH PROFESSIONAL ASSOCIATIONS

<u>Factor</u>	<u>Overall</u> <u>%very important</u>	<u>Rank by Sector*</u>			
		<u>All</u>	<u>A&I</u>	<u>S</u>	<u>C</u>
Ability to provide information on government regulations	83	1	2	1	2
Ability to provide information on markets	78	2	3	2	1
Contacts and dialogue with the Government	75	3	1	3	3
Possible access to credit	73	4	7	4	5.5
Capacity to conduct feasibility studies	70	5	5	5	4
Training programs	69	6	4	6.5	7
Technical assistance	62	7	6	6.5	5.5

*Factors are ranked from 1, most important, to 7, least important on the list provided the interviewees.

A&I=Agriculture, Industry, Mines S=service C=commerce

APPENDIX III

Questionnaire

Enquête sur le Secteur Privé Nigérien

L'objectif de cette enquête est de collecter des informations fiables sur le secteur privé nigérien. L'enquête devra, en outre, permettre aux hommes d'affaires nigériens d'exprimer librement leurs opinions sur le climat des investissements, l'accès aux crédits bancaires, et la situation générale de l'emploi au Niger. Cette enquête est financée par l'Agence Américaine pour le Développement International (USAID). Les informations qui en seront tirées permettront au bureau de l'USAID/Niamey de mieux formuler sa stratégie d'assistance au secteur privé pour les années à venir. Les informations recueillies sont strictement privées et confidentielles. Elles seront, par conséquent, traitées de manière tout à fait anonyme.

Numéro d'identification: _____

Nom de l'enquêteur: _____

Nom du Superviseur: _____

Date de Vérification : _____
 Approbation et Signature du Superviseur: _____

Section 1: Informations Générales

Position/Titre de la personne enquêtée dans la firme/entreprise (encerclez s.v.p.)

1. Propriétaire
 4. PDG

2. Gérant
 3. Autre (spécifiez s.v.p) _____
 ! _____ !

Emplacement de la société/entreprise (encerclez s.v.p.)

1. Niamey 2. Dosso 3. Tahoua
 4. Maradi 5. Zinder 6. Diffa !_____
 7. Agadez
 8. Autre (spécifiez s.v.p.) _____

1. Quelle est la répartition des effectifs du personnel de votre entreprise?

- a. Permanent: _____ !_____
 b. Mi-temps: _____ !_____
 c. Saisonnier: _____ (*) !_____

(*) spécifiez, s.v.p., pour quelle période de l'année et la raison de l'emploi.

2. Quelle est la distribution du personnel de l'entreprise selon les catégories d'emplois ci-dessous énumérées?

Note à l'enquêteur: a). Demandez uniquement l'effectif;

	Effectif	Pourcentage	
a. Management/Administration	_____	_____	!_____!
b. Secrétariat/Commis	_____	_____	!_____!
c. Activités Professionnelles	_____	_____	!_____!
d. Activités Techniques	_____	_____	!_____!
e. Ouvriers	_____	_____	!_____!
f. Autres Activités Spécialisées	_____	_____	!_____!
Total des Effectifs de l'entreprise	_____	_____	!_____!

3. Quel est le nombre (effectif) des femmes dans l'effectif total des employés de l'entreprise dans chacune des rubriques ci-dessous?

(Note à l'enquêteur: a). Demandez uniquement l'effectif;

	Effectif	Pourcentage	
a. Permanent:	_____	_____	_____
b. Mi-temps:	_____	_____	_____
c. Saisonnier:	_____	_____	_____

4. Vous référant au capital total de votre entreprise, pouvez-vous dire que l'entreprise appartient à un groupe:

1. d'hommes 2. de femmes 3. mixte 4. Ne sais pas ! _____!

5. Quel est l'effectif des femmes dans chacune des catégories d'emplois spécialisés ci-dessous?

Note à l'enquêteur: a). Demandez uniquement l'effectif;

	Effectif	Pourcentage	
a. Management/Administration	_____	_____	_____
b. Secrétariat/Commis	_____	_____	_____
c. Activités Professionnelles	_____	_____	_____
d. Activités Techniques	_____	_____	_____
e. Ouvriers	_____	_____	_____
f. Autres Activités Spécialisée	_____	_____	_____
Effectif Total des femmes	_____	_____	_____

6. Parmi les secteurs d'activités ci-dessous énumérés, quels sont tous ceux dans lesquels, votre entreprise opère partiellement ou en totalité?

