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SENEGAL

PRIVATE SECTOR SURVEY

PART I - FORMAL SECTOR REPORT

THE MANUAL FOR ACTION IN THE PRIVATE SECTOR (MAPS) STUDY

Prepared for:

USAID/Senegal
and
The A.I.D. Africa Bureau of Market Development and Investment
(AFR/MDI)

Senegal Survey Conducted by:

Cabinet Aziz Dieye/Coopers and Lybrand

Report Prepared by:

The Division of International Affairs
The University of Connecticut

J. E. Austin Associates

LABAT-ANDERSON Incorporated (Prime Contractor)

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EXECUTIVE SUMMARY

The state of the Senegalese economy, from the perspective of leaders in the formal sector, is very poor and not conducive to development of the private sector. Less than three per cent of those interviewed feel that conditions have gotten much better. More than half feel that conditions are either unchanged or have gotten much worse during the same period, with the industrial sector being particularly distressed. More than half of the business leaders interviewed indicated that there was either a decline or a sharp decline in their volume of sales during the past year and only a third feel that things will improve next year.

Those involved in industrial and agricultural production, the two major targets of the NPI (New Industrial Policy) and NPA (New Agricultural Policy) respectively, are more likely than their colleagues in other sectors to suggest that conditions have gotten much worse.

The level of foreign investment appears to be quite modest, although by local standards, the sums may seem quite substantial. More than half (51%) of the firms included in our sample are owned wholly, or in part by foreign, primarily French, investors. The overall investment climate in Senegal from the perspective of business leaders in the formal sector is very poor because of:

(1) the high cost of inputs and basic services

The price of the most basic services (e.g. telephone communications, electricity, and water) top the list of factors having a negative impact on output. The reliability of telephone service and electricity are quite poor. These factors were ranked higher in importance overall than even such widely documented problems as the lack of access to credit and the prices of primary materials.

(2) the lack of availability of stable credit mechanisms

Of the 211 firms included in our sample, only about a third (35.5%) received any capital from commercial banks. Other than commercial banks, the only major source of capital/credit identified appears to come from suppliers, who provide goods on consignment. The impact of other types of credit, other than that coming from family and friends, is minimal.

The lack of credit and or difficulties in obtaining credit are among the most important obstacles cited to private sector development. The banking system has, for all intents and purposes, ceased to function. Guarantees required to obtain credit are such that only a very small percentage of the firms examined have any financial support from commercial banks.

(3) the relatively small size of the market and lack of a genuine export orientation

The market orientation of most of the formal sector firms in Senegal is strictly local. The overwhelming majority of firms (72%) sell most or all of their production on the local (Senegalese) market.

The source of supplies of primary products for businesses operating in Senegal is a bit more diversified, but still heavily oriented to the local area. More than half (55%) of firms obtain supplies, on average 64.4 per cent of their primary products, on the local market. The role played by the EEC as a supplier of inputs is, as expected, very important. Nearly half of all firms (45.5%) receive supplies from this source, with the average being nearly two thirds (66.3%) of inputs. It should be further emphasized that most of the supplies from EEC countries are from one country, France.

(4) a policy process which has excluded the private sector from participation during the formative stage

Rapid, unpredictable changes in regulations governing the private sector was ranked as the number one obstacle to private sector development. Virtually all new private investment appears to have been put on hold until the policy and regulatory situation is clarified.

The policy making process in Senegal is not conducive to providing access at early stages in the process to the private sector. The general lack of government consultation with the private sector is regarded as a major obstacle to development in this area. Three fourths of the business leaders interviewed feel that this is an important (33%) or very important (42%) issue. Of the forty five obstacles considered, it ranks third overall in importance and second for those in the agricultural and service sectors.

(5) a set of uncoordinated, unevenly implemented regulatory agencies and mechanisms which are both costly and unweildly

The unevenness with which the regulations are applied is another thorn in the side of the business community. Not surprisingly, certain individuals are perceived as receiving "special" treatment. More than half of the business leaders cited this as an obstacle to the growth of their own businesses. Several top business leaders were quite open in indicating that they were only able to function as well as they were because of close connections with or direct involvement by key political leaders. They underlined the fact that even with these ties, they still had many problems in dealing with functionaries and inadequate and inappropriate government policies. Several indicated that they could not see how some of their colleagues, who lacked such connections, were able to function at all.

(6) a functionary "mindset" which either does not understand or is directly biased against the private sector

Interactions between the business community and the bureaucracy generally have a negative tone to them. Most entrepreneurs feel that the negative attitudes of the Government toward the private sector and the general lack of understanding of the private sector by functionaries, present them with serious obstacles. The very same people who distrust and/or are jealous of private entrepreneurs are now charged with regulating and promoting growth in the private sector.

(7) a high degree of uncertainty created by 4, 5 & 6 above.

(8) ineffective business and professional associations which are weak in both lobbying and data collection and the analysis and dissemination of information

The primary obstacle to private sector development, uncertainty generated by rapid changes in the regulatory environment, is what these organizations must address first. The ability to provide information on Government policy and to engage in a dialogue with the Government on these issues are regarded as very important by seventy one and sixty nine per cent of the business leaders respectively. This is closely followed by the desire to obtain information on markets and market conditions.

(9) few opportunities in the most important of Senegal's sectors, agricultural production and transformation

While diversification is the most obvious strategic necessity, the general lack of confidence in investment in the agricultural sector would suggest that most food production will remain artisanal and oriented toward subsistence, rather than the market.

(10) there is little likelihood that the unemployed, underemployed and new entrants to the labor market will find much relief in the formal sector

The key factors here appear to be the relatively low level of productivity of Senegalese workers and the lack of any practical training provided by the formal education system.

The employment picture for women in the formal private sector is particularly grim. While eighty per cent of the firms in our sample employ some women in permanent positions, the average is only 4.2 (less than 10% of the comparable figure for males). Furthermore, most females employed in permanent positions are at the level of secretarial and less skilled, lower paying jobs.

Women seeking serious involvement in the economy seem to be confined to the informal sector or to intense competition for a very limited number of positions in the formal sector.

(11) there is little motivation to invest in improvements in private sector firms

The business community generally seems to feel that the major problems and constraints they face are exogenous. The state of the economy, problems with Government policy making and regulatory mechanisms and the availability of credit all seem to be the major preoccupations which must be dealt with before endogeneous changes can be dealt with.

The most frequently cited action is improving their own management aptitude or knowledge. Improving marketing practices and developing improved marketing strategies ranked at the top of the list for the industrial sector and second for those involved in commerce. For the agricultural enterprises, capital investments and introducing improved production and quality control techniques are the most important priorities.

(12) Investment Opportunities appear to be limited

Tourism and commerce seem to be the only areas in which there is any significant degree of confidence expressed by the business community.

Even in the areas rated as best for investment, less than a third of those interviewed had a strong sense that the opportunities are very good.

SENEGAL M.AP.S SURVEY REPORT

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 Senegal in the design of interventions in support of private sector development in Senegal. The private sector survey was intended to be 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 Senegal. Although there are undoubtedly some differences between perceptions and reality, the correlation between the two, in this case, is likely to be quite high. Leaders in the private sector will be making decisions regarding investments, marketing, employment, product mix, etc., based on their perceptions of the environment for business in Senegal. Given this fact, the information collected during the course of this study is important as a measure of how Senegal's private sector regards opportunities and constraints in the overall business environment. The survey results will also provide the government of Senegal with much needed information which can be input into the policy making process and for revisions in that process consistent with new approaches to private sector and overall economic development.

I. 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, Senegalese government officials, representatives of the private sector in Senegal, 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 Senegal. 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. 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 which 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 and a consensus translation agreed to. This version was then reviewed by a multilingual Senegalese specialist in management, a Ph.D. candidate at the University of Connecticut, who holds an MBA degree from an American university. Final corrections and changes were then made to insure the accuracy of the questions from a technical standpoint. This version of the questionnaire was field tested and final modifications made before it was employed for the survey.

The Sample

The sampling frame for the formal sector survey consists of 1,010 private sector firms currently operating in Senegal. The firms are classified into four large categories: industry (n=342), construction (n=61), commerce (n=322) and services (n=285). These are further divided into thirty-five smaller categories. Using these breakdowns, the firms are reorganized into four slightly different groups (commerce, industry and mines, agriculture and agricultural business, and services) consistent with our needs for analysis and the special interests of the A.I.D. Mission in the agricultural sector.

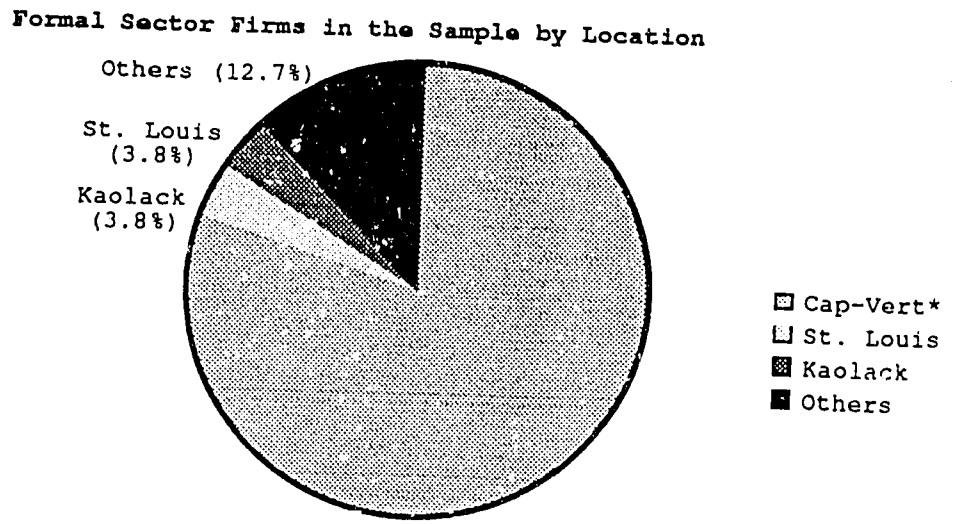
Due to the relatively small number of firms registered in cities outside of Dakar, it was decided to stratify the sample. All of the firms outside of Dakar, whose managers could be interviewed, were therefore included in the sample. Of the remaining firms, a sample of 170 was selected at random. A random entry point was selected using a table of random numbers and a regular periodicity for the selection of firms. This had the advantage of insuring that all firms would have an equal chance of being selected for inclusion in the sample. The results were then verified to insure that all four cate-

gories of firms were well represented. Additional firms were selected randomly within each category for use as replacements for companies whose top personnel were unavailable or who, after three call backs, could not be located for interviewing. A randomized procedure for the selection of replacements was also put into effect. Usable data on 211 firms were collected. The final distribution of firms included in the survey by city (Table One), by category (Table Two), and by position of the person interviewed (Table Three) are shown below. About a third of the firms (67) operate in more than one of the four sectors.

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

CITY	n	%
Dakar	163	77.3
Rufisque	5	2.4
St. Louis	8	3.8
Kaolack	8	3.8
Ziguinchor	5	2.4
Thies	4	1.9
Kolda	1	0.5
Louga	2	1.0
Fatick	2	1.0
Diourbel	3	1.4
Tambacounda	2	1.0
Other	8	3.8
Total	211	100.3*

*Total exceeds 100% because of rounding.



