

STUDY OF PRIVATE PERCEPTIONS OF CORRUPTION

*Strengthening Transparency
and Governance in Mongolia
Program*

December 2013



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I. INTRODUCTION

The Study of Private Perceptions of Corruption (STOPP) is an integral part of the USAID-funded Strengthening Transparency and Governance in Mongolia (STAGE) program implemented by The Asia Foundation. Since December 2012, the STOPP survey has captured data on the experiences of the business community to find out how corruption debilitates the business environment. Complemented by another survey under STAGE called the Survey on Perceptions and Knowledge of Corruption (SPEAK), the STOPP survey on one hand helps to understand the extent of corruption in the Mongolian business community, and on the other hand points out the vulnerabilities to corruption in government-business transactions. The biannual STOPP survey thus calls for a much broader focus to promote good governance in Mongolia.

The Sant Maral Foundation (SMF) implemented this third round of the STOPP survey in October 2013 in partnership with The Asia Foundation. The data from this survey are compared with the first and second rounds, which were conducted in December 2012 and May 2013 respectively. All persons contacted were from national Mongolian businesses (not international). The respondents were largely from the mining, construction and service sectors, and less so from the manufacturing and trade sectors.

It seems some of the positive trends observed in the last survey no longer exist. The number of businesses that spent substantial time and resources to overcome bureaucratic red tape had come down drastically in the last survey. But it seems that many more businesses are spending time and resources to overcome red tape now. That said, signs of more positive developments are also emerging. For example, companies are very hopeful that business conditions will improve in the next six months.

Similarly, government agencies that were seen as creating obstacles for businesses in the last survey have managed to improve their image among respondents. One issue of concern to businesses is the perceived growth of public sector corruption. Importantly, this year's survey has introduced a detailed gender analysis of the business sector and corruption scenarios. This should point to the areas needing immediate attention to create a more gender-friendly business environment in Mongolia.

II. SURVEY METHODOLOGY

The samples for the STOPP survey were selected randomly in Ulaanbaatar city. SMF modeled the sampling on random household selection methods used frequently in Mongolia. In the first STOPP survey, implemented in December 2012, 330 companies were randomly selected. In each of the next rounds of the survey, May 2013 and October 2013, another 330 companies were selected, again randomly, with a small overlap. When analyzed, all samples were seen to have strong similarities on a structural level. This makes it likely that they are representative samples of Mongolian business entities in Ulaanbaatar. The questionnaire was self-administered. It was delivered to the chief executive officers of the selected companies.

The majority of companies were from the Ulaanbaatar districts of Bayangol, Bayanzurkh, Chingeltei, Khan-Uul, Sukhbaatar and Songinokhairkhan.

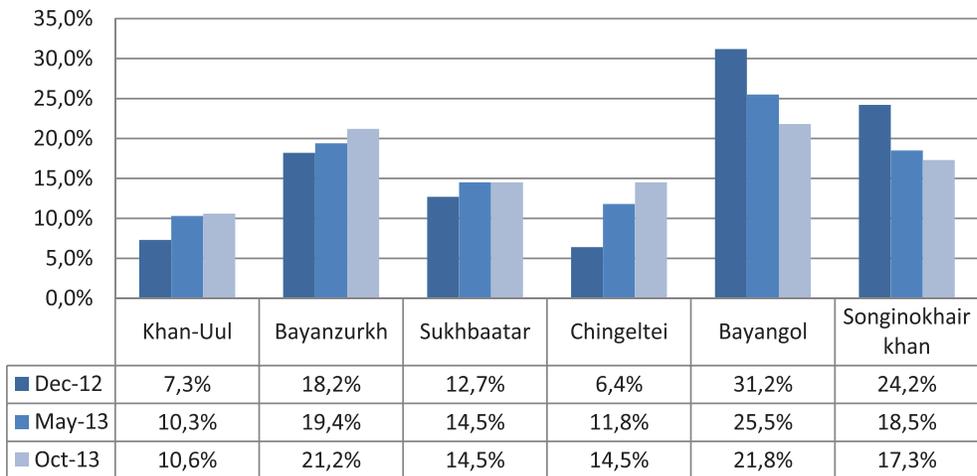
III. KEY FINDINGS

- The number of respondents who consider existing laws and regulations to be “not at all effective” decreased from 26.4 percent to 18.8 percent. The number who see the steps taken by the Mongolian government to eradicate overall corruption as “somewhat effective” increased slightly, from 13.3 percent to 16.7 percent.
- More businesses spent time and resources to overcome non-productive obstacles than they did in the May 2013 survey. The positive trend that was observed between December 2012 and May 2013 did not continue.
- Only 1.2 percent of respondents are very satisfied with the general business environment in Mongolia, while the number of respondents who are very dissatisfied increased from 18.5 percent in May to 23.9 percent in October. Additionally, respondents who believe investment conditions have worsened increased by 11.8 percentage points.
- Among the surveyed respondents, 73 percent said they “always” or “often” encounter corruption in public sector tender and contracting, an increase of 3.9 percentage points since May 2013.
- “Know the laws and rules of government” remains the second most important strategy to counter corruption, cited by 33.5 percent of respondents. A majority of respondents (60 percent) still believe that “using honest business practices at all times” is the most effective strategy.
- Only 21.2 percent of companies now say that they “always” or “often” encounter corruption, a reduction of 3.3 percent since May 2013.
- The number of businesses with a written policy on dealing with corruption has been steadily increasing, from 9.7 percent in December 2012 to 14.2 percent in May 2013 and 19.4 percent in October 2013.
- The number of companies that have taken steps to combat fraud or corruption has decreased to 12.4 percent, while the number of those who have not taken action has increased to 74.5 percent.
- Female majority companies reported twice as many cases of corruption as male majority companies (12.6 percent vs. 6.2 percent).

1. Type and nature of businesses

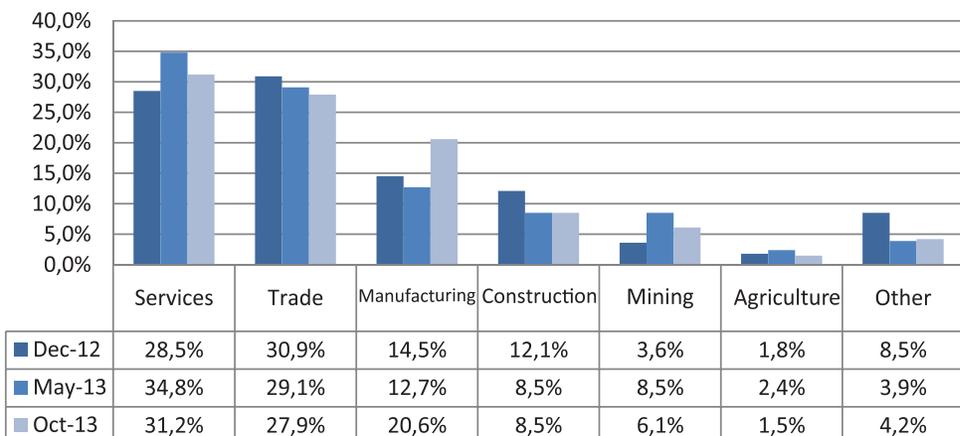
In the sample selection, attempts were made as in the previous surveys to keep a balanced proportion of small, medium, and large companies. Some companies in the latest sample do overlap with the earlier surveys, which could not be avoided given the small size of the Mongolian business sector. Nevertheless, the number of overlapping companies does not exceed 3 percent of the total sample.