Note à l'enquêteur: Encerclez les lettres correspondant aux secteurs d'activités mentionnés par l'enquêteur.

a. Agriculture, Foresterie et Pêche (Voir Question 7)	_____
b. Transformation de Produits de l'Agriculture, de la Forêt et de la Pêche (Voir Question 8)	_____

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- c. Services (Voir Question 9)
 - d. Industrie (Voir Question 10)
 - e. Commerce (Voir Question 11)
 - f. Mines
- Spécifiez, s.v.p. _____
- _____

Instructions à l'enquêteur pour les questions 7-11 suivantes:

- a). Choisissez et posez exclusivement les questions qui correspondent directement au(x) secteur(s) d'activités mentionnés par l'enquêté lui-même en réponse à la question 6;
- b). Encerclez les chiffres correspondant aux activités mentionnées par l'enquêté); ensuite,
- c). Demandez à l'enquêté d'indiquer son activité principale et placez vous même un X à coté de l'activité principale qu'il aura déclarée.

7. Quelles sont toutes les activités agro-pastorales de votre entreprise parmi celles ci-dessous listées?

- 1. Horticulture (fruits et légumes)
 - 2. Foresterie
 - 3. Elevage- Bovins/Ovins/Caprins/etc...
 - 4. Elevage-Volaille
 - 5. Pêche
 - 6. Aquiculture
 - 7. Riz
 - 8. Arachide
 - 9. Sorgho, Mil
 - 10. Mais
 - 11. Autre
- Spécifiez, s.v.p. _____
- _____

8. Quelles sont toutes les activités de transformations et d'outillage de produits agricoles de votre entreprise parmi celles ci-dessous listées?

- 1.a. Production animale (viande)
- 1.b. Production animale (lait et produits dérivés)
- 2. Moulinage
- 3. Fruits et légumes
- 4. Cuirs et peaux de bétail
- 5. Egrenage
- 6. Pâte à papier et autres produits dérivés du bois
- 7. Matières premières pour l'agriculture (engrais, pesticides, semences)

Question 8 suite

- | | |
|----------------------------|--------------------------|
| 8. Equipements agricoles | <input type="checkbox"/> |
| 9. Conserverie de poisson | <input type="checkbox"/> |
| 10. Autre (précisez s.v.p) | <input type="checkbox"/> |
| _____ | <input type="checkbox"/> |
| _____ | <input type="checkbox"/> |

9. Quelles sont toutes les activités de services de votre entreprise parmi celles ci-dessous listées?

- | | |
|---|--------------------------|
| 1. Réparation auto et maintenance | <input type="checkbox"/> |
| 2. Réparation d'appareillages de maison
tels que télé, radio, etc... | <input type="checkbox"/> |
| 3. Transport | <input type="checkbox"/> |
| 4. Communications | <input type="checkbox"/> |
| 5. Tourisme | <input type="checkbox"/> |
| 6. Finance/Assurance/comptabilité | <input type="checkbox"/> |
| 7. Construction | <input type="checkbox"/> |
| 8. Consultation | <input type="checkbox"/> |
| 9. Autre (précisez s.v.p) _____ | <input type="checkbox"/> |

10. Quelles sont toutes les activités de production de votre entreprise parmi celles ci-dessous listées?

- | | |
|----------------------------|------------------------------|
| 1. Artisanat | 9. Machinerie et Equipement |
| 2. Habillement | 10. Cuir et Cordonnerie |
| 3. Menuiserie/Ebénisterie | 11. Assemblage (Electricité) |
| 4. Plastiques | 12. Assemblage (Autres) |
| 5. Métallurgie | 13. Imprimerie |
| 6. Textiles | 14. Produits chimiques |
| 7. Pâtisserie/ Boulangerie | 15. Produits pharmaceutiques |
| 8. Brasseries/ Boissons | 16. Autre (précisez s.v.p.) |
-

11. Quelles sont toutes les activités de commerce de votre entreprise parmi celles ci-dessous listées?

- | | |
|----------------------------------|-------|
| 1. Gros | _____ |
| 2. Détail. | _____ |
| 3. Importation directe | _____ |
| 4. Exportation | _____ |
| 5. Autre (précisez s.v.p.) _____ | _____ |

12. Quel est, approximativement, le pourcentage de vos ventes directes dans chacun des marchés suivants?

- | | % | | % |
|-----------------------|-------|---------------------|-------|
| 1. Marché local | _____ | 6. Europe Autre | _____ |
| 2. Afrique de l'ouest | _____ | 7. Afrique Centrale | _____ |
| 3. Maghreb | _____ | 8. Amérique du Nord | _____ |
| 4. Asie | _____ | 9. Moyen Orient | _____ |
| 5. CEE | _____ | 10. Autre | _____ |
| | | (spécifiez s.v.p.) | |

13. Quel est, approximativement, le pourcentage de vos approvisionnements en matières premières venant des marchés suivants?