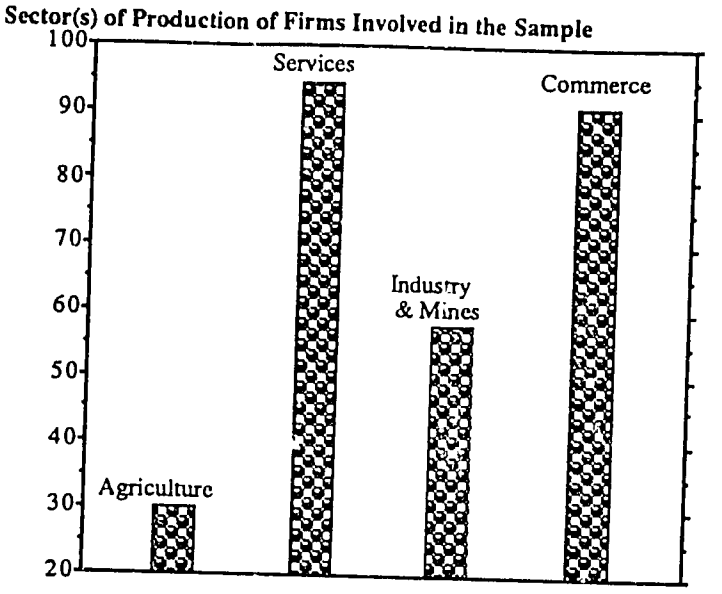
* Out of 211 firms, 168 operate in Cap-Vert of which 163 in Dakar

ABLE TWO

SECTOR OF PRODUCTION OF FIRMS INCLUDED IN THE SAMPLE

Sector	n*
Agriculture (includes forestry, fishing, livestock production and agricultural business)	30
Services	94
Industry and Mines	58
Commerce	91

*Although the sample consists of 211 firms,-a number of them are involved in more than one sector.



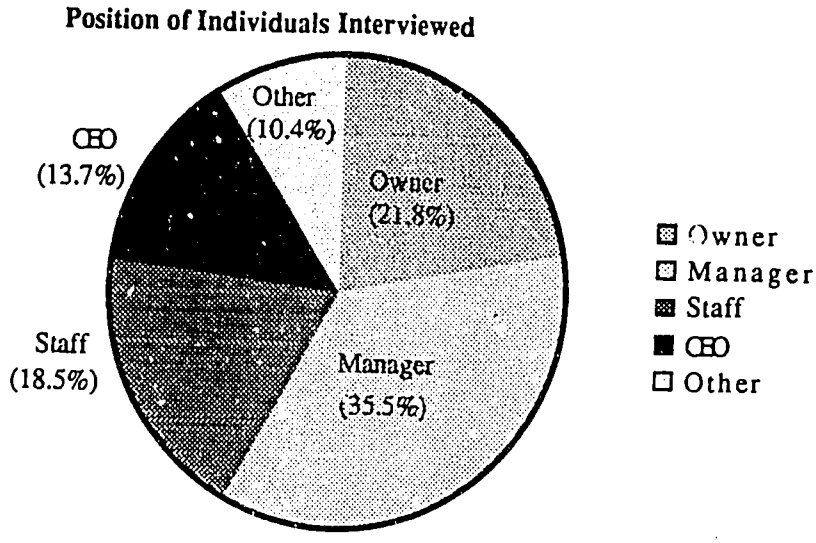
■ Total exceeds 211 as a number of firms are involved in more than one sector

TABLE THREE

POSITIONS OF INDIVIDUALS INTERVIEWED

POSITION	n	%
Owner	46	21.8
Manager	75	35.5
Staff	39	18.5
President (CEO)	29	13.7
Other	22	10.4
Total	211	99.9*

*Total is less than 100% because of rounding.



The Interview Process

An RFP was issued for the work on the survey. Seven organizations responded with full proposals. The firm which won the contract for implementation of the formal sector survey (Cabinet Aziz Dieye, a Coopers and Lybrand affiliate) worked closely with the MAPS team survey coordinator to develop a training program for interviewers. The interviewers recruited were generally university graduates with prior training in economics or a related field. These individuals participated in a four day workshop, which included a practicum in which test interviews were conducted. The organization and procedures for the assignment, logistics, reporting, verification, and collection of completed survey instruments were put into place and the data were gathered. All data, after verification, were entered on diskettes using Lotus. These data were, upon arrival in the U.S., transformed into EXCEL and then StatView for purposes of analysis

II. DESCRIPTION OF FIRMS - Background Information

Ownership and Foreign Investment

More than half (51%) of the firms included in our sample are owned wholly, or in part by foreign investors. As expected, the vast majority of foreign owners/investors are French (see Table Four) or a combination of French and other nationalities (77.8%). The Lebanese are a distant second with involvement

in 14.8% of the firms in which there is foreign investment. However, this is likely to be a gross underestimate of Lebanese involvement in the economy, because many of them are Senegalese citizens and therefore do not show up in these data as foreign investors. Many of the remaining firms, officially listed as Senegalese owned, include local Lebanese partners or owners. Other owners/investors are primarily drawn from a number of EEC countries other than France (7.2%). Minor involvement exists for African (2.7%), Asian (1.8%) and North American (1.8%) investors.

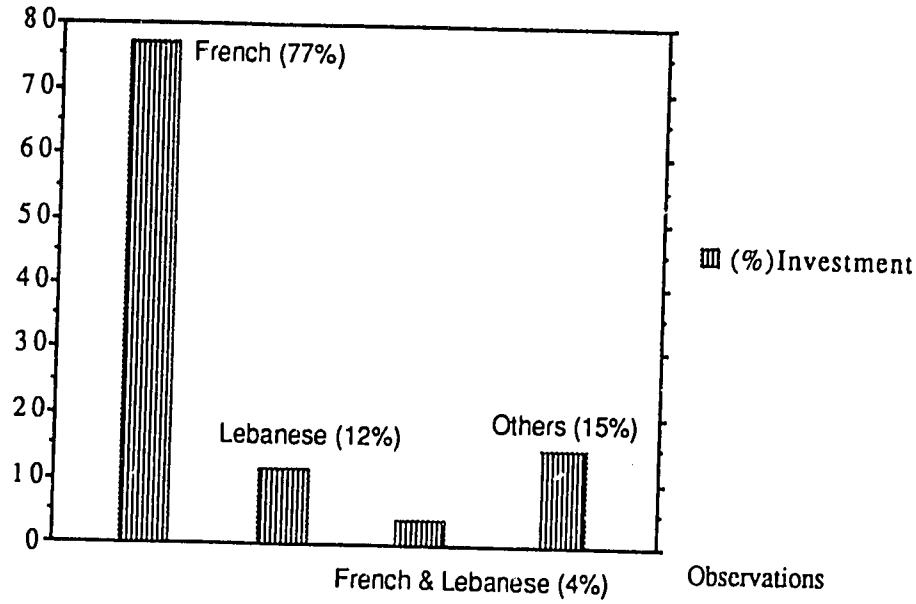
TABLEFOUR

FOREIGN INVESTMENT/OWNERSHIP OF FIRMS OPERATING IN SENEGAL INCLUDED IN THE FORMAL SECTOR SAMPLE

NATIONALITY	n	%*
French	77	71.3
Lebanese	12	11.1
French and Lebanese	4	3.7
French and Swiss	2	1.9
French and German	1	0.9
British	2	1.9
Belgian	1	0.9
Dutch	1	0.9
Spanish	1	0.9
American (U.S.A.)	1	0.9
Canadian	1	0.9
Chinese	1	0.9
Korean	1	0.9
Algerian	1	0.9
Cape Verdian	1	0.9
Ivoirian	1	0.9
Total	108	99.8**

*% of those firms having foreign investment.
**Total is less than 100% because of rounding.

Foreign Investment/ Ownership by Nationality



The level of foreign investment appears to be quite modest, although by local standards, the sums may seem quite substantial. Of the 108 firms which indicated that foreign investors were involved, 72 were either willing or able to provide data on the level of investment. Of these, more than a third showed investments of $35,000 (<10,000,000 FCFA)or less and only thirty one per cent indicated investments of more than $350,000 (>100,000,000 FCFA). Although these figures are probably understated, this is not indicative of a high level of investor confidence in the Senegalese economy.

TABLE FIVE

SELF REPORTED LEVEL OF FOREIGN INVESTMENT IN SAMPLED FIRMS* (in millions of FCFA)

LEVEL	1	1-9.9	10-50	51-100	>100
n	6	18	17	9	22
%	8.3	25.0	23.6	12.5	30.6

*Of 108 firms reporting foreign investment, 72 reported the level.
** $1 U.S. = 290 FCFA.

Personnel

Assuming that the 211 firms included in our sample are representative of formal sector firms operating in Senegal, and given the rate of population growth, **there is little likelihood that the unemployed, underemployed and new entrants to the labor market will find much relief in the formal sector.** Although there is a broad range (1-970) in terms of the number of permanent employees, the average for these firms is only 44. About a quarter (25.6 %), also engage some part time personnel. Again, while there is considerable variation in the numbers of part time employees, they are for the most part relatively low (mean=18.6, range 1-350). About one in five (20.4 %) firms, primarily those involved in agriculture, employ some form of seasonal labor.

The employment picture for women in the formal private sector is particularly grim. While eighty per cent of the firms in our sample employ some women in permanent positions, the average is only 4.2 (less than 10% of the comparable figure for males). Furthermore, most females employed in permanent positions are at the level of secretarial and less skilled, lower paying jobs. Only fifty firms employ any women at all in managerial/administrative positions. The numbers for these firms are also quite low, averaging 1.2 such employees each, with a range of only one to five.

The only area in which women are employed in significant numbers, and even then by only a relatively small number of firms (n=23), is as laborers (mean=45.7). Only thirteen firms employ women in part time and/or seasonal jobs, respectively. In these less valued positions, the numbers employed are quite high relative to males. **Women seeking serious involvement in the economy seem to be confined to the informal sector or to intense competition for a very limited number of positions in the formal sector.**

TABLE SIX

TYPE AND LEVEL OF PERSONNEL

	ALL			WOMEN		
Personnel	mean	Range	n*	mean	Range	n*
Permanent	44.4	1-970	211	4.2	1-50	169
Part Time	18.6	1-350	54	13.4	1-140	13
Seasonal	58.4	1-810	43	61.8	1-560	13
Level						
Mgt./Admin.	3.4	1-50	209	1.2	1-5	50
Secretarial	4.6	1-60	162	2.2	1-45	136
Professional	3.6	1-52	55	2.5	1-5	11
Technical	16.6	1-369	105	2.5	1-10	24
Laborers	57.5	1-956	135	45.7	1-560	23
Other	11.7	1-128	128	3.8	1-32	69

*n is the number of firms.