Figure 1.1: Distribution of companies across various geographic areas



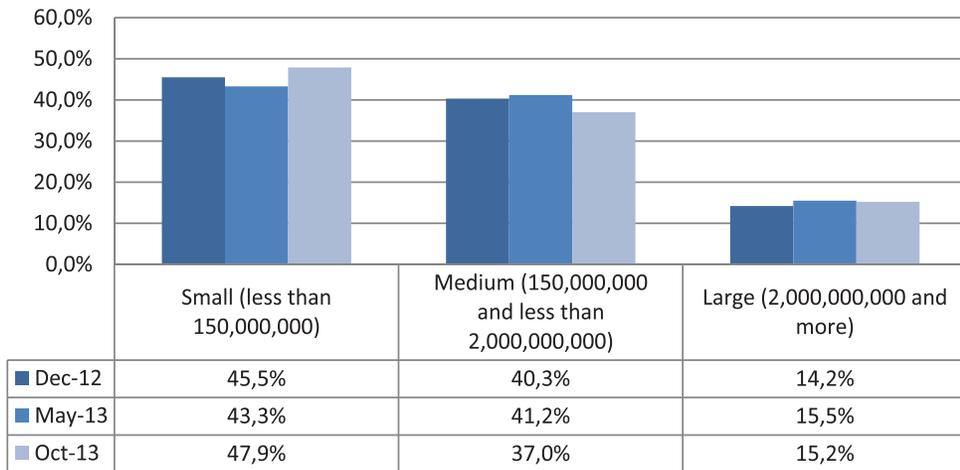
Among the companies selected for the survey, 59.1 percent were from the service and trade sectors. While a majority of companies considered in previous surveys were from these sectors, representation of the manufacturing sector grew significantly in this round, up from 12.7 percent in May 2013 to 20.6 percent in October 2013.

Figure 1.2: Profile of various companies selected for the study



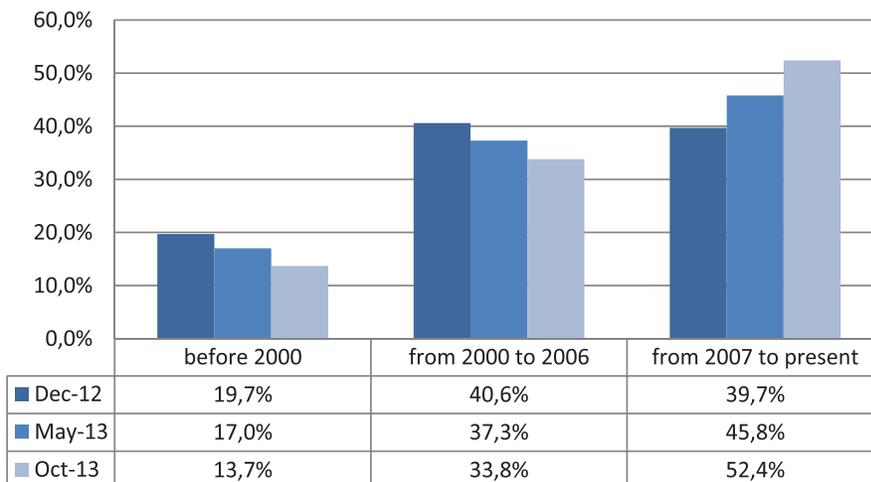
Distribution by size of business has remained consistent over the three surveys. Large businesses (with transactions of more than MNT 2 billion) made up 15.2 percent of the latest survey, while small or medium businesses made up a majority 84.9 percent.

Figure 1.3: Distribution of sample companies by size



There has been a consistent decline in the participation of companies that were established before 2007. While 60.3 percent of these companies participated in December 2012, that number has rapidly dropped to 47.5 percent. Conversely, the rate of participation by newly established companies has increased, rising from 39.7 percent in December 2012 to a majority 52.4 percent in October 2013.

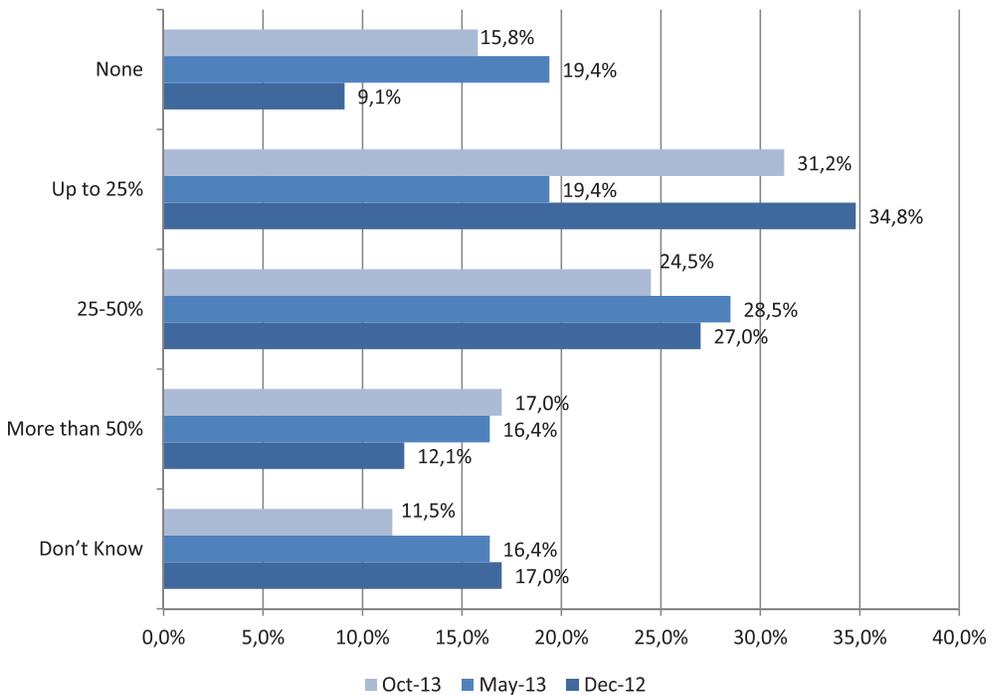
Figure 1.4: Distribution of companies by date of establishment



2. Cost of dealing with non-productive obstacles

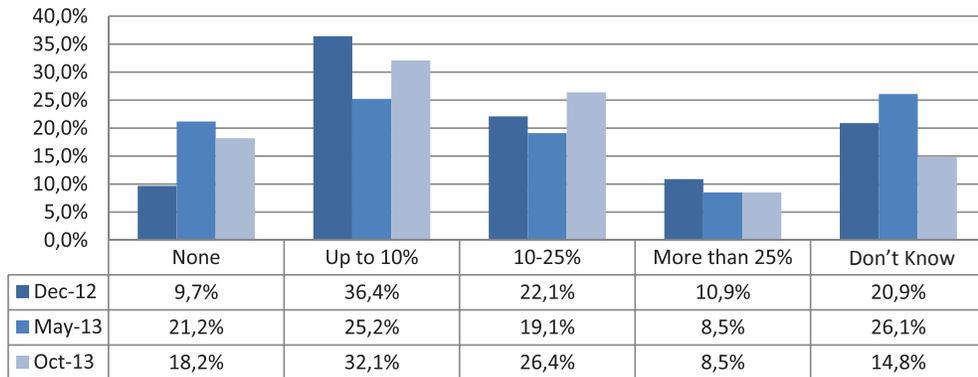
The positive trend observed in the previous survey concerning the amount of time companies spend to overcome non-productive obstacles (renewing permits, waiting for an official response for licenses, etc.) has disappeared. The May 2013 survey showed an increase of 10.3 percent in the number of companies reporting that they spent no time dealing with such obstacles. In the latest survey this number dropped 3.6 percentage points, from 19.4 percent to 15.8 percent. This decline was accompanied by a significant increase in the amount of time spent dealing with non-productive obstacles. The number of companies that spend up to 25 percent of their time on non-productive obstacles increased from 19.4 percent in May 2013 to 31.2 percent in October.