- | | % | | % |
|-----------------------|-------|---------------------|-------|
| 1. Marché local | _____ | 6. Europe Autre | _____ |
| 2. Afrique de l'ouest | _____ | 7. Afrique Centrale | _____ |
| 3. Maghreb | _____ | 8. Amérique du Nord | _____ |
| 4. Asie | _____ | 9. Moyen Orient | _____ |
| 5. CEE | _____ | 10. Autre | _____ |
| | | (spécifiez s.v.p.) | |

14. Quel est, approximativement, le pourcentage de vos ventes sur le marché local attribuable à chacune des clientèles suivantes:

- | | % |
|--|-------|
| 1. Détaillants | _____ |
| 2. Grandes entreprises
du secteur privé | _____ |
| 3. Etablissements publics | _____ |
| 4. Petites firmes
(Entreprises de moins de 10 employés) | _____ |
| 5. Agences de l'Etat | _____ |
| 6. Autre | _____ |

15. Quel est, approximativement, le pourcentage des matières premières que vous achetez localement provenant des sources suivantes:

- | | % |
|---|-------|
| 1. Etablissements publics | _____ |
| 2. Petites firmes
(Entreprises de moins
de 10 employés) | _____ |
| 3. Grandes entreprises
du secteur privé | _____ |
| 4. Agriculteurs | _____ |
| 5. Autre
(spécifiez s.v.p.) | _____ |

16. Votre entreprise est-elle la propriété de nigériens?

1. Oui 2. En Partie 3. Non 4. Ne sais pas ! _____

Si Non, ou En Partie

(a) spécifiez s.v.p la nationalité des (co-)propriétaires)

(b) spécifiez la part (montant et pourcentage) de capital détenus par les non-nigériens:

montant _____ pourcentage _____



Section 2: Performance

18. En comparant les conditions actuelles de l'environnement économique dans lequel évolue le secteur privé nigérien à celles de l'année dernière, direz-vous que les conditions présentes sont:

Note à l'enquêteur: Encerclez la lettre qui correspond à une seule réponse possible fournie par l'enquêté.

- / a. de loin meilleures
- , b. légèrement meilleures
- ? c. à peu près similaires
- u d. légèrement mauvaises
- ç e. de loin plus mauvaises
- è f. ne sais pas
- 7 g. pas concerne

19. De quelle manière chacun des facteurs ci-dessous énumérés a-t-il influencé les performances actuelles de votre entreprise?

Note à l'enquêteur: a). Lisez à l'enquêté chacun des facteurs ci-dessous listés;

b). Encerclez le chiffre qui correspond au jugement porté par l'enquêté sur chacun des facteurs.

	<u>Positivement</u>	<u>Pas d'effet</u>	<u>Négativement</u>	<u>Ne sais pas</u>	
a. Taux d'intérêt	1	2	3	8	_____
b. Taux de Change	1	2	3	8	_____
c. Taxes <i>(Destinées d'encourager ou arrêter les activités)</i>	1	2	3	8	_____
d. Taxes Préférentielles	1	2	3	8	_____
e. Prix au producteur	1	2	3	8	_____
f. Actions/Interventions du gouvernement	1	2	3	8	_____
g. Exigence de garantie pour l'accès au crédit	1	2	3	8	_____
h. Disponibilité des crédits	1	2	3	8	_____
i. Autre (spécifiez s.v.p.)	1	2	3	8	_____



i. Information sur les conditions du marché	1	2	3	8
j. Distance des marchés	1	2	3	8
k. allègement de tax	1	2	3	8

23. A quelle(s) capacité(s) votre entreprise opère-t-elle présentement?

Note à l'enquêteur: Encerclez la lettre qui correspond à une seule réponse possible fournie par l'enquêté. (Estimer)

- a. 90-100% b. 75-89% c. 50-74% d. moins de 50%
e. ne sait pas

Section 3: Disponibilité des Ressources et Impact des Mesures Gouvernementales

24. Dans quelle mesure chacun des facteurs ci-dessous énumérés affecte-t-il vos capacités de production de biens et /services?