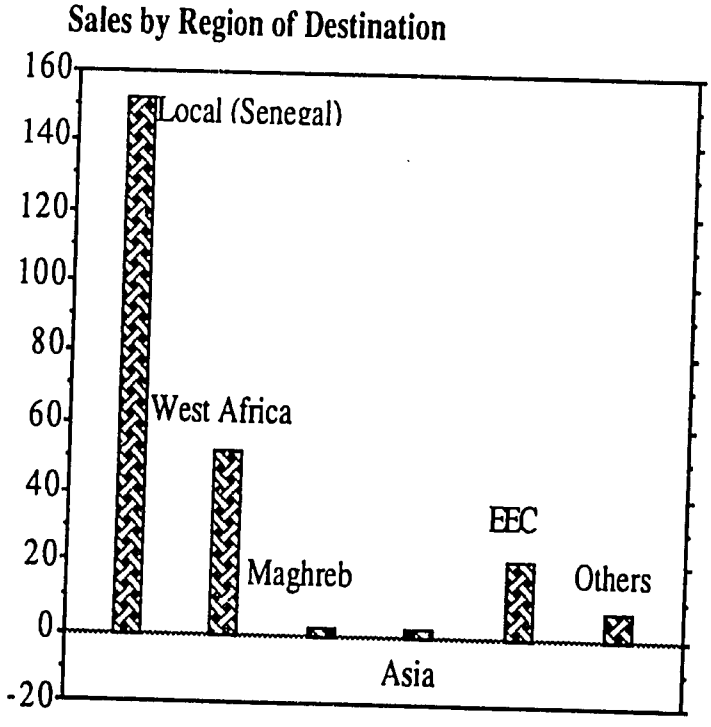
Markets

The market orientation of most of the formal sector firms in Senegal is strictly local. The overwhelming majority of firms (72%) sell most or all of their production on the local (Senegalese) market. On average, 88.3 per cent of their output is sold in Senegal. Fifty two firms (24.6%) sell between one and ninety per cent of their products in West Africa (excluding Senegal), but the average is only 12.7 per cent of production for this market. The only other important market is the EEC, to which some 21 firms (10%) send an average of 64.3 per cent of their products. Other markets (the Maghreb States, Asia, other African countries outside the West African region, and the Middle East) provide outlets for only a very small number of firms and usually for only a small portion of their products. Reliance on the local market, which is lacking in purchasing power, shows limited prospects. Likewise, the West African market has limited purchasing power and tends to produce goods that are similar to those of Senegal. This lack of market diversification therefore presents serious problems for the development of the private sector in Senegal.

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

Region /Area	$\bar{X}$	Range	n*
Local (Senegal)	88.3	2-100	152
West Africa	12.7	1-90	52
Maghreb	3.5	2-5	2
Asia	21.0	1-41	2
EEC	64.3	1-100	21
Europe (other)	2.7	1-5	3
Africa (other)	39.7	2-60	3
North America	---	---	---
Middle East	10.0	---	1
Other	25.0	---	1

*Number of firms.



Number of firms invoved with these markets

Sources of Supplies

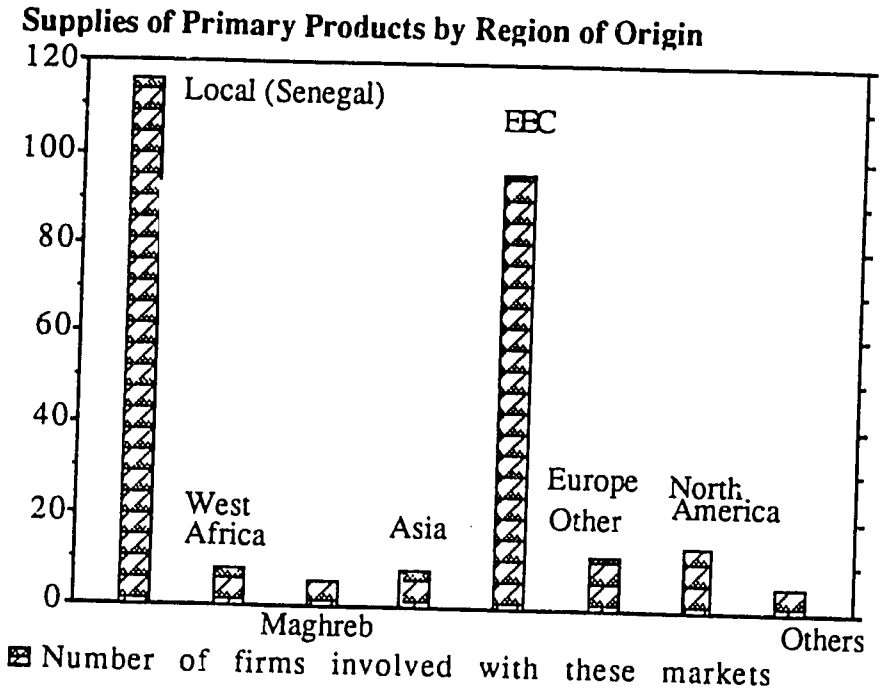
The source of supplies of primary products for businesses operating in Senegal is a bit more diversified, but still heavily oriented to the local area. More than half (55%) of firms obtain supplies, on average 64.4 per cent of their primary products, on the local market. The role played by the EEC as a supplier of inputs is, as expected, very important. Nearly half of all firms (45.5%) receive supplies from this source, with the average being nearly two thirds (66.3%) of inputs. It should be further emphasized that most of the supplies from EEC countries are from one country, France. West Africa's role as a supplier is quite limited, as is that of Asia, North America, other European countries and the Maghreb.

The patterns of trade, suppliers and markets, identified above are consistent with the import substitution approach to economic development in Africa. The failure of this approach elsewhere, the small size of the local market, the small scale of local production, and relatively high costs associated with the import substitution strategy, do not provide the basis for strengthening the private sector and the overall economy. This problem will become clearer in the following sections of this report, as we examine the recent performance of these firms and the constraints that they seem to be facing.

TABLE EIGHT

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

Region /Area	$\bar{X}$	Range	n (Firms)
Local (Senegal)	64.4	2-100	116
West Africa	47.1	1-100	8
Maghreb	26.6	2-90	5
Asia	46.6	1-100	8
EEC	66.3	2-100	96
Europe (other)	23.0	1-65	11
Africa (other)	2.0	---	1
North America	19.6	1-100	14
Middle East	100	---	1
Other	15.7	2-30	3



III. RECENT PERFORMANCE OF THE PRIVATE SECTOR

Economic Environment for the Private Sector

How business leaders perceive the climate in which the private sector must function has a major impact on their planning, budgeting, investment, expansion, diversification and hiring decisions. Unfortunately, the climate for the private sector in Senegal is not perceived as being very positive. As can be seen from Table Nine, business leaders are divided, but generally do not feel that there has been much, if any improvement in the economic conditions in the country during the past year. **Less than three per cent of those interviewed feel that conditions have gotten much better. More than half feel that conditions are either unchanged or have gotten much worse during the same period, with the industrial sector particularly distressed.** It should be noted that the base against which this judgment is made is a year that is generally regarded as having been a poor one for business. Hence, the significance of saying that things have not improved, or that they have deteriorated is even greater.

TABLE NINE

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

Sector	Much Better	Somewhat Better	Unchanged	Much Worse	n*
Commerce	2.2	50.0	18.9	28.9	90
Industry/Mines	0.0	42.6	25.9	35.2	54
Agriculture	3.7	44.4	18.5	33.3	27
Services	4.3	41.9	28.0	25.8	93
All	2.8	43.1	24.2	28.9	210

*Number of Firms. The total by sector is greater than the total number of firms because several firms operate in multiple sectors.

These patterns are fairly consistent, even when the data are disaggregated by sector. However, some differences do exist. **Those involved in industrial and agricultural production, the two major targets of the NPI (New Industrial Policy) and NPA (New Agricultural Policy) respectively, are more likely than their colleagues in other areas to suggest that conditions have gotten much worse.** More than a third of each group voiced such an opinion. This is consistent with the thesis that policy reform has created uncertainties and/or policies which have made it more difficult for the private sector to function.

Trends in Volume of Sales

The reactions of business leaders to the investment climate are mirrored in the trends in the volume of sales during the past year. **More than half of the business leaders interviewed indicated that there was either a decline or a sharp decline in their volume of sales during the past year** (see Table Ten). Competition from public enterprises was identified as among the top factors which had a negative influence on the volume of sales (see

Table Eleven). This would suggest that the slow pace of privatization has had a continued retarding impact on development of the private sector in the sense that the major, politically sensitive commodities are still largely restricted to the public sector. The regulatory mechanisms, and officials charged with their implementation, have likewise failed to adjust to the new policies.

It should be pointed out that the business community is less pessimistic about the future volume of sales. Given that many business leaders indicated that they had had their worst year in memory, however, there is little choice but to hope for the future. Even so, **only a third feel that things will improve next year. The largest group (37%) expects sales to be stable.** Once again, given the bad year they are having, stability in terms of sales can not really be interpreted as a positive development.

TABLE TEN

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

	Strong Improvement	Improvement	Stable	Sharp Decline	Decline	D.K.
Past Year	6.2	16.2	23.8	35.7	15.2	2.9
Next Year	7.6	26.5	37.0	15.2	2.4	11.4

*n=211

TABLE ELEVEN

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

Sector / Factor	All	Commer.	Indust/Mines	Agric.	Services
Competition from Public Enterprise	1	1	3	2.5	2
Competition from Senegalese Firms	2	2	4	6.5	3
Competition from Foreign Firms	3	3	7	1	1
Road Transport	4	4	1	2.5	5
Distance from Markets	5	6	2	6.5	4
Air Transport	6	5	5	4	-
Demand for our Products	-	-	-	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.

IV. AVAILABILITY AND COST OF RESOURCES

The availability, price, and reliability of inputs represents an important aspect of the overall economic environment in which businesses in Senegal must function. If the Government and the donor community are to promote private sector development, it is important to identify potential road blocks to increased production of goods and services.

Interviewees were read a list of twenty factors which are potentially important to production and asked to indicate whether the effect of each was positive, neutral or negative with respect to their enterprises. The results indicate that **the price of the most basic**

services (e.g. telephone communications, electricity, and water) top the list of factors having a negative impact on output. Over half (and in the case of telephone prices, nearly seventy per cent) identified these as negative influences on production. In fact, all three services are among the most expensive in the world. Furthermore, the reliability of telephone service and electricity are quite poor. These factors were ranked higher in importance overall than even such widely documented problems as the lack of access to credit and the prices of primary materials.

Surprisingly, three factors, the availability of skilled labor, the cost of transport, and access to land, ranked lower than expected. Skilled labor is generally not perceived to be in short supply or to be a major inhibiting factor. It did not even rank in the top half of the twenty factors listed. Only 13.8 per cent of the interviewees feel that the lack of skilled labor is a problem.

Although it ranked seventh overall, the cost of transport was considered to have had a negative influence on production by only a little more than a quarter of the interviewees. Furthermore, it did not rank any higher than sixth for any of the four different sectors when these data are dissaggregated. Most of the transportation sector is already in private hands and apparently functioning reasonably well.

Land tenure and the general availability of land and buildings are not perceived as major constraints. They consistently rank low, regardless of sector.

The perceived impact of each of these factors, broken down by sector, shows a high degree of consistency. The rank correlations between sectors are strong and positive. Agricultural producers and distributors differ slightly from their colleagues in other sectors in that they rate the price of primary products as the number one inhibiting factor. They also consider access to primary products (e.g., seed, fertilizer, and pesticides) to be among their top problems, while those in other fields do not consider it to be so.