Figure 2.1: The amount of time company management had to spend dealing with non-productive obstacles



The same pattern is observed in the resources spent to overcome these obstacles. While the number of companies that did not waste resources on overcoming non-productive obstacles increased from 9.7 percent in December 2012 to 21.2 percent in May 2013, just 18.2 percent of companies reported that they did not waste resources to overcome such obstacles in October 2013.

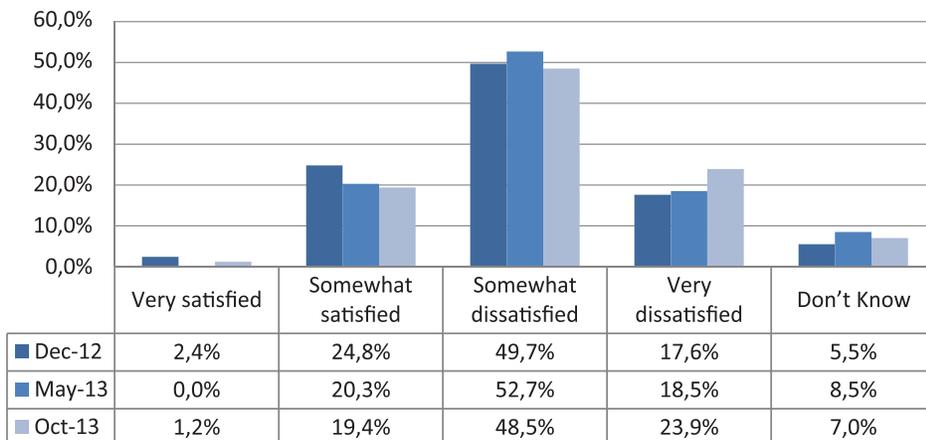
Figure 2.2: Resources that management had to waste dealing with non-productive obstacles



3. Business environment and business operations

In addition to the slightly negative trend noticed in dealing with non-productive obstacles, the general business environment in Mongolia has also been perceived as deteriorating. The number of respondents who are very dissatisfied with the general business environment in Mongolia has increased from 18.5 percent in May to 23.9 percent in October.

Figure 3.1: Level of satisfaction with the general business environment in Mongolia



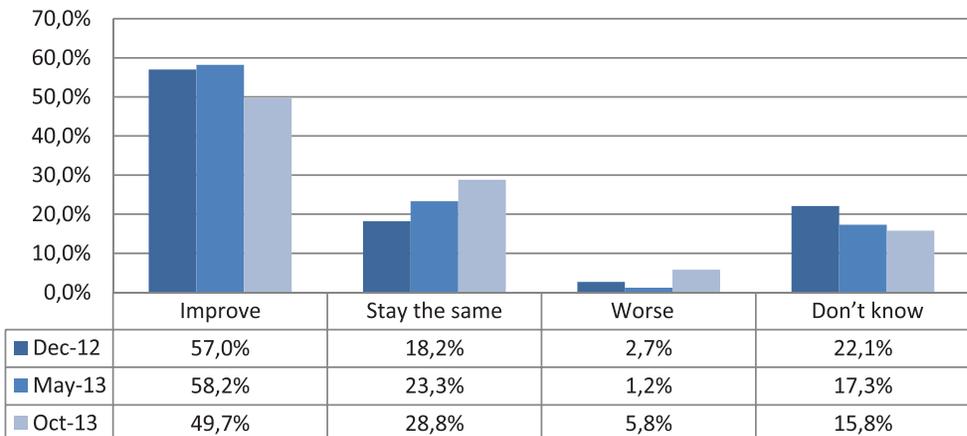
This negative trend is also observed in perceptions of investment. Since December 2012, many companies have been reporting deteriorating investment conditions. While 42.4 percent of respondents reported that investment conditions had improved in December 2012, only 30.3 percent believed that was the case in October 2013. Furthermore, 23.3 percent in October 2013 reported that conditions have deteriorated, significantly higher than the 11.8 percent in December 2012 (Fig 3.2).

However, the data still shows signs of optimism among businesses. Almost half of the responding companies (49.7 percent) believe that investment conditions will improve within the next 6 months, against a paltry 5.8 percent who believe that conditions will deteriorate.

Figure 3.2: How have investment conditions changed for business in the last six months?

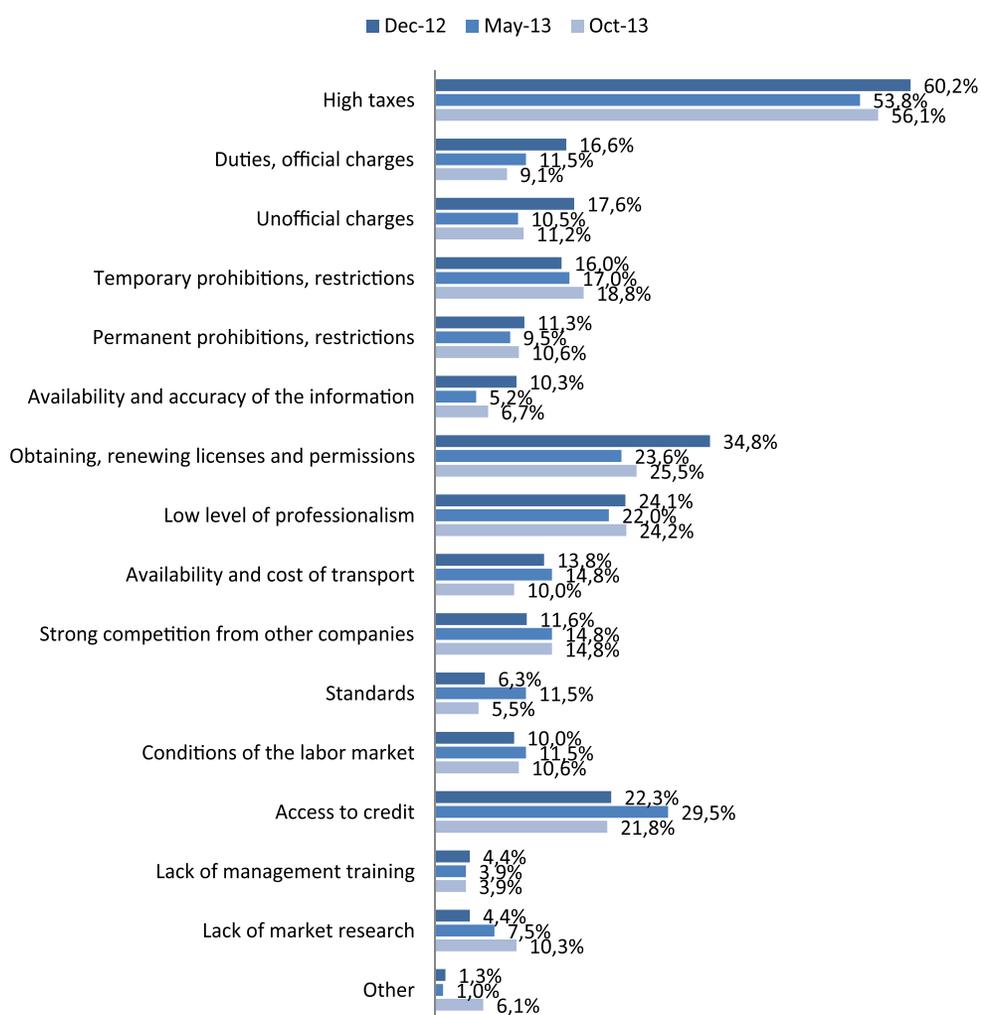


Figure 3.3: How investment conditions are expected to change in the next 6 months