- Note à l'enquêteur: a). Lisez à l'enquêté chacun des facteurs ci-dessous listés;
c). Encerclez le chiffre qui correspond au jugement porté par l'enquêté sur chacun des facteurs.

	<u>Positivement</u>	<u>Pas d'effet</u>	<u>Négativement</u>	<u>Ne sais pas</u>
	1	2	3	8
-a. Accès au crédits	1	2	3	8
-b. Accès au matières premières	1	2	3	8
-c. Prix des matières premières	1	2	3	8
-d. Accès aux terrains	1	2	3	8
-e. Disponibilité de main-d'oeuvre qualifiée	1	2	3	8
-f. Accès à l'électricité	1	2	3	8
-g. Accès à l'eau	1	2	3	8
-h. Accès aux moyens de transport	1	2	3	8
-i. Prix de l'électricité	1	2	3	8
-j. Prix de l'eau	1	2	3	8
-k. Prix du transport	1	2	3	8
-l. Fiabilité des fournitures d'électricité	1	2	3	8
-m. Coûts de communications (Téléphone)	1	2	3	8

n. Fiabilité des communications (Téléphone)	1	2	3	8
o. Qualité de l'eau	1	2	3	8
p. Disponibilité de locaux opérationnels	1	2	3	8
q. Sécurité des locaux	1	2	3	8
r. Accès aux pièces détachées	1	2	3	8
s. Coût des terrains	1	2	3	8
t. Disponibilité des terrains	1	2	3	8
u. Incertitude liée à l'occupation de terrains	1	2	3	8

25. Quelle est la part de vos ressources financiers (long terme et court terme) provenant des différentes sources suivantes?

- Note à l'enquêteur: a). Lisez à l'enquête chacune des sources de financement ci-dessous listées;
- b). Encerclez la lettre qui correspond aux sources de financement mentionnées par l'enquête; ensuite,
- c). Encerclez le chiffre qui correspond au jugement par l'enquête sur chacune des sources de financement qu'il aura mentionnées selon l'instruction en b)

	1= Z	2= 1-20%	3= 21-50%	4= >50%
a. Banques commerciales locales	1	2	3	4 8
b. Banques de développement	1	2	3	4 8
c. Institutions "informelles" de financement	1	2	3	4 8
d. Sources extérieures	1	2	3	4 8
e. Versements-Paiements de l'extérieur	1	2	3	4 8
f. Coopératives	1	2	3	4 8
g. Famille/Connaissances personnelles locales	1	2	3	4 8
h. Crédits fournisseurs	1	2	3	4 8
i. "Cotisations"	1	2	3	4 8
J. Crédits venant de(s) syndicats de travailleurs	1	2	3	4 8
k.1. Autre (spécifiez s.v.p.)	1	2	3	4 8
k.2. Autre (spécifiez s.v.p.)	1	2	3	4 8
k.3. Autre (spécifiez s.v.p.)	1	2	3	4 8
k.4. Autre (spécifiez s.v.p.)	1	2	3	4 8

26. La liste ci-dessous fournit un certain nombre de facteurs qui pourraient relativement, constituer un obstacle à l'épanouissement du secteur privé nigérien. Pour chacun de ces facteurs, prière d'indiquer dans quelle mesure il affecte votre entreprise et celles évoluant dans le même type d'activités au Niger.

Note à l'enquêteur: a). Lisez à l'enquêté chacun des facteurs ci-dessous

b). Encerclez le chiffre qui correspond au jugement par l'enquêté sur chacun des facteurs.

1. Très important		3. Quelque peu important	
2. Important		4. Pas important	
		8. Ne sais pas	
a. Manque de main-d'oeuvre qualifiée	1 2 3 4 8		! _____!
b. Accès aux crédits	1 2 3 4 8		! _____!
c. Attitudes négatives du gouvernement envers le secteur privé	1 2 3 4 8		! _____!
d. Manque de motivation des fonctionnaires	1 2 3 4 8		! _____!
e. Méconnaissance du secteur privé par les fonctionnaires	1 2 3 4 8		! _____!
f. Injustice dans l'application des taxes douanières	1 2 3 4 8		! _____!
g. Délais relativement long des procédures douanières	1 2 3 4 8		! _____!
h. "Contrôle économique" contraignant	1 2 3 4 8		! _____!
i. T.V.A. trop élevée	1 2 3 4 8		! _____!
j. T.V.A. mal appliquée	1 2 3 4 8		! _____!
k. Manque de consultations de la part du gouvernement avec le secteur privé pour l'élaboration des mesures réglementaires	1 2 3 4 8		! _____!
l. Manque d'informations fiables sur la situation économique	1 2 3 4 8		! _____!
m. SMIG très élevé	1 2 3 4 8		! _____!