TABLE TWELVE

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

Factor	Impact			
	Positive	Neutral	Negative	DK*
Price of Telephone	9.1	21.1	69.4	0.5
Price of Water	5.7	43.1	48.8	2.4
Price of Electricity	12.9	33.5	53.1	0.5
Access to Credit	12.9	37.1	45.2	4.8
Prices for Primary Materials	18.6	32.4	45.7	3.3
Reliability of Electric.	14.8	43.5	41.2	0.5
Price of Transport	7.2	62.0	27.4	3.4
Access to Land	16.8	42.3	25.0	15.9
Uncertainty Regarding Land Tenure	15.3	53.1	23.4	8.1
Telephone Reliability	32.5	25.8	38.8	2.9
Availability of Buildings	22.0	47.4	27.3	3.4
Availability of Land	25.8	42.6	25.8	5.7
Access to Primary Products	37.0	35.6	24.0	3.4
Quality of Water	33.0	42.6	20.1	4.3
Security of Buildings	39.9	37.5	20.2	2.4
Access to Electricity	32.7	47.9	18.5	1.0
Availability of Skilled Labor	41.3	41.9	13.8	3.1
Access to Water	31.6	53.6	12.9	1.9
Access to Transport	26.7	62.4	8.1	2.9
Cost of Land	49.3	36.4	12.0	2.4

*DK - Don't Know

TABLE THIRTEEN

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

Factor Comm.	Sector: Indust/Mines		Agric.	Serv.	All
Price of Telephone	1	1	2.5	1	1
Price of Water	2	2	5.5	3	2
Price of Electricity	4	4	2.5	2	3
Access to Credit	3	5	4	5.5	4
Prices for Primary Materials	7.5	3	1	4	5
Reliability of Elect.	5	6	7	5.5	6
Price of Transport	6	7	10.5	7	7
Uncertainty of Land Tenure	9	9	10.5	8	8.5
Access to Land	11	8	5.5	11	8.5
Telephone Reliability.	7.5	11		10	
Availability of Buildings	12	10		9	11
Availability of Land			9	10	12
Access to Primary Products			8		
Availability of Skilled Labor					
Access to Electricity					
Access to Water					
Access to Transport					
Quality of Water					
Security of Buildings					
Cost of Land					

*Rankings are from most (1) to least negative impact. Of the twenty factors, the ranks of only those showing a consensus negative impact for at least one sector are shown.

Until the price or cost of the basic services, telephone, electricity, and water, are made more affordable and efficient, Senegal's producers are not likely to be competitive in the near future. When this handicap is coupled with the difficulties associated with obtaining credit and with the cost of primary products, the breadth of the basic difficulties facing the private sector become overwhelming.

Sources of Credit

Bank credit is traditionally a very difficult resource to come by for most Senegalese producers. With the collapse of the local banks, this situation may become even more difficult to deal with. **Of the 211 firms included in our sample, only about a third (35.5%) received any capital from commercial banks. Other than commercial banks, the only major source of capital/credit identified appears to come from suppliers, who provide goods on consignment. The impact of other types of credit, other than that coming from family and friends, is minimal.**

TABLE FOURTEEN

SOURCES OF CAPITAL FOR SENEGALESE ENTERPRISES IN THE FORMAL SECTOR (n)

Source	1-20%	21-50%*	Sector* C	I	A	S
Local Commercial Banks	44	31	38	20	9	30
Development Banks	2	3	1	0	4	3
Informal Institutions	3	1	1	0	4	3
External Sources	5	9	5	4	1	9
Transfers from Abroad	2	2	2	0	2	1
Cooperatives	1	0	1	0	0	0
Family/Friends	15	4	12	4	2	7
Suppliers (consignments)	33	31	32	20	8	21
Group Contributions	2	0	2	0	0	0
Unions	0	0	0	0	0	0
Other	9	12	13	5	4	12

*Sector groups are C=Commerce, I=Industry and Mines,

A=Agriculture, S=Services. Totals by sector may be greater than totals because of involvement by some firms in more than one sector.

Up to this point, commercial banks have made most of their loans to the Government or parastatals. Most of these loans have not been collectible. The reorganization of Senegal's banking structures will hopefully provide for major changes in the use of commercial banks to support private sector firms. Based on past performance, there is little room for optimism.

V. OBSTACLES TO GROWTH OF THE PRIVATE SECTOR

With the effort to initiate economic and administrative reform, and assist the development of the private sector, a whole series of new regulations and procedures must be implemented in Senegal. However, as with any process requiring major changes in orientation and administrative behavior, there are serious time lags, institutional inertia, investment and planning uncertainties, policy inconsistencies, and purposeful resistance.

Six major problems were identified: information/uncertainty, the role of Government functionaries, Government policy making and implementation, credit, human resources, and costs. Forty five individual items were developed and interviewees were asked to rate each as an obstacle to growth of the private sector in Senegal which might affect their individual business or other businesses like theirs. The distributions and ranking of responses to these questions are presented in Table Fifteen below.

Information and Uncertainty

The lack of information and the high degree of uncertainty regarding the status of the "rules of the game" from a regulatory standpoint, the current and future status of the economy, and acceptable business practices under these circumstances, have created major problems for the entrepreneur. **Rapid, unpredictable changes in regulations governing the private sector was ranked as the number one obstacle to private sector development.** Forty two per cent of the interviewees felt that this was very important as

an obstacle and an additional thirty five per cent said it was important. This is a factor which is apparently a major obstacle for business leaders, regardless of the sector in which they function. It corroborates information gathered during preliminary discussions with these leaders. **Virtually all new private investment appears to have been put on hold until the policy and regulatory situation is clarified.**

This is closely linked with many of the other factors associated with the policy making process and the general type and level of interaction between government functionaries and the private sector. For example, uncertainty about acceptable business practices, rated important or very important as an obstacle by three fourths of those included in our sample, results from not only changes in the regulatory environment, but from interactions with unsympathetic functionaries, and the general lack of consultation by the government with the private sector.

As the process currently functions, representatives of the private sector gain entry to the system only after the existing texts have been repealed and new texts have been promulgated. At the point at which regulations are about to be put into effect, the voice of the private sector is heard on appeal. Where pressure appears to be strong, the standard approach by the government has then been to back down and suspend implementation of the new texts. Business leaders are thus left in a situation in which they have no conception of what rules, if any, apply. The result is that Government regulatory agencies operate in a vacuum, with little or no direction and coordination. The customs service, for example, has been left to unilaterally decide what approach to take and what regulations to implement. Their actions have, on occasion, run totally contrary to the thrust of Government liberalization policy, instead serving the corporate interests of their service.

TABLE FIFTEEN

OBSTACLES TO GROWTH OF THE PRIVATE SECTOR IN SENEGAL WHICH AFFECT YOUR BUSINESS AND OTHERS LIKE IT (% OVER-ALL AND RANK BY SECTOR)

Obstacle	%Very* Important	% Important	Rank by Sector** overall	C	I	A	S
INFORMATION/ UNCERTAINTY							
Rapid, unpredictable changes in regulations affecting private sect.	42	35	1	4	2	4	1
Uncertainty about business practices	39	36	4	10	3	7	7
Lack of usable info. on economic situation	34	29	19	23	24	15	17
Lack of dynamism in Chamber of Commerce	22	27	23	21	28	37	21
Lack useful info. on external demand for Senegalese products	18	22	33	34	33	23	33
Lack of access to data available to certain research institutions	14	19	40	39	40	30	41
POLICY MAKING AND IMPLEMENTATION							
Lack of Govt. consult. with Private Sector on new regulations	42	33	3	5	6	2	2
Lack of coordination between Ministries regulating priv. sect.	36	32	5	10	13	5	5

Inequities-application of customs duties	36	24	10	6	13	10	9
TVA too high	41	23	11	2	19	26	7
Long delays in customs	35	25	12	16	15	6	11
Too many ministries involved in regulating the private sector	28	33	14	14	21	7	12
"Special" treatment to certain individuals	29	25	15	18	25	21	12
TVA misapplied	35	20	17	7	19	41	19
NPI measures not well implemented	23	23	22	19	13	32	24
Lack of rigor in NPI implementation	23	30	24	32	26	22	22
Lack of incentives in the investment code	21	27	24	26	28	14	25
Constraints-"Economic Control"	25	26	26	20	36	38	29
Lack of coordination between NPA and NPI	16	17	28	25	27	36	33
Functioning of the "Guichet Unique"	8	14	42	35	43	35	42
SMIG too high	4	14	45	45	45	43	45
CREDIT							
Required guarantees for credit are too high	51	22	2	2	4	10	10
Access to credit	43	30	6	1	8	13	14
Too much documentation required for credit	41	29	7	8	1	17	16
Ceiling on credit	31	30	16	12	5	16	26

FUNCTIONARIES							
Misunderstanding Priv. Sect. by Functionaries	36	30	7	12	9	3	3
Functionaries lack motivation	37	29	9	15	6	1	4
Negative attitudes of Govt. to Private Sect.	37	26	12	9	16	9	15
Payment of "illegal" tax to functionaries	30	24	17	22	22	12	6
Lack of recognition of role of entrepreneur	22	23	20	17	16	29	23
Costs linked to payment of overtime	8	19	43	43	44	40	43
HUMAN RESOURCES							
Low Productivity of Senegalese Labor	21	36	27	29	18	28	27
Graduates lack practical experience	19	32	29	26	31	34	19
Lack of flexibility in Labor Code	19	27	30	33	11	19	30
Graduates lack spirit of competition	17	27	32	30	34	26	28
Procedures for dealing with labor disputes	12	25	35	38	35	25	37
Lack of technical qualifications on the local market	16	29	35	41	30	42	32
Lack of qualified managers	20	23	37	37	39	31	31
Problems with unions	14	23	38	36	38	23	39
Lack skilled workers	12	30	40	40	41	42	35
High cost of hiring	5	15	44	44	42	44	44

COSTS							
High cost of new technology	28	30	20	24	10	17	18
Lack of protection for local products	25	18	31	31	22	32	38
High cost of sea trans.	18	16	33	28	32	39	35
Availability of spare parts	17	17	39	42	37	19	39

*All percentages are for the entire sample.
**Ranks go from most important problem (1) to least important problem (45).

Because of institutional weaknesses, there is also a general lack of reliable data on the state of the economy. Data collected by the statistical service in the Ministry of Commerce is not processed in a timely fashion. Furthermore, the publication of reports derived from those data is three to five years behind schedule. More than a third of the business leaders find this to be a very important obstacle to growth and investment and an additional twenty-nine per cent feel that it is an important obstacle.