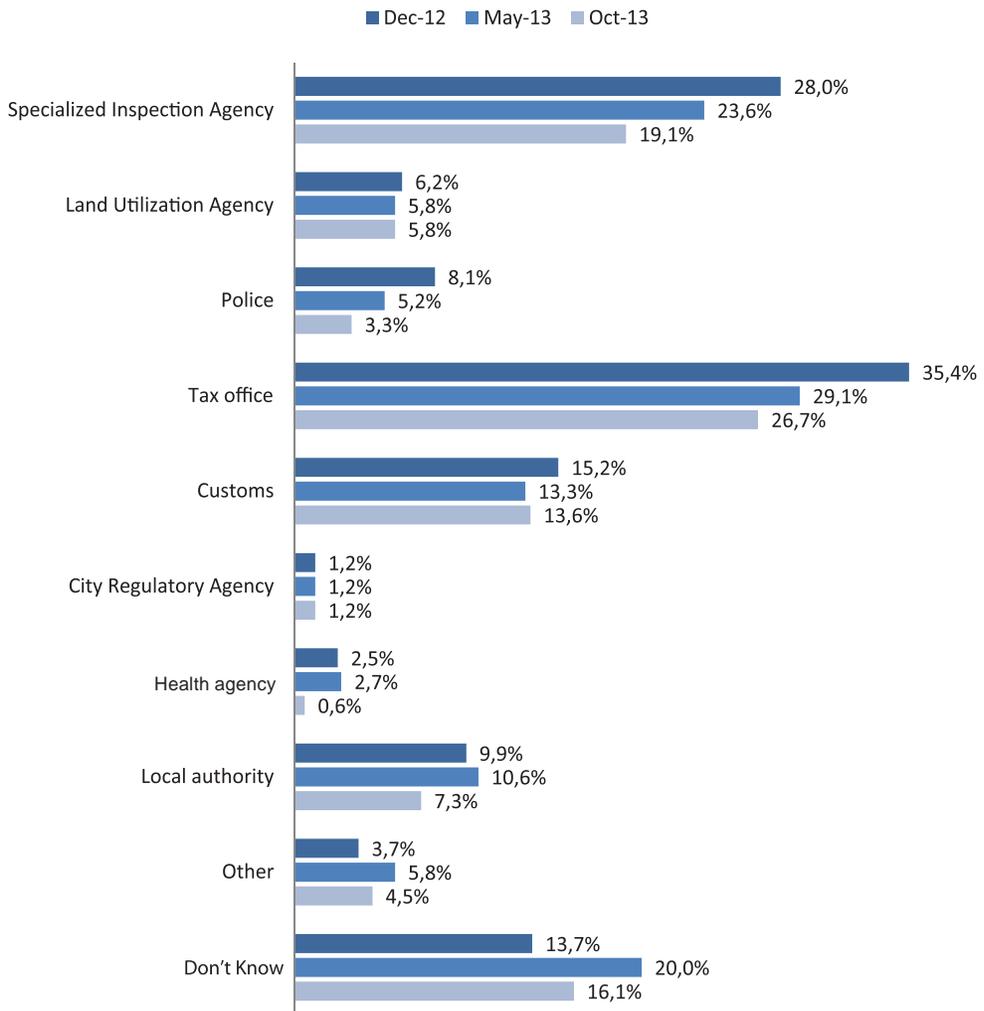
“High taxes” continue to be the main obstacle to improving investment, with 56 percent of respondents citing this as a problem. With the new government tax plans, which are widely discussed in the media, this figure is expected to increase substantially. “Access to credit” continues to be seen as less of an obstacle to investment, cited by just 21.8 percent in October 2013, down from 29.5 percent in May 2013 (Fig 3.4). “Unofficial charges,” which can be directly interpreted as corruption, shows a minimal increase of 0.7 percent in the latest survey. Compared with November 2012, however, there has been a drop of 6.4 percent.

Figure 3.4: Main obstacles that businesses face



Almost all agencies that were perceived to be creating obstacles for businesses have improved their performance since December 2012 (Fig 3.5). Negative perceptions of the tax office are down from 35.4 percent in December to 26.7 percent in October. Similarly, decreases in negative perceptions are noted with the Specialized Inspection Agency (28 to 19.1 percent), police (8.1 to 3.3 percent) and local authorities (9.9 to 7.3 percent) during the same period.

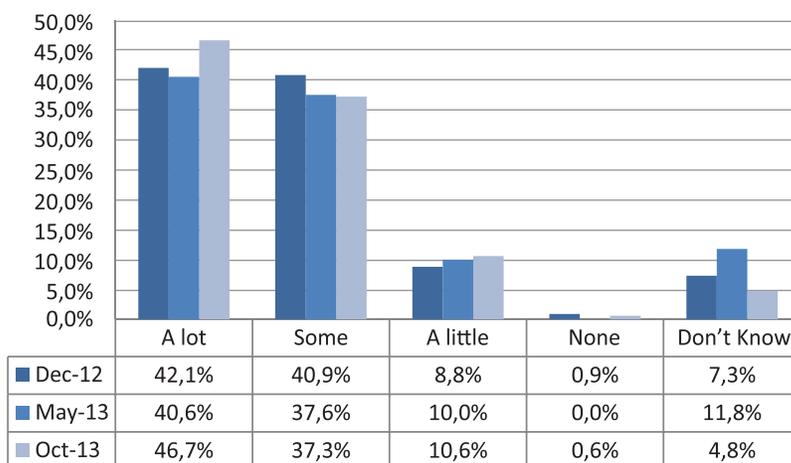
Figure 3.5 Government agencies that create obstacles



4. Corruption in the public sector

Despite the general perception that the state of corruption has improved over the past few years, 84 percent of respondents still believe there is either “a lot” or “some” corruption in the public sector. Only 11.2 percent believe that there is only “a little” or “no” corruption.

Figure 4.1: Extent of corruption in the public sector



Personal knowledge of corruption has increased since the previous survey in May 2013. The number of respondents who observed corrupt practices in their sector “in the last month” rose from 15.8 to 20 percent. Those who observed corrupt practices “in the last 2-3 months” jumped from 9.4 to 19.1 percent (Fig 4.2). In addition, 73 percent of respondents reported that they “always” or “often” encounter corruption, as opposed to the 11.8 percent who “rarely” or “never” do (Fig 4.3).

Overall, the responses in this survey are showing substantial growth of corruption in the public sector when compared to the results of spring 2013. Whether or not this growth is simply temporary should become clearer in 2014 surveys.