n. Productivité très faible des travailleurs nigériens	1	2	3	4	8	! _____!
o. Manque de flexibilité du "code du travail"	1	2	3	4	8	! _____!
p. Revendications des syndicats	1	2	3	4	8	! _____!
q. Procédures de règlements des revendications par les syndicats	1	2	3	4	8	! _____!
r. Coûts élevés des transports maritimes	1	2	3	4	8	! _____!
s. Coûts élevés d'embauche	1	2	3	4	8	! _____!
t. Manque de protection pour les produits locaux	1	2	3	4	8	! _____!
u. Mesures associées à la réforme économique ne sont pas bien mises en pratique	1	2	3	4	8	! _____!
v. Non reconnaissance par le public du rôle de l'entrepreneur (hommes d'affaires) dans la société	1	2	3	4	8	! _____!
w. Manque de rigueur liée à la mise en place de la réforme économique	1	2	3	4	8	! _____!
x. Récompenses et Taxes "non justifiées" versées aux fonctionnaires	1	2	3	4	8	! _____!
y. Incertitudes entourant la pratique des affaires	1	2	3	4	8	! _____!
z. Changements rapides et imprévisibles dans la réglementation du secteur privé	1	2	3	4	8	! _____!
aa. Manque de coordination entre ministères impliqués dans la mise en place des réglementations du secteur privé	1	2	3	4	8	! _____!
bb. Traitement spécial accordé à une classe privilégiée d'individus	1	2	3	4	8	! _____!
cc. Coûts liés aux paiements d'heures supplémentaires	1	2	3	4	8	! _____!



dd. Absence d'avantages financiers dans l'adoption du code des investissements	1	2	3	4	8	! _____!
ee. Manque de dynamisme au niveau de la chambre de commerce	1	2	3	4	8	! _____!
ff. Manque de coordination entre la politique d'industrialization et la politique agricole	1	2	3	4	8	! _____!
gg. Exigence de Garanties élevées/exagérées pour l'accès au crédit	1	2	3	4	8	! _____!
hh. Absence de personnel qualifié pour pourvoir des postes de management	1	2	3	4	8	! _____!
ii. Les diplômés du supérieur manquent d'expériences et de talents pratiques	1	2	3	4	8	! _____!
jj. Les diplômés manquent d'esprit de compétition	1	2	3	4	8	! _____!
kk. Plafonnement du montant des crédits	1	2	3	4	8	! _____!
ll. Exigence de dossiers excessifs pour toutes demandes de crédits	1	2	3	4	8	! _____!
mm. Manque d'information fiable sur l'état de la demande extérieure pour nos produits	1	2	3	4	8	! _____!
nn. Accès aux pièces de rechanges	1	2	3	4	8	! _____!
oo. Coût élevé des technologies nouvelles	1	2	3	4	8	! _____!
pp. Manque de qualification technique sur le marché local	1	2	3	4	8	! _____!
qq. Accès aux données dont disposent certaines institutions de recherche	1	2	3	4	8	! _____!
rr. Trop de ministères sont impliqués dans la mise en pratique des mesures réglementaires touchant le secteur privé	1	2	3	4	8	! _____!
ss création du guichet unique	1	2	3	4	8	! _____!



27. Quelle(s) source(s) d'informations parmi celles ci-dessous énumérées utilisez-vous pour vous informer des conditions du marché pour vos produits?

Note à l'enquêteur: Encerclez les chiffres correspondant aux différentes sources qu'aura mentionnées l'enquêté.