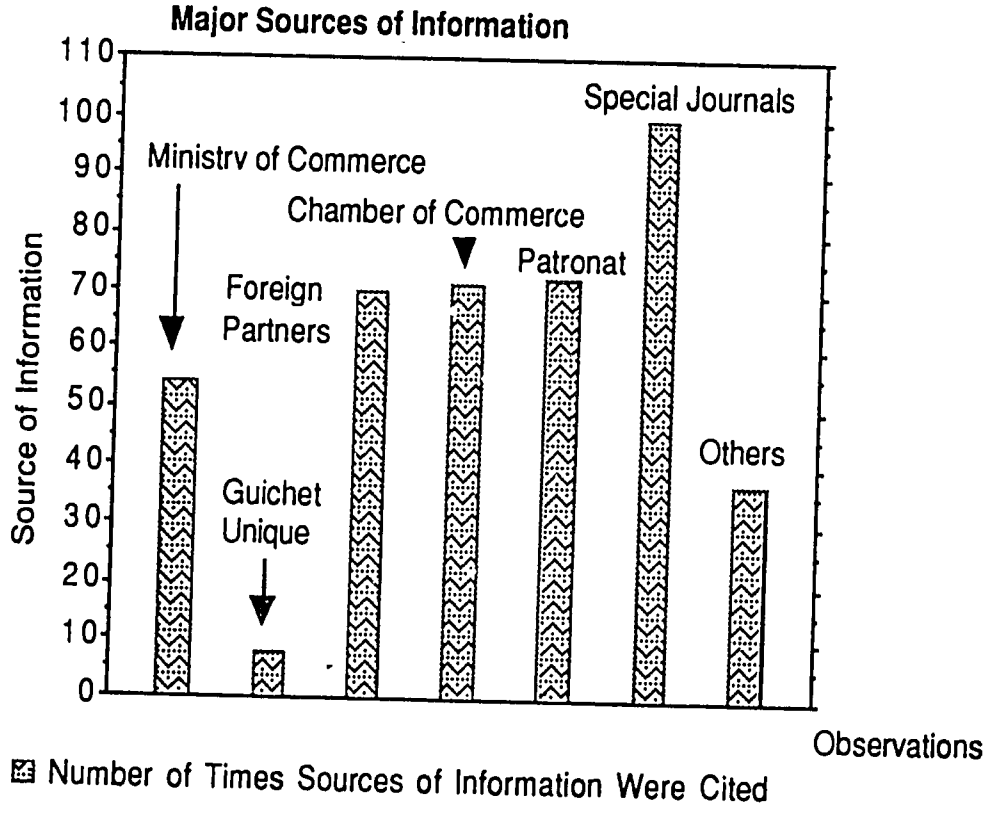
In many countries, professional and producers associations are very effective at collecting and disseminating such information and providing direct input into the policy process. The lack of dynamism of the Chamber of Commerce and other such associations in performing this function further complicates matters. As can be seen in Table Sixteen, the 211 firms included in our survey do not generally have very strong sources of information. In fact, most of the sources identified are monopolized by a relatively small number of firms. Although some uncertainty is to be expected during a period of transition, the current level of uncertainty has surpassed the tolerable range. Reform itself has now become a major, although hopefully temporary obstacle to private sector development.

TABLE SIXTEEN

MAJOR SOURCES OF INFORMATION

Source of Information	n*
Ministry of Commerce	54
"Guichet Unique"	8
Foreign Partners	70
Chamber of Commerce	71
"Patronat" (Employers Association)	72
Special Commercial Journals	100
Other	37

*Many interviewees cited more than one source of information.



Policy, Policy Making and Implementation

The policy making process in Senegal is not conducive to providing access at early stages in the process to the private sector. The general lack of government consultation with the private sector is regarded as a major obstacle to development in this area. Three fourths of the business leaders interviewed feel that this is an important (33%) or very important (42%) issue. Of the forty four obstacles considered, it ranks third overall in importance and second for those in the agricultural and service sectors. Those in the commerce and industrial fields ranked it fifth and sixth, respectively. This is associated with the ineffectiveness of Senegalese business associations and with the multiple organizations involved in private sector issues.

A key concern is the large number of agencies involved in the implementation of new policies and in regulating the private sector in general. More than two thirds of the interviewees feel that the lack of coordination between ministries regulating the private sector is an important or very important problem. As a corollary, it is widely perceived that there are too many ministries involved in regulating the private sector (61%). The two major sets of reform policies, the NPA (New Agricultural Policy) and the NPI (New Industrial Policy) are related, but not directed by the same ministries. Many instances have been cited in which the interpretation and implementation of regulations by different ministries have had directly contradictory effects on the private sector. This is yet another element contributing to the uncertainty that makes new investment difficult to contemplate.

The unevenness with which the regulations are applied is another thorn in the side of the business community. Not surprisingly, certain individuals are perceived as receiving "special" treatment. More than half of the business leaders cited this as an obstacle to the growth of their own businesses. Several top business leaders were quite open in indicating that they were only able to function as well as they were because of close connections with or direct involvement by key political leaders. They underlined the fact that even with these ties, they still had many problems in dealing with functionaries and inadequate and

inappropriate government policies. Several indicated that they could not see how some of their colleagues, who lacked such connections, were able to function at all.

Specific areas of dissatisfaction include perceived inequities in the application of customs duties (60%), long delays in clearing customs (60%), poor implementation and a lack of rigor in the implementation of the NPI (46% and 53% respectively), constraints imposed by those who implement economic controls (51%) and misapplication of the value added tax (TVA, 55%).

Several of the policies themselves are regarded as poorly conceived. The TVA rate is regarded as far too high, resulting in the restraint of trade and limitations on production and markets. Several products which could be widely marketed with the general urban population (juices, for example), are currently limited to consumption by European residents because the TVA prices them out of the local market. The lack of incentives in the Investment Code is also considered to be important.

One area with potential for improvingthe policy and regulatory system is the so-called "guichet unique." It is an investment center designed to eliminate some of the coordination problems and to facilitate growth and investment in the private sector by streamlining the process. This new unit is not regarded as an obstacle to the private sector by the overwhelming majority of those interviewed. However, the fact that it is grossly understaffed, underfunded, and has barely begun to function may have more to do with these responses than the actual experience of interaction with it. This is underlined by the very small number of firms that use the "guichet unique" as a source of information (see Table Sixteen).

Credit

As noted in earlier section, **the lack of credit and or difficulties in obtaining credit are among the most important obstacles cited to private sector development. The banking system has, for all intents and purposes, ceased to function. Guarantees required to obtain credit are such that only a very small percentage of the firms examined have any financial support from commercial banks.** More than half of the business leaders interviewed identified this as a major obstacle and fully three quarters feel that it is at least an important problem. In

overwhelming numbers, leaders in the private sector in Senegal feel that access to credit, the documentation required for credit applications and the ceilings placed on credit have served to inhibit growth. It is unclear whether bank reorganization will effectively address these issues. Many in the business community have their doubts.

The Role of Government Functionaries

The transition to a more liberal economy requires close collaboration between public officials and the private sector. Government functionaries in Senegal have very little understanding of, training in, or experience with the private sector. They have been trained in an environment which favors Government control and intervention and tends to regard private entrepreneurs as exploitative. One important perceived role for the functionary is to protect the general population from such exploitation. The interaction of these factors adds to the already considerable difficulties faced by the business community.

Interactions between the business community and the bureaucracy generally have a negative tone to them. Most entrepreneurs feel that the negative attitudes of the Government toward the private sector and the general lack of understanding of the private sector by functionaries, present them with serious obstacles. The very same people who distrust and/or are jealous of private entrepreneurs are now charged with regulating and promoting growth in the private sector.

The work habits of Government officials are viewed as inconsistent with those which prevail in private industry. There is little incentive for functionaries to perform beyond minimal levels. Incentives, such as merit increases, are almost totally lacking. The general lack of motivation of these individuals creates major problems for a private sector which is over-regulated and perceived as threatening the prerogatives of the bureaucracy. This lack of motivation, although widely viewed as a problem (66%), appears to be especially acute in the agricultural and service sectors where it was ranked first and fourth in importance, respectively. This is underlined by several agricultural firms which have had to set up their own "private" extension services because of what they consider the poor work habits of the Government's agents.

The regular payment of "illegal" taxes to functionaries constitutes a major constraint on trade. Although some analysts have argued that this type of corruption is essential to get around inappropriate regulations and delays, its effect in Senegal appears to be largely negative. More than half of the local business community regards these "taxes" as presenting important obstacles to their businesses. Once again, this is especially true in the service and agricultural sectors. Transport costs, for example, are artificially inflated, by the direct costs of "bribes", and by the inordinate delays introduced by this all pervasive, openly practiced, system.

Human Resources

Human resources, although far from satisfactory from the perspective of the private sector, seem to present less in the way of obstacles to the business community than do most of the other factors already mentioned. Lack of skilled workers is seen as a relatively minor problem, although the shortage of management personnel is considered to be somewhat more significant. **The key factors here appear to be the relatively low level of productivity of Senegalese workers and the lack of any practical training provided by the formal education system.** Not only do students in the secondary schools, university and national schools (with a few exceptions) not receive any practical training or orientation to the private sector, they are generally socialized into the prevailing functionary culture.

The Labor Code, union activities, and hiring, and firing procedures are problematic for smaller portions of our sample. The lack of flexibility in the Labor Code is noteworthy as a problem for the industrial and mining sectors, but less so for other areas.

VI. OPPORTUNITIES

Regardless of the economic situation in a country, there are always at least some opportunities for investment and for strengthening the position of an enterprise. In light of the current conditions, especially the high degree of uncertainty, it would be unrealistic to expect business leaders in Senegal to undertake many growth oriented actions or invest significant resources in new activities. A number of top businessmen indicated that their primary efforts were being aimed at preserving their current operations in the hope that significant, positive changes would occur in the near future.

Actions to Improve A Business

The interviewees were read a list of possible actions to improve the functioning of their individual enterprises. They were then told that if they had the time and financial resources, which ones, if any, would they be likely to undertake. None of the possibilities received their overwhelming endorsement . **The most frequently cited action is improving their own management aptitude or knowledge.** This is clearly the top priority for the commerce and service sectors but ranked relatively low for the industrial and agricultural sectors. Thus, training programs aimed at improving basic management skills are probably best targeted at these two groups.

Improving marketing practices and developing improved marketing strategies ranked at the top of the list for the industrial sector and second for those involved in commerce. For the agricultural enterprises, capital investments and introducing improved production and quality control techniques are the most important priorities. Consistent with the perception that the shortage of skilled labor is not a major problem, training of staff did not rank very high as an action to improve firm performance in any of the sectors.

The relatively low commitment to initiatives to improve performance probably reflects the general malaise with the current state of the economy. **The business community generally seems to feel that the major problems and constraints they face are exogenous. The state of the economy, problems with Government policy making and regulatory mechanisms**

and the availability of credit all seem to be the major preoccupations which must be dealt with before endogeneous changes can be dealt with.

TABLE SEVENTEEN

RANKING OF POSSIBLE ACTIONS TO IMPROVE THE FUNCTIONING OF THEIR ENTERPRISE

Action	%Very Likely	Overall Rank by Sector* All	C	I	A	S
Improve my own aptitude in management	35	1	1	6	5	1
Capital investments	31	2	3	4	1	2
Improve Marketing	35	3	2	1	6	4
Training of staff	29	4	5	4	4	3
Improved production techniques	26	5	7	3	2	5
Improve quality control	24	6	4	2	3	6
Buy land or buildings	19	7	6	7	7	6

*Actions are ranked from 1, most likely, to 7, least likely on the list. C=commerce, I=industry and mines, A=agricultural and agricultural business, S=service.