Figure 4.2: Personal knowledge of corrupt transactions between government and companies

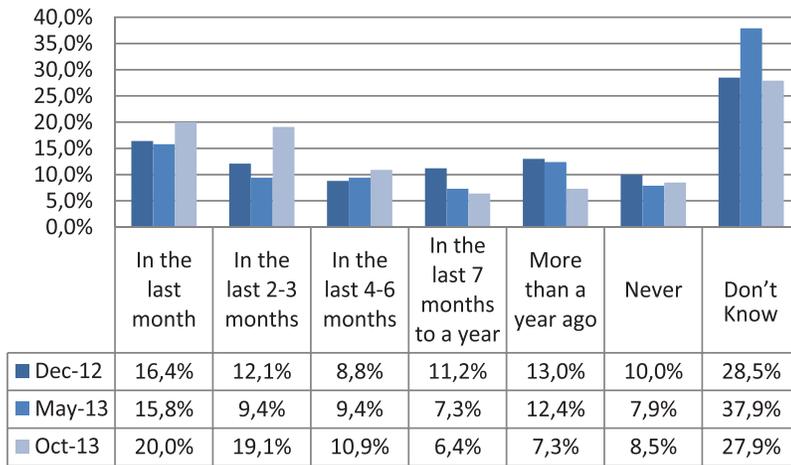
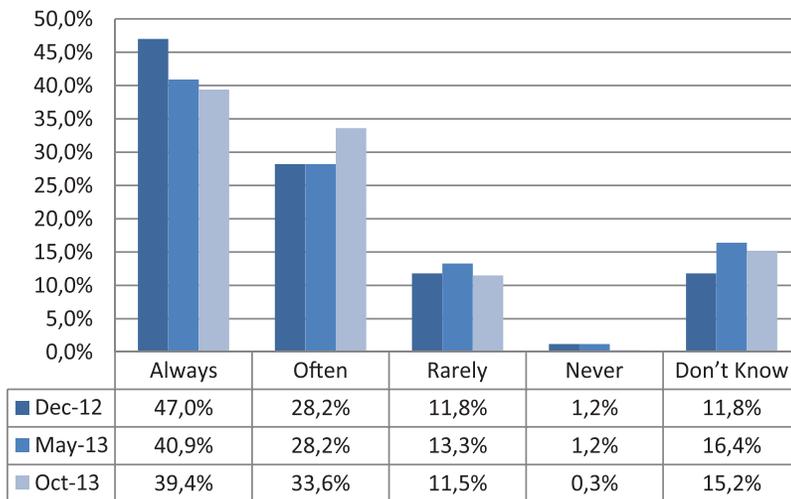


Figure 4.3 Frequency with which companies encounter corruption in public sector tenders and contracting



Fifty percent of companies have reported that corruption in the public sector is affecting their businesses directly, which is 7 percent higher than the responses from May (Fig 4.4). However, the intensity of effects seems to be steadily weakening. The number of those who said that it affects them "a lot" has decreased from 35.2 percent in December 2012 to 21.8 percent in October (Fig 4.5).

Figure 4.4: Whether public sector corruption is affecting business directly

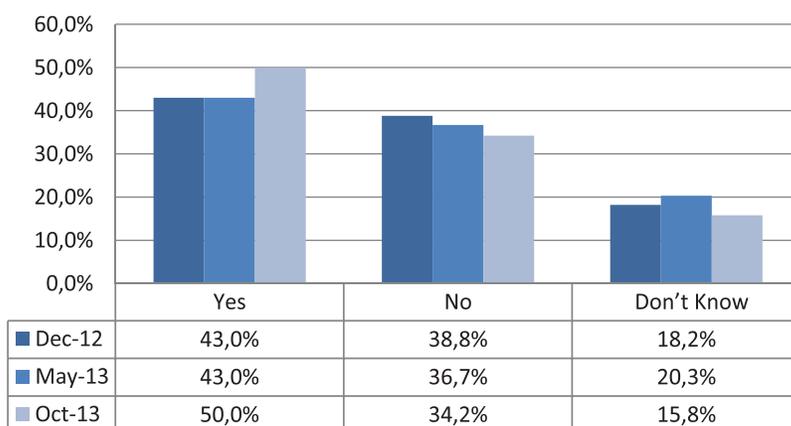
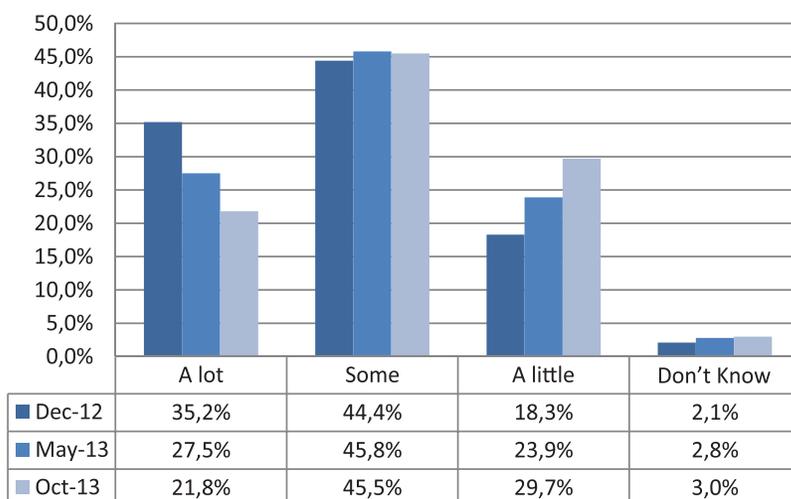


Figure 4.5: How much public sector corruption affects business



Public knowledge of government efforts to fight corruption remains rather poor (Fig 4.6). At the same time, however, the number of those considering existing laws and regulations as “not at all effective” has decreased from 26.4 percent to 18.8 percent (Fig 4.7). Additionally, the number of respondents who see the steps taken by government to eradicate overall corruption as “somewhat effective” slightly increased from 13.3 percent to 16.7 percent (Fig 4.9).

Figure 4.6: Knowledge of current government efforts to fight corruption

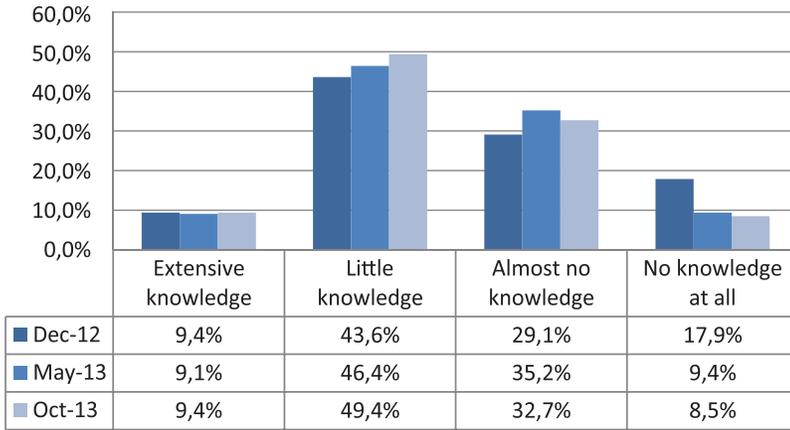
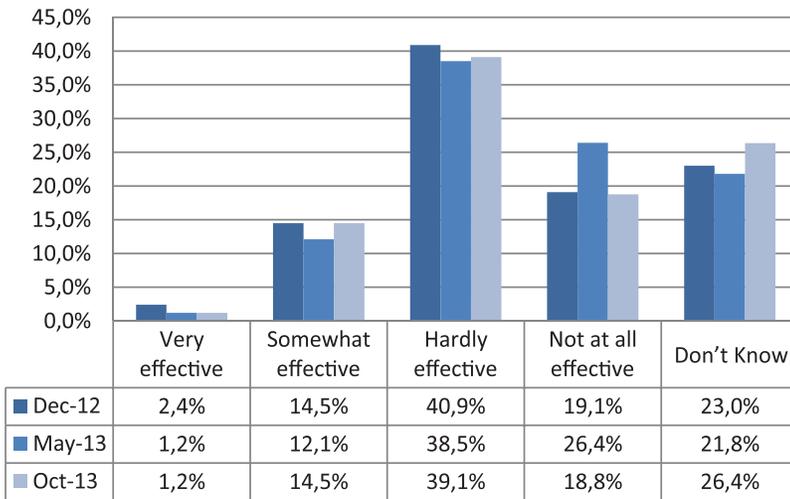


Figure 4.7: Extent to which existing laws are effective to make businesses transparent and corruption-free



Despite these slight gains, respondents' overall perceptions of government efforts are not improving. The percentage of those who said there is less corruption in the private sector decreased by 3.1, while the percentage of those who believe there is more corruption increased by 4.2 (Fig 4.8). Additionally, a majority of respondents continue to negatively view the government's role in eradicating corruption. About 63.9 percent of the surveyed respondents believe that the steps taken by the government are "hardly effective" or "not at all effective" (Fig 4.9).