- | | | |
|---|--|-----------|
| 1. Ministère du commerce | | ! _____ ! |
| 2. Partenaires étrangers | | ! _____ ! |
| 3. Chambre de commerce | | ! _____ ! |
| 4. Patronat | | ! _____ ! |
| 5. Journaux spécialisés d'information sur le commerce,
autres journaux | | ! _____ ! |
| 6. Autre (Spécifiez s.v.p.) _____ | | ! _____ ! |
| 7. Autre (Spécifiez s.v.p.) _____ | | ! _____ ! |



Section 4: Opportunités

28. Si vous disposiez des ressources financières et du temps nécessaires, dans quels genres d'actions (formation, amélioration des aptitudes en management, etc...), parmi celles ci-dessous listées, auriez-vous probablement investi pour améliorer la situation actuelle de votre entreprise?

Note à l'enquêteur: a). Lisez à l'enquêté chacun des genres d'actions probables ci- dessous listées;

b). Encerclez le chiffre qui correspond au jugement par l'enquêté sur chacun des genres d'actions listés.

	1. Très probable	2. Probable	3. Peu Probable	8. Ne sais pas	
a. Formation du personnel			1 2 3	8	! _____ !
b. Amélioration des techniques de production			1 2 3	8	! _____ !
c. Capital physique (amélioration des capacités physiques de l'entreprise)			1 2 3	8	! _____ !
d. Amélioration de <u>mes</u> propres aptitudes en management			1 2 3	8	! _____ !
e. Marketing			1 2 3	8	! _____ !
f. Achat de terrains et/ou locaux			1 2 3	8	! _____ !
g. Contrôle de qualité			1 2 3	8	! _____ !
h.1. Autre (spécifiez s.v.p.) _____			1 2 3	8	! _____ !
h.2. Autre (spécifiez s.v.p.) _____			1 2 3	8	! _____ !
h.3. Autre (spécifiez s.v.p.) _____			1 2 3	8	! _____ !
h.4. Autre (spécifiez s.v.p.) _____			1 2 3	8	! _____ !

- 29.** Si vous disposiez de ressources financières suffisantes et du temps nécessaires pour investir, quelles seraient les genres d'actions (formation, amélioration des aptitudes en management, etc...), parmi celles ci-dessous énumérées, qui pourraient retenir votre attention?

Note à l'enquêteur: a). Lisez à l'enquêté chacun des genres d'actions probables ci- dessous listées;

b). Encerclez le chiffre qui correspond à l'intérêt porté par l'enquêté sur chacun des genres d'actions listés.

	1. = Oui (intéressé)	2. = NON (pas intéressé)	8. Ne sais pas	
a. Formation du personnel	1	2	8	!_____!
b. Amélioration des techniques de production	1	2	8	!_____!
c. Capital physique (amélioration des capacités physiques de l'entreprise)	1	2	8	!_____!
d. Amélioration de mes propres aptitudes en management	1	2	8	!_____!
e. Marketing	1	2	8	!_____!
f. acquisitions de vos propres moyens de productions	1	2	8	
g. Contrôle de qualité	1	2	8	!_____!
h.1. Autre (spécifiez s.v.p.) _____	1	2	8	!_____!
h.2. Autre (spécifiez s.v.p.) _____	1	2	8	!_____!
h.3. Autre (spécifiez s.v.p.) _____	1	2	8	!_____!
h.4. Autre (spécifiez s.v.p.) _____	1	2	8	!_____!



30. Pour chacun des types d'actions de production du genre listé ci-dessous, comment jugez-vous son degré de profitabilité dans le futur immédiat pour inciter les investisseurs nigérien? (rentabilité)

Note à l'enquêteur: a). Lisez à l'enquête chacun des types d'actions probables ci- dessous listées;

b). Encerclez le chiffre qui correspond à l'intérêt porté par l'enquête sur chacun des types d'actions listés.

1. = Excellent

3. = Peu encourageant, voir pauvre

2. = Bon

8. = Ne sais pas

a. (Re)Vente de produits bruts agricoles sur le marché local	1	2	3	8	! _____ !
b. (Re)Vente de produits bruts agricoles sur le marché extérieur	1	2	3	8	! _____ !
c. Transformation de produits bruts agricoles pour revente sur le marché local	1	2	3	8	! _____ !
d. Transformation de produits bruts agricoles pour revente sur le marché extérieur	1	2	3	8	! _____ !
e. Production industrielle pour la vente locale	1	2	3	8	! _____ !
f. Production industrielle pour la vente sur le marché extérieur	1	2	3	8	! _____ !
g. Construction	1	2	3	8	! _____ !
h. Tourisme	1	2	3	8	! _____ !
i. Commerce	1	2	3	8	! _____ !
j. Activités de banque	1	2	3	8	! _____ !
k.1. Autre (Spécifiez s.v.p.) _____	1	2	3	8	! _____ !
k.2. Autre (Spécifiez s.v.p.) _____	1	2	3	8	! _____ !