Future Investment Opportunities

The perspective of business leaders on future investment opportunities and prospects provides a good indication of the actual state of the economy and the degree to which growth in the private sector can be expected to take place in the short term. Under the assumption that investment is only likely to take place in those areas in which the opportunities are deemed to be excellent, it can be concluded that the likelihood for expansion in the near future is not bright.

TABLEEIGHTEEN

FUTURE INVESTMENT OPPORTUNITIES
EXPECTEDPROFITABILITY

Overall Investment	%Excellent	Rank by Sector* All**	C	I	A	S
Tourism	29.6	1	2	1	4	1
Commerce	30.0	2	1	3	1	2
Construction	24.8	3	4	7	6	3
Transformation of Agricult. products for resale on local market	16.5	3	5	4	3	4
Industrial production for the local market	20.0	5	3	5	8	6
Transformation of Agricult. products for resale on the international market	18.9	6	6	2	2	5
Re-sale of Agricultural products on international market	18.0	7	7	6	9	8
Re-sale of Agricultural products on local market	16.5	8	9	8	7	6
Industrial production for the international market	18.0	9	7	9	5	9
Banking	16.1	10	10	10	10	10

*Investments are ranked from 1, most likely to be profitable, to 10, least likely on the list to be profitable.
**Overall rankings are based on the total distribution of responses (excellent, fair, poor).
C=commerce, I=industry and mines, A=agricultural and agricultural business, S=service.

Tourism and commerce seem to be the only areas in which there is any significant degree of confidence expressed by the business community. The former is ranked first by those in industry and the service areas, while the latter appears at the top of the list for those in commerce and agriculture. The service sector shows some degree of confidence in construction and the industrial and agricultural sectors show some interest in the transformation of agricultural products for export. It should be noted that **even in the areas rated as best for investment, less than a third of those interviewed had a strong sense that the opportunities are very good.**

Investment in Agriculture

Given the agricultural base of the economy, the general lack of confidence in the prospects for investment in this area is not a good sign. Business leaders were asked about different agricultural products which they thought might be worth investing in. Their responses indicate that the most important is horticultural production, fruit and vegetables. These are of course the crops which can be exported to Europe.

TABLE NINETEEN

AGRICULTURAL PRODUCTS DEEMED MOST WORTHY OF INVESTING IN

Product	n*
fruit and vegetables	153
livestock	129
rice	122
maize	90
cotton	77
cowpeas	75
sugar	70
aquiculture	63
peanuts	43
other	13

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

Livestock production ranks second on the list. This is consistent with existing conditions, especially for the domestic market. The importation of meat was at first liberalized, resulting in the slaughter of most commercial herds. However, protection for the domestic industry was subsequently restored, resulting in increased prices and demand for locally produced meat. Filling this void presents some new opportunities. Much of the positive response to investment in livestock is associated with quick profits from specialized production of sheep for national religious festivals, most notably Tabaski.

The interest in rice is, given the current diet of most urban Senegalese and a growing number of those in the rural areas, fully understandable. The interest comes primarily from the perspective of commerce rather than production. The relatively strong standing of maize is somewhat surprising, although this crop has shown some potential on the local market.

Interest in other crops is limited. Especially noteworthy here is the extremely low interest or confidence in peanuts, in the past Senegal's most important export crop. With declining prices, relatively low demand for peanut oil, and the tight control of this area by the Maurides, this finding is not surprising. **While diversification is the most obvious strategic necessity, the general lack of confidence in investment in the agricultural sector would suggest that most food production will remain artisanal and oriented toward subsistence, rather than the market.**

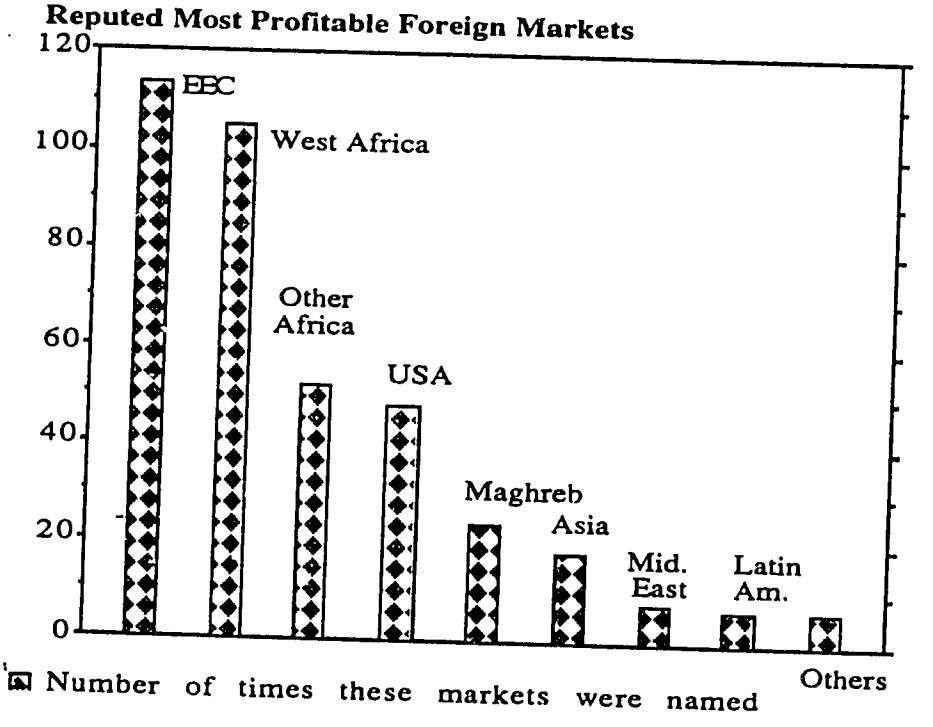
Consistent with the existing distribution of sales and suppliers of inputs, business leaders feel that the most profitable future markets for their businesses are in the EEC and other West African countries. However, a small but not insignificant number feel that the U.S. constitutes a potentially profitable market for their goods. The major problem in this regard is the general lack of familiarity with this market.

TABLE TWENTY

REPUTED MOST PROFITABLE OR POTENTIALLY PROFITABLE FOREIGN MARKETS

Market	n*
EEC	113
West Africa	105
Other Africa	52
U.S.A.	48
Maghreb	24
Asia	18
Middle East	8
Latin America	7
Other	7

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



VII. ASSOCIATIONS

As noted earlier, it has been extremely difficult for business leaders in Senegal to have their voices heard in the policy making process. Although about two thirds of the interviewees are members of one or more organizations, they generally feel that the organizations which serve to represent them, such as the Chamber of Commerce, are relatively ineffective. Even for the best known groups such as the Patronat, CNES, SPIDS, and SCIMPEX, only about half of the membership regard each of them as very effective. They do not provide timely information and are not recognized by the Government as legitimate participants in the process. As a result, active membership in associations is relatively low.

If privatization and liberalization of the economy are to proceed successfully, the private sector must develop new organizations or modify existing organizations so as to enable them to effectively interact with Government decision makers. This will also entail significant increases in membership and commitment to active participation in such organizations.

From our survey, it is clear what business leaders are looking for from these associations. **The primary obstacle to private sector development, uncertainty generated by rapid changes in the regulatory environment, is what these organizations must address first. The ability to provide information on Government policy and to engage in a dialogue with the Government on these issues are regarded as very important by seventy one and sixty nine per cent of the business leaders respectively. This is closely followed by the desire to obtain information on markets and market conditions.** The question of access to credit is also quite significant as a possible service of such organizations.

TABLE TWENTY-ONE

FACTORS OF IMPORTANCE IN AFFILIATIONS WITH PROFESSIONAL ASSOCIATIONS

Overall %	Rank by Sector*				
Factor very important	All	C	I	A	S
Ability to provide information on government regulations	71.0	1	1	1	3	1
Contacts and dialogue with the Government	69.0	2	3	3	2	2
Ability to provide information on markets	66.7	3	2	1	1	3
Possible access to credit	55.7	4	4	4	4	4
Capacity to conduct feasibility studies	42.5	5	5	7	5	6
Training programs	43.0	6	6	5	7	5
Technical assistance	35.7	7	6	6	5	7

*Factors are ranked from 1, most important, to 7, least important on the list provided the interviewees.
C=commerce, I=industry and mines, A=agricultural and agricultural business, S=service.

In essence, efforts to strengthen these organizations must concentrate on improving their lobbying and research and data collection capabilities. These are areas in which effective training programs funded by A.I.D. might have some serious impact. At the same time, Government officials must be sensitized to the need for closer interaction and consultation with associations which can speak for significant portions of the private sector.

VIII. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The state of the Senegalese economy, from the perspective of leaders in the formal sector, is very poor and not conducive to development of the private sector. Less than three per cent of those interviewed feel that conditions have gotten much better. More than half feel that conditions are either unchanged or have gotten much worse during the same period, with the industrial sector being particularly distressed. More than half of the business leaders interviewed indicated that there was either a decline or a sharp decline in their volume of sales during the past year and only a third feel that things will improve next year.

Those involved in industrial and agricultural production, the two major targets of the NPI (New Industrial Policy) and NPA (New Agricultural Policy) respectively, are more likely than their colleagues in other sectors to suggest that conditions have gotten much worse.

The level of foreign investment appears to be quite modest, although by local standards, the sums may seem quite substantial. More than half (51%) of the firms included in our sample are owned wholly, or in part by foreign, primarily French, investors. **The overall investment climate in Senegal from the perspective of business leaders in the formal sector is very poor because of:**

(1) **the high cost of inputs and basic services**: The price of the most basic services (e.g. telephone communications, electricity, and water) top the list of factors having a negative impact on output. The reliability of telephone service and electricity are quite poor. These factors were ranked higher in importance overall than even such widely documented problems as the lack of access to credit and the prices of primary materials.

(2) **the lack of availability of stable credit mechanisms**: Of the 211 firms included in our sample, only about a third (35.5%) received any capital from commercial banks. Other than commercial banks, the only major source of capital/credit identified appears to come from suppliers, who provide goods on consignment. The impact

of other types of credit, other than that coming from family and friends, is minimal.

The lack of credit and or difficulties in obtaining credit are among the most important obstacles cited to private sector development. The banking system has, for all intents and purposes, ceased to function. Guarantees required to obtain credit are such that only a very small percentage of the firms examined have any financial support from commercial banks.

(3) the relatively small size of the market and lack of a genuine export orientation: The market orientation of most of the formal sector firms in Senegal is strictly local. The overwhelming majority of firms (72%) sell most or all of their production on the local (Senegalese) market.

The source of supplies of primary products for businesses operating in Senegal is a bit more diversified, but still heavily oriented to the local area. More than half (55%) of firms obtain supplies, on average 64.4 per cent of their primary products, on the local market. The role played by the EEC as a supplier of inputs is, as expected, very important. Nearly half of all firms (45.5%) receive supplies from this source, with the average being nearly two thirds (66.3%) of inputs. It should be further emphasized that most of the supplies from EEC countries are from one country, France.

(4) a policy process which has excluded the private sector from participation during the formative stage: Rapid, unpredictable changes in regulations governing the private sector was ranked as the number one obstacle to private sector development. Virtually all new private investment appears to have been put on hold until the policy and regulatory situation is clarified.