Figure 4.8: Effect of Government's anti-corruption measures on their sector of business compared to 6 months ago

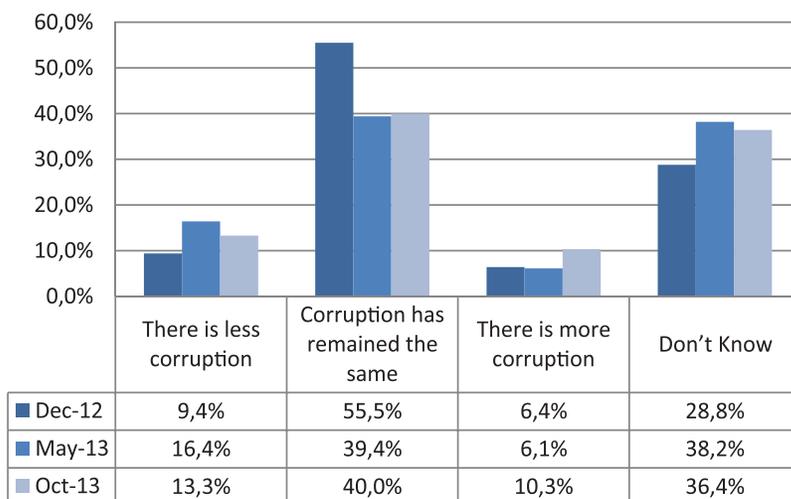
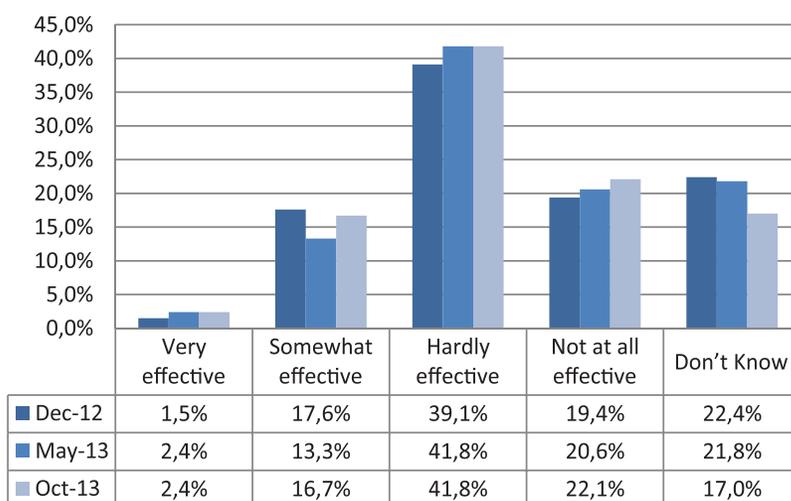
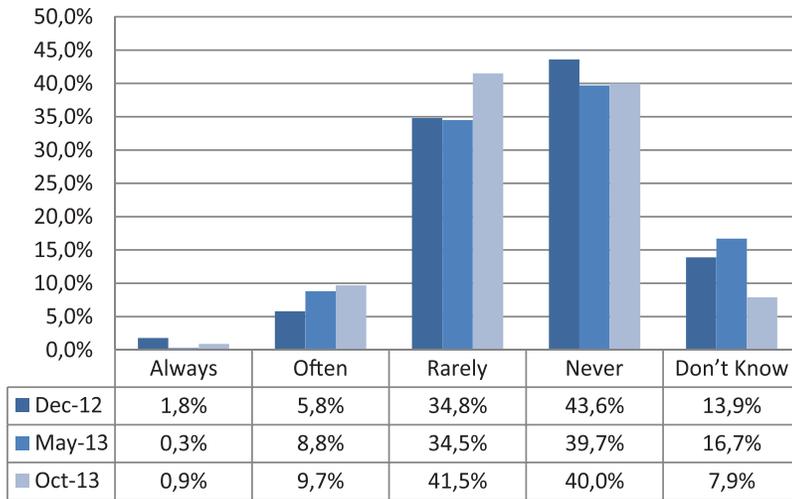


Figure 4.9: Effectiveness of the steps taken by the government to eradicate overall corruption



No major changes were observed in how respondents view government action against officials. About 40 percent believe that government never punishes officials, while only 10.6 percent believe that it "always" or "often" punishes them. There was a slight increase in those who believe that government "rarely" punishes officials, rising from 34.5 percent in the spring to 41.5 percent now.

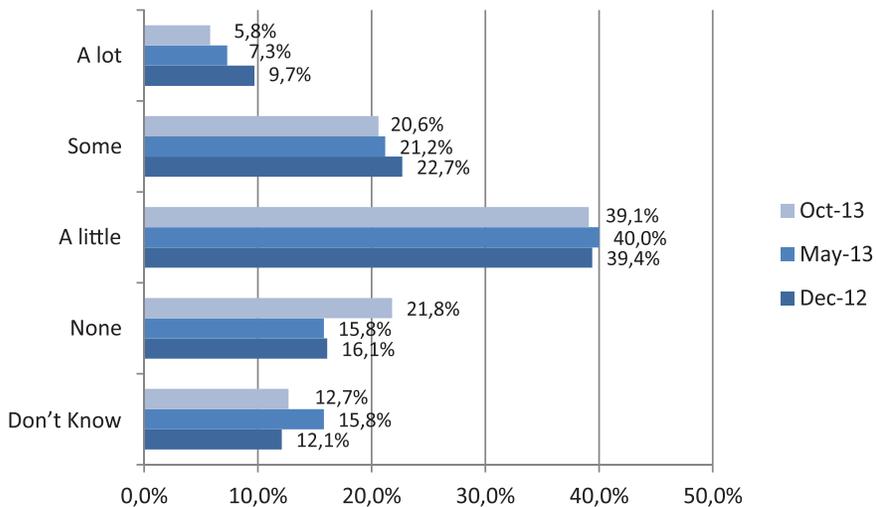
Figure 4.10: Frequency with which the government punishes corrupt officials



5. Corruption in the private sector¹

The perception of corruption in the private sector exhibits a slight improvement compared to the public sector. The number of respondents who believe there is “a lot” of corruption in the private sector has fallen from 9.7 percent in December 2012 to 5.8 percent in October.