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31. Parmi les projets de production agricoles suivants, lequel(s), pensez-vous, offre(nt) les meilleures chances de succès économique et financier pour inciter l'intérêt des investisseurs nigériens?

Note à l'enquêteur: a). Encerclez les chiffres correspondant aux différents types de projets d'investissement mentionnés par l'enquêté; ensuite,
b). Indiquez par un X celui que l'enquêté aura indiqué comme constituant le meilleure option d'investissement parmi tous.

- | | |
|----------------------|-------|
| 1. Arachide | _____ |
| 2. Fruits et légumes | _____ |
| 3. Elevage | _____ |
| 4. Aquiculture | _____ |
| 5. Coton | _____ |
| 6. Mais | _____ |
| 7. Sucre | _____ |
| 8. Riz | _____ |
| 9. Niébé | _____ |
| 10. Sorgho | _____ |
| 11. Mil | _____ |
| 12. Autre | _____ |
| (Spécifiez s.v.p.) | _____ |

32. Parmi les marchés étrangers suivants lequel(s) considérez-vous (ou auriez-vous considéré, si vous n'exportez pas déjà) comme étant le(s) plus profitable(s)?

Note à l'enquêteur: Encerclez les chiffres correspondant aux différents marchés mentionnés par l'enquêté.

- | | |
|-----------------------|-------|
| 1. CEE | _____ |
| 2. Afrique de l'ouest | _____ |
| 3. Maghreb | _____ |
| 4. Afrique Centrale | _____ |
| 5. L'Moyen Orient | _____ |
| 6. Asie | _____ |
| 7. Etats-Unis | _____ |
| 8. Amérique Latine | _____ |
| 9. Autre | _____ |
| (Spécifiez s.v.p.) | _____ |

Section 5: Associations

33. Etes-vous (ou votre entreprise) affilié à une forme quelconque d'association(s) privée(s) (commerciale ou autres) ?

1. Oui

2. Non

! _____ !

SI OUI, voir question 33.A, s.v.p.

33.A. Inscrivez dans l'espace ci-dessous lesquelles (Chambre de commerce, patronat, par exemple) et comment vous jugez son efficacité à bien représenter vos intérêts.

Note à l'enquêteur: a). Encerclez, pour chacun des groupes (associations) ci-dessous listés, le chiffre correspondant au jugement donné par l'enquêté donné par l'enquêté sur son degré d'efficacité; ensuite

b). Indiquez par un **X** ceux auxquels l'enquêté ou son entreprise est déjà affilié(e).

1. Très efficace

2. Modérément efficace

3. Pas efficace

8. Ne sais pas

1. Chambre de Commerce	1	2	3	8	_____
2. Patronat	1	2	3	8	_____
3.	1	2	3	8	_____
4.	1	2	3	8	_____
5.	1	2	3	8	_____
6.	1	2	3	8	_____
7.	1	2	3	8	_____
8.	1	2	3	8	_____
9.	1	2	3	8	_____
10.	1	2	3	8	_____
11.	1	2	3	8	_____
12.	1	2	3	8	_____



34. Quelle importance accordez-vous à chacun des facteurs suivants dans votre volonté à vous affilier à d'autres entités privées (commerciales ou autres).

Note à l'enquêteur: Encerclez, pour chacun des facteurs ci-dessous listés, chiffre correspondant au jugement de l'enquêté sur le degré d'importance qu'il lui attribue.

1 = Très important
3 = Pas important

2 = Quelque peu important
8 = Ne sais pas

1.	Possibilité d'Accès au crédit	1	2	3	8	! _____ !
2.	Assistance technique	1	2	3	8	! _____ !
3.	Programmes de formation du personnel	1	2	3	8	! _____ !
4.	Contacts opportuns et dialogue accrus avec les pouvoirs publics	1	2	3	8	! _____ !
5.	Capacité à fournir des informations sur la situation et les conditions du marché	1	2	3	8	! _____ !
6.	Capacité à conduire des études de faisabilité	1	2	3	8	! _____ !
7.	Capacité à informer sur les mesures réglementaires du gouvernement	1	2	3	8	! _____ !
8.	Autre (Spécifiez s.v.p.) _____	1	2	3	8	! _____ !

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