The policy making process in Senegal is not conducive to providing access at early stages in the process to the private sector. The general lack of government consultation with the private sector is regarded as a major obstacle to development in this area. Three fourths of the business leaders interviewed feel that this is an important (33%) or very important (42%) issue. Of the forty five obstacles considered, it ranks third overall in importance and second for those in the agricultural and service sectors.

(5) a set of uncoordinated, unevenly implemented regulatory agencies and mechanisms which are both costly and unweildly: The unevenness with which the regulations are applied is another thorn in the side of the business community. Not surprisingly, certain individuals are perceived as receiving "special" treatment. More than half of the business leaders cited this as an obstacle to the growth of their own businesses. Several top business leaders were quite open in indicating that they were only able to function as well as they were because of close connections with or direct involvement by key political leaders. They underlined the fact that even with these ties, they still had many problems in dealing with functionaries and inadequate and inappropriate government policies. Several indicated that they could not see how some of their colleagues, who lacked such connections, were able to function at all.

(6) a functionary "mindset" which either does not understand or is directly biased against the private sector: Interactions between the business community and the bureaucracy generally have a negative tone to them. Most entrepreneurs feel that the negative attitudes of the Government toward the private sector and the general lack of understanding of the private sector by functionaries, present them with serious obstacles. The very same people who distrust and/or are jealous of private entrepreneurs are now charged with regulating and promoting growth in the private sector.

(7) a high degree of uncertainty created by 4, 5 & 6 above.

(8) ineffective business and professional associations which are weak in both lobbying and data collection and the analysis and dissemination of information: The primary obstacle to private sector development, uncertainty generated by rapid changes in the regulatory environment, is what these organizations must address first. The ability to provide information on Government policy and to engage in a dialogue with the Government on these issues are regarded as very important by seventy one and sixty nine per cent of the business leaders respectively. This is closely followed by the desire to obtain information on markets and market conditions.

(9) **few opportunities in the most important of Senegal's sectors, agricultural production and transformation**: While diversification is the most obvious strategic necessity, the general lack of confidence in investment in the agricultural sector would suggest that most food production will remain artisanal and oriented toward subsistence, rather than the market.

(10) **there is little likelihood that the unemployed, underemployed and new entrants to the labor market will find much relief in the formal sector**: The key factors here appear to be the relatively low level of productivity of Senegalese workers and the lack of any practical training provided by the formal education system.

The employment picture for women in the formal private sector is particularly grim. While eighty per cent of the firms in our sample employ some women in permanent positions, the average is only 4.2 (less than 10% of the comparable figure for males). Furthermore, most females employed in permanent positions are at the level of secretarial and less skilled, lower paying jobs.

Women seeking serious involvement in the economy seem to be confined to the informal sector or to intense competition for a very limited number of positions in the formal sector.

(11) **there is little motivation to invest in improvements in private sector firms**: The business community generally seems to feel that the major problems and constraints they face are exogenous. The state of the economy, problems with Government policy making and regulatory mechanisms and the availability of credit all seem to be the major preoccupations which must be dealt with before endogeneous changes can be dealt with.

The most frequently cited action is improving their own management aptitude or knowledge. Improving marketing practices and developing improved marketing strategies ranked at the top of the list for the industrial sector and second for those involved in commerce. For the agricultural enterprises, capital investments and introducing improved production and quality control techniques are the most important priorities.

(12) **Investment Opportunities appear to be limited**: Tourism and commerce seem to be the only areas in which there is any significant degree of confidence expressed by the business community. Even in the areas rated as best for investment, less than a third of those interviewed had a strong sense that the opportunities are very good.

Recommendations

Although the overall picture does not leave a great deal of room for optimism, there are some areas in which cost effective interventions might be undertaken which would have an important positive impact on the development and strengthening of the private sector. Most of these interventions involve introducing new training programs or modifying existing ones.

1. **Training for public officials**

Public officials charged with working with and/or regulating the private sector need to have a better understanding of that sector, its needs and how it functions. Otherwise, interactions between functionaries and the business community will continue to have negative overtones. Several methods for addressing this need are possible: a) reinforcing the capacity of the national training institutions to provide courses on the private sector as part of the regular training of all entry level government officials; b) provide a series of in-service training programs for functionaries in key ministries. These could be provided through CESAG or a combination of CESAG and specialists at some of the other national training institutions. Help from U.S. institutions through linkage and other consulting arrangements might also be sought if necessary. The CRSP model might prove appropriate here; c) provide practical experience through short internships for public sector officials in private firms. This could be done in Senegal or in the U.S. or other countries with vibrant private sectors.

2. **Strengthen professional and business associations**

The services provided for the business community by private associations could be greatly improved by providing support to these organizations in a variety of forms. Grants could be made which would

allow these organizations to develop a serious data gathering, analysis and dissemination capacity and to improve their lobbying skills. Such grants might include some training, some study tours in which comparable organizations in the U.S. could be observed, the provision of computer hardware and software, salaries for staff and some short term technical assistance. Much of the uncertainty which exists in the system could be eliminated if these organizations were able to perform more effectively.

3. Improve the data collection analysis and dissemination capabilities of the existing Statistical Service

The existing data collection agencies are years behind in the collection and analysis of data on the state of the economy. With appropriate training, equipment and logistical support these data could be disseminated in a timely fashion and in a comprehensible form. This would be a great help to policy makers and to decision makers in the private sector.

4. Encourage early consultation between the Government and the private sector on policy matters

This could be done in the form of hearings or some other format appropriate to the Senegalese political system. Study tours for policy makers, legislators and officers of professional and sectorial associations who address this issue might be very appropriate.

5. Encourage market diversification

By providing information on markets other than the local market and by developing contacts with the U.S. business community, providing information on business and trade procedures, the direction of Senegalese trade might become more diverse and profitable.

6. Encourage the development of an effective, private banking system

Difficulties associated with obtaining credit remain among the most critical problems for the private sector to deal with in Senegal. An effective banking system oriented to providing service to the private sector rather than merely servicing loans to the Government and to the parastatals would be very helpful. Support for new reforms in this area is essential.

SENEGAL PRIVATE SECTOR SURVEY DRAFT OF 12/7/89

The purpose of the survey is to gather information about the private sector in Senegal, the beliefs held by business persons on various aspects of doing business, the general investment climate, finance and the generation of employment. This study is financed by the U.S. Agency for International Development (USAID). This information will assist USAID/Senegal in formulating its strategy for assistance to the private sector for the coming years. The information obtained here will be treated in a private and confidential manner. All responses will be analyzed in a statistical manner and the responses will be presented in an anonymous fashion.

Questionnaire No. _____
Interviewer: _____
Approved and Verified by: _____ Date: _____

Position of Person Interviewed: (circle)

1. Owner 2. Manager 3. Professional/Technician
4. GIE President 5. Other (specify) _____

Location of the Firm: (circle)

1. Dakar 2. Rufisque 3. St. Louis
4. Kaolack 5. Ziguinchor 6. Thies
7. Kolda 8. Louga 9. Fatick
10. Diourbel 11. Tambacounda
12. Other (specify and circle the region above)

_____

1. How many people work here regularly
   a. Full time _____
   b. Part time _____
   c. Seasonally _____ (specify period and purpose)

   _____

2. How many employees do you have whose primary tasks are:
   (write in numbers of employees, calculate % during coding)

	Total	%
a. management/Administration	_____	_____
b. secretarial/clerical	_____	_____
c. professional	_____	_____
d. technical	_____	_____
e. other skilled	_____	_____

3. What % of your work force are women
   a. Full time staff _____
   b. Part time staff _____
   c. Seasonal employees _____

4. What is the gender of the owners (or the majority shareholders) of this firm: (circle)
   1. Male 2. Female 3. Mixed 4. Don't Know

5. How many of your skilled employees are women:
   a. Management _____
   b. Secretarial/clerical _____
   c. professional _____
   d. technical _____
   e. other skilled (specify) _____

6. In which sector does your business operate:
   (circle all categories that apply)
   a. Agricultural, Forestry and Fish Production (go to question 7)
   b. Processing of Agricultural, forestry and fish products (go to question 8)
   c. Services (go to question 9)
   d. Manufacturing (go to question 10)
   e. Commerce (go to question 11)
   f. Mining (go to question 12)

7. In what main agricultural activity(ies) is your business involved:
   (circle all that apply and put an X through the primary activity)
   1. horticulture (fruits and vegetables)
   2. forestry
   3. livestock production - cattle, sheep
   4. livestock production - poultry
   5. fishing
   6. aquaculture
   7. rice
   8. peanuts
   9. cotton
   10. sorghum, millet
   11. maize
   12. other (specify)_____

8. In what main agricultural processing activity are you involved?
   (circle all that apply and put an X through the primary activity)
   1. animal products (meat and dairy)
   2. milling
   3. processed fruit and vegetables
   4. hides and skins
   5. ginning
   6. pulp and other wood products
   7. agricultural inputs (fertilizer, pesticides, seed)
   8. agricultural inputs (equipment)
   9. fish processing
   10. other(specify)_____

9. In what main service activity are you involved?
(circle all that apply and put an X through the primary activity)
1. vehicle repairs and maintenance
2. appliance repairs (television, radio, etc.)
3. transportation
4. communications
5. tourism
6. finance/insurance/accounting
7. construction
8. consulting
9. other (specify)_____

10. In what main manufacturing activity are you involved?
(circle all that apply and put an X through the primary activity)
1. handicrafts
2. clothing
3. finished wood products
4. plastics
5. metal products
6. textiles
7. confectionery/baking
8. brewing and beverage products
9. machinery and equipment
10. leather and footwear
11. assembly (electric)
12. assembly (other)
13. printing
14. chemical
15. pharmaceutical
16. other(specify_____

11. In what main commercial activity are you involved?
(circle all that apply and put an X through the primary activity)
1. wholesale
2. retail
3. direct import
4. export
5. other(specify)_____

12. What percentage (approximately) of your direct sales are to the following markets?
1. domestic market _____%
2. West Africa _____%
3. Maghreb _____%
4. Asia _____%
5. EEC _____%
6. Other Europe _____%
7. Other Africa _____%
8. North America _____%
9. Middle East _____%
10. other(specify) _____%

13. What percentage (approximately) of your raw materials come from
1. domestic market _____%
2. West Africa _____%
3. Maghreb _____%
4. Asia _____%
5. EEC _____%
6. Other Europe _____%
7. Other Africa _____%
8. North America _____%
9. Middle East _____%
10. other(specify) _____%

14. Of your domestic sales, approximately what percentage of your product do you sell to
1. retail customers _____%
2. larger private firms_____%
3. parastatals _____%
4. small firms <10 employ_____%
5. government agencies _____%
6. other(specify)_____ _____%

15. Of the raw materials that you buy locally, approximately what percentage do you buy from

1. parastatals_____% 2. directly from farmers_____%
3. small firms (<10 employees)_____%
4. large private firms_____%
5. other(specify)_____%

16. Is your firm owned by Senegalese? (circle)

1. Yes 2. Partially 3. No 8. DK

(If no or partially, ask for the nationality of the owners)
(specify)_____

17. Approximately what percentage of the total equity is owned by non Senegalese? _____%

Section 2: FACTORS ACCOUNTING FOR BUSINESS PERFORMANCE

18. In comparing conditions today with those of a year ago, do you think that the environment for private sector business in Senegal today is (circle)

a. much better than it was a year ago
b. slightly better than a year ago
c. about the same
d. slightly worse than it was a year ago
e. much worse than it was a year ago
f. D K

19. How have the following factors affected the performance of your business over the last year? (circle one response for each category)

	Positively	No Effect	Negatively	D.K.
a. Interest Rates	1	2	3	8
b. Exchange Rates	1	2	3	8
c. Taxes	1	2	3	8
d. Tax Incentives	1	2	3	8
e. Output Prices	1	2	3	8
f. Govt. Regulations/ Actions	1	2	3	8
g. Loan Security (collatoral) Requirements	1	2	3	8
h. credit availability	1	2	3	8
i. Other (specify) _____	1	2	3	8

20. How has your sales volume changed over the last year? (circle)

1. greatly improved 2. improved 3. no change
4. declined 5. seriously declined 6. D.K.