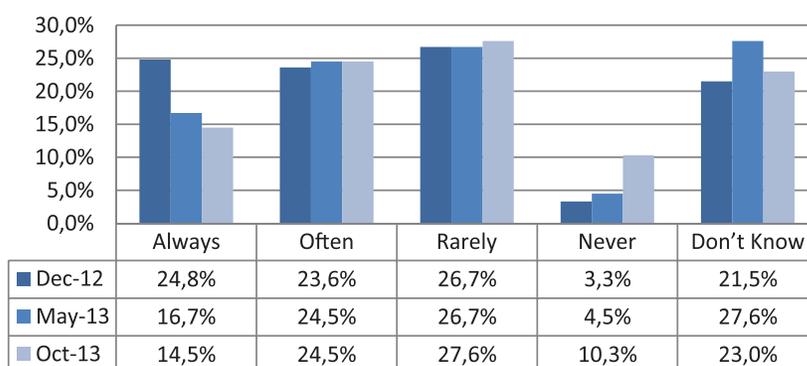
Figure 5.1: Extent of corruption in the private sector



¹ As anti-corruption law and law enforcement agencies are becoming more active, data collection is becoming a worry. Respondents are not as willing to report corruption as they were in earlier surveys, for fear of legal reprisals.

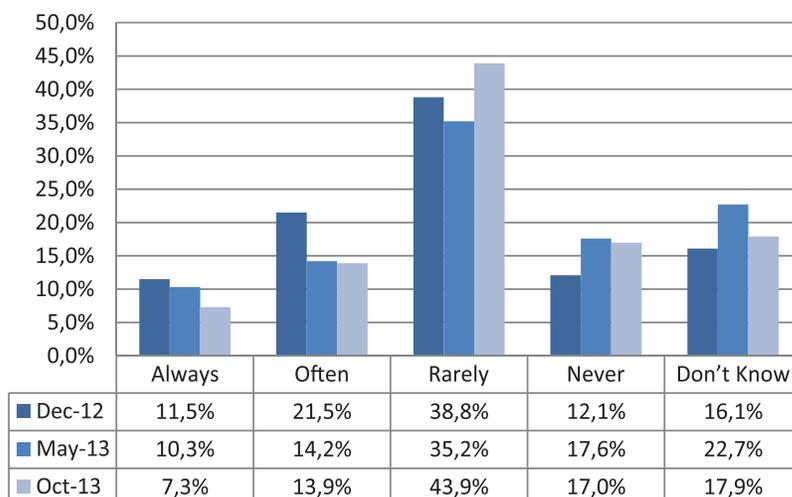
The same level of improvement is observed when respondents were asked how often companies encounter corruption in private sector tenders and contracting. While 24.8 percent of respondents answered “always” in December 2012, that number fell to just 14.5 percent in October 2013. The number of respondents reporting that they never encounter corruption in private sector tenders and contracts increased from 4.5 percent in May 2013 to 10.3 percent in October 2013.

Figure 5.2: Frequency with which corruption is encountered in private sector tenders and contracting



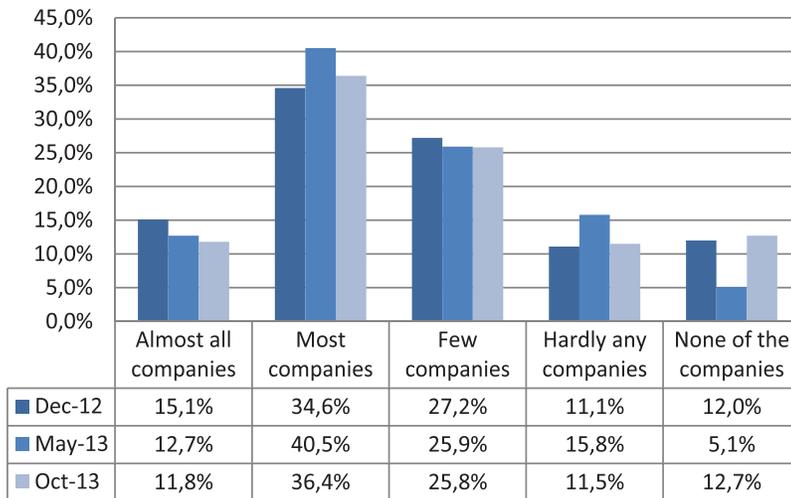
Only 21.2 percent of companies now say they “always” or “often” encounter corruption in the course of work, illustrating another improvement from previous surveys (24.5 percent of respondents were saying so in May 2013).

Figure 5.3: Frequency with which companies encounter corruption in their sector of business



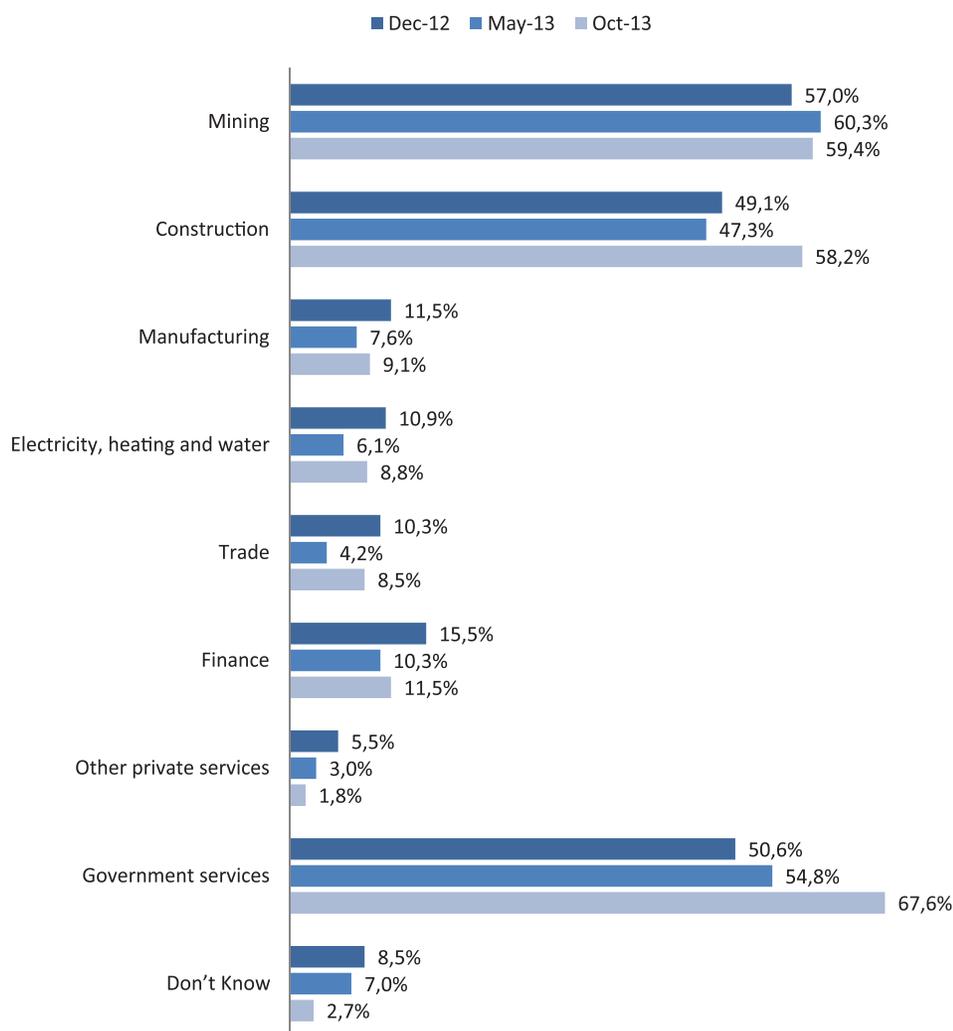
In contrast to the previous improvements, an opposite trend is observed when respondents were asked if they believe companies are paying the right amount of taxes to the government. Over half of respondents (53.2 percent) believed in May 2013 that “almost all” or “most” companies were paying the right amount of taxes. That number declined to 48.2 percent in October.

Figure 5.4 Number of companies that pay the right amount of tax.