21. What do you expect to happen to your sales volume over the next year? (circle)

1. greatly improve 2. improve 3. no change
4. decline 5. seriously decline 8. D.K.

22. How have each of the following factors influenced your sales volume during the last year?
(circle one response for each category)

	Positively 1	No Effect 2	Negatively 3	D.K. 8
a. Competition from other Senegalese firms	1	2	3	8
b. competition from parastatals	1	2	3	8
c. competition from foreign firms	1	2	3	8
d. demand for my product	1	2	3	8
e. market infrastructure eg. storage facilities, cold storage)	1	2	3	8
f. road transportation	1	2	3	8
g. air transportation	1	2	3	8
h. rail transportation	1	2	3	8
i. market information	1	2	3	8
j. distance from markets	1	2	3	8

23. Please estimate the percentage of capacity at which your business is currently operating.
a. 90-100% b. 75-89% c. 50-74% d. less than 50%

SECTION III. RESOURCE CONSTRAINTS AND GOVERNMENT POLICIES

24. How do each of the following factors affect your firm's ability to produce or provide its services efficiently?
(circle one response for each category)

	Positively	No Effect 2	Negatively 3	D.K. 8
a. Access to credit	1	2	3	8
b. access to raw materials	1	2	3	8
c. raw material prices	1	2	3	8
d. access to land	1	2	3	8
e. availability of skilled or supervisory labor	1	2	3	8
f. access to electricity	1	2	3	8
g. access to water	1	2	3	8
h. access to transport	1	2	3	8
i. price of electricity	1	2	3	8
j. price of water	1	2	3	8
k. price of transport	1	2	3	8
l. reliability of electricity	1	2	3	8
m. cost of communications (telephone)	1	2	3	8
n. reliability of communications (tel.)	1	2	3	8
o. quality of water	1	2	3	8
p. availability of suitable premises	1	2	3	8
q. security of premises	1	2	3	8
r. access to spare parts	1	2	3	8
s. cost of land	1	2	3	8
t. availability of land	1	2	3	8

u. uncertainty regarding land tenure 1 2 3 8

25. Please provide an estimate of the percentage of your capital (long and short term) which comes from the following sources:

1=none 2=1-20% 3=21-50% 4=>50%

a.	Local Commercial Banks	1	2	3	4	8
b.	Development Banks	1	2	3	4	8
c.	"informal" financial institutions	1	2	3	4	8
d.	Foreign sources	1	2	3	4	8
e.	remittances from abroad	1	2	3	4	8
f.	cooperative societies	1	2	3	4	8
g.	family/friends (locally)	1	2	3	4	8
h.	supplier's credit	1	2	3	4	8
i.	"cotisation"	1	2	3	4	8
j.	credit unions	1	2	3	4	8
k.	other (specify)_____	1	2	3	4	8

26. I am going to read you a general list of factors that may or may not act as a constraint or obstacle to running a successful business in Senegal. I would like you to tell me for each one on the list, in relation to your business and those operating businesses like yours, if each one is

1. very important, 2. important, 3. of little importance (has only a minor impact) or, 4. of no importance as a constraint or obstacle.

a.	lack of skilled labor	1	2	3	4	8
b.	access to credit	1	2	3	4	8
c.	negative attitudes of government functionaries toward the private sector	1	2	3	4	8
d.	lack of motivation of functionaries	1	2	3	4	8
e.	lack of knowledge of the private sector by functionaries	1	2	3	4	8
f.	arbitrariness in the imposition of customs duties and tariffs	1	2	3	4	8
g.	delays in clearing customs	1	2	3	4	8
h.	"control economique"	1	2	3	4	8
i.	T.V.A. too high	1	2	3	4	8
j.	T.V.A. is misapplied	1	2	3	4	8
k.	lack of consultation by the govt. with the private sector before changing or introducing policies	1	2	3	4	8
l.	lack of availability of systematic reliable information on the state of the economy	1	2	3	4	8
m.	minimum wages for labor are too high	1	2	3	4	8
n.	low productivity of Senegalese labor	1	2	3	4	8
o.	lack of flexibility in the "code de travail"	1	2	3	4	8
p.	demands by unions	1	2	3	4	8
q.	procedures for settling labor disputes	1	2	3	4	8
r.	high cost of maritime transport	1	2	3	4	8

s.	general high cost of labor	1	2	3	4	8
t.	lack of protection for local products	1	2	3	4	8
u.	measures associated with NPI are not properly implemented	1	2	3	4	8
v.	lack of recognition of the role of the entrepreneur in society	1	2	3	4	8
w.	inconsistency in the implementation of NPI	1	2	3	4	8
x.	"informal" fees and taxes paid to functionaries	1	2	3	4	8
y.	uncertainty in the business environment	1	2	3	4	8
z.	rapid and unpredictable changes in regulations affecting business	1	2	3	4	8
aa.	lack of coordination between Ministries involved in implementing policies affecting the private sector	1	2	3	4	8
bb.	special treatment given to "important" individuals	1	2	3	4	8
cc.	costs of paying overtime wages to customs agents	1	2	3	4	8
dd.	lack of incentives in the investment code	1	2	3	4	8
ee.	lack of dynamism in the Chamber of Commerce	1	2	3	4	8
ff.	lack of coordination between the NPI and the NPA	1	2	3	4	8
gg.	high collateral required for loans	1	2	3	4	8
hh.	lack of well trained management personnel for the private sector	1	2	3	4	8
ii.	graduates have no practical training or experience	1	2	3	4	8
jj.	graduates have the "esprit fonctionnaire"	1	2	3	4	8
ll.	credit ceilings	1	2	3	4	8
mm.	excessive paperwork in applying for loans	1	2	3	4	8
nn.	lack of reliable information on the international market for my product	1	2	3	4	8
oo.	the functioning of the "Guichet Unique"	1	2	3	4	8
pp.	access to spare parts	1	2	3	4	8
qq.	high cost of new technology	1	2	3	4	8
rr.	lack of local technical expertise	1	2	3	4	8
ss.	accessability of data from research institutions	1	2	3	4	8
tt.	too many Ministries are involved in the implementation policies affecting the private sector	1	2	3	4	8

27. Which sources do you use to get information on the market for your product? (circle all of those named by the individual)
   1. Ministry of Commerce
   2. "Guichet Unique"
   3. Foreign Partners
   4. Chamber of Commerce
   5. Le Patronat
   6. Trade Journals or newspapers
   7. other (specify)_____
   8. other (specify)_____

SECTION 4: OPPORTUNITIES

28. If you had the resources (money, time), in which of the following areas would you be interested in investing to improve your current business operations?
(circle one response for each category)
1=very interested, 2= interested, 3=not interested

a.	Personnel training and development	1	2	3	8
b.	improved production technology	1	2	3	8
c.	physical capital (plant improvement)	1	2	3	8
d.	improving my own management capability	1	2	3	8
e.	marketing	1	2	3	8
f.	procurement	1	2	3	8
g.	quality control	1	2	3	8
h.	other (specify)	1	2	3	8

29. In which of these areas are you planning or likely to make an investment in the near future. (circle one response for each category)
1=yes, 2=no

a.	Personnel training and development	1	2	8
b.	improved production technology	1	2	8
c.	physical capital (plant improvement)	1	2	8
d.	improving my own management capability	1	2	8
e.	marketing	1	2	8
f.	procurement	1	2	8
g.	quality control	1	2	8
h.	other (specify)	1	2	8

30. For each of the following areas estimate whether you think that the return on investment in the future would be
(circle one response for each category)
1=excellent, 2=fair, 3=poor 8=DK

a.	unprocessed agricultural production for local market	1	2	3	8
b.	unprocessed agricultural production for export market	1	2	3	8
c.	agro-processing for the domestic market	1	2	3	8
d.	agroprocessing for export	1	2	3	8
e.	manufacturing for the domestic market	1	2	3	8
f.	manufacturing for export	1	2	3	8
g.	construction	1	2	3	8
h.	Tourism	1	2	3	8

i.	commerce and trade	1	2	3	8
j.	banking	1	2	3	8
k.	other (specify)	1	2	3	8

31. Which agricultural products do you think offer the best return on investment? (circle and put an x through the one best)
1. peanuts 2. fruits and vegetables 3. livestock
4. aguaculture 5. cotton 6. maize 7. sugar 8. rice
9. cowpeas 10. other(specify) _____
11. other (specify)_____

32. If you are involved in exporting or planning to export in the future, which export market do you believe would be most profitable? (circle)
1. EEC 2. West Africa 3. Maghreb 4. other Africa
5. Middle East 6. Asia 7. U.S.A. 8. Latin America
9. other(specify)_____

SECTION 5: ASSOCIATIONS

33. Are you or is your firm affiliated with any type of business or trade association? (circle)
1 yes 2 no
If yes go to question 33A

33A. If yes, which ones? (CIRCLE) and rate their effectiveness in representing your interests
1=very effective, 2=moderately effective, 3=not effective

1.	Chamber of Commerce	1	2	3	8
2.	Patronat	1	2	3	8
3.	CNES	1	2	3	8
4.	SPIDS	1	2	3	8
5.	SCIMPEX	1	2	3	8
6.	SPEBTPS	1	2	3	8
7.	GAIPES	1	2	3	8
8.	SETTAS	1	2	3	8
9.	SPIHS	1	2	3	8
10.	APB	1	2	3	8
11.	SYNDICAT DES MINES	1	2	3	8
12.	SPIS	1	2	3	8
13.	SAMCOS	1	2	3	8
14.	SEMPOS	1	2	3	8
15.	other (specify)_____	1	2	3	8
16.	other (specify)_____	1	2	3	8

34. How important is it for a business/trade association you would like to be a member of to provide each of the following services to its members?

1=very important 2=of some importance 3= unimportant

1.	access to credit	1	2	3	8
2.	technical assistance	1	2	3	8
3.	personnel training programs	1	2	3	8
4.	increased contact and dialogue with the government	1	2	3	8
5.	provide market information	1	2	3	8
6.	conduct feasibility studies	1	2	3	8
7.	provide information on government regulation	1	2	3	8
8.	other (specify)_____	1	2	3	8

THANK YOU FOR YOUR ASSISTANCE