Among public sector agencies, “government services” surged as a sector most vulnerable to corruption. In May 2013, 54.8 percent believed this was the most vulnerable sector, whereas in October it occupies the topmost position with 67.6 percent of respondents believing so. Construction also rose in the rankings, from 47.3 percent in May to 58.2 percent in October, and ranks third in the table. In contrast to these two sectors, mining stagnated at about 59.4 percent and is no longer seen as the sector most vulnerable to corruption.

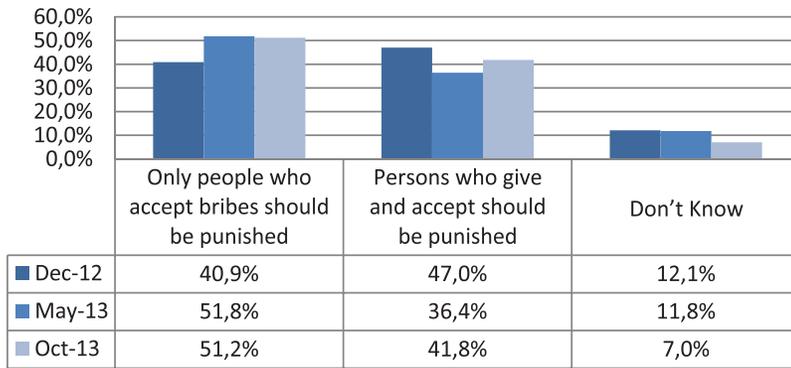
Figure 5.5: Sectors most vulnerable to corruption:



6. Attitudes towards corruption

Overall not many changes are observed in the attitude of businesses towards corruption from the last survey in May. More than half of the respondents (51.2 percent) still believe that anti-corruption laws should only focus on people who accept bribes. The number of respondents who believe that people who accept and/or give bribes should be punished did show a slight increase, from 36.4 percent in May to 41.8 percent in October. It should be noted though that this increase most likely happened at the expense of those who had no opinion in May 2013.

Figure 6.1: Who should be punished for a bribe?



Similar to the results from December 2012 and May 2013, approximately half (48.8 percent) of the companies surveyed think their profits will increase if corruption decreases (Fig 6.2). Nevertheless, the number of companies that took steps to combat fraud or corruption dropped to 12.4 percent (Fig 6.3). The number of companies that took no such steps increased to 74.5 percent, and the number of companies that reported cases of corruption declined. While 8.8 percent of companies say that they have reported cases of corruption, the number of companies who have not increased to 83.6 percent (Fig 6.4).

Figure 6.2: If the extent of corruption in government decreased, how would their company's net income change?

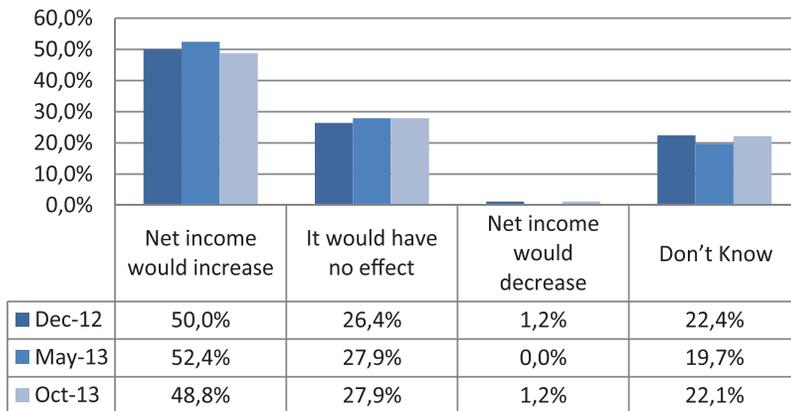


Figure 6.3: Has your company taken steps to combat fraud or corruption?

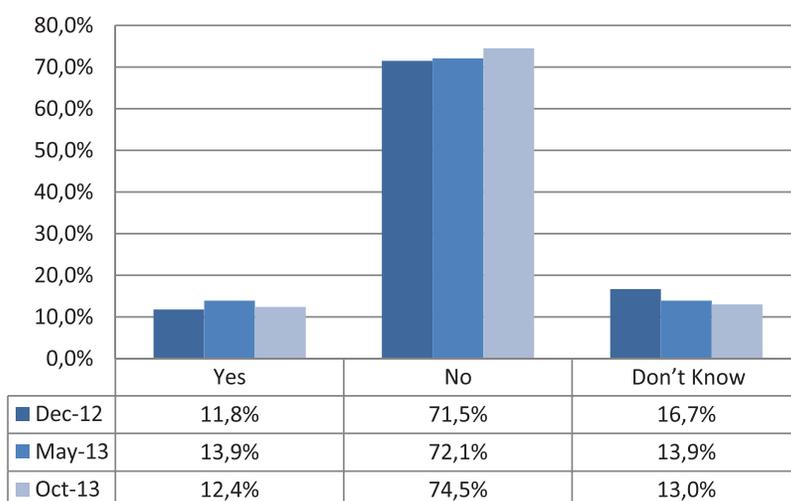
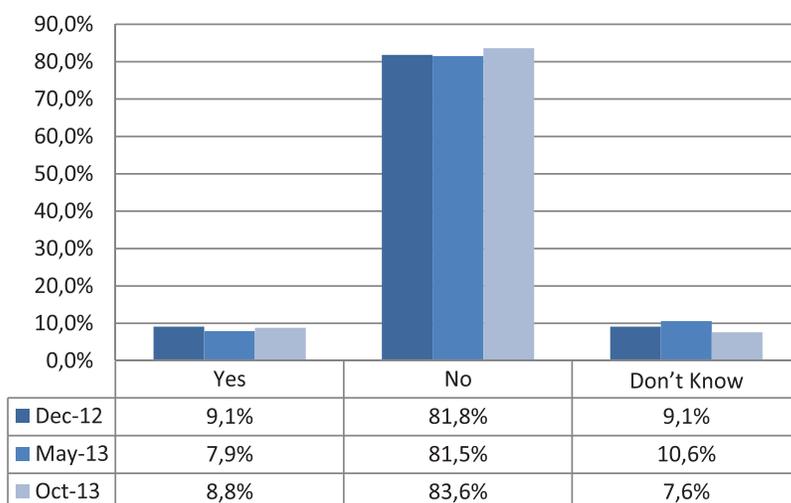
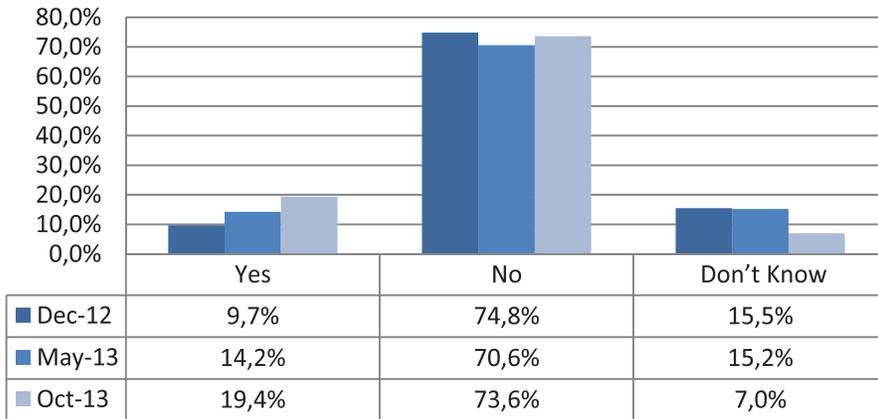


Figure 6.4: Did you ever report a case of corruption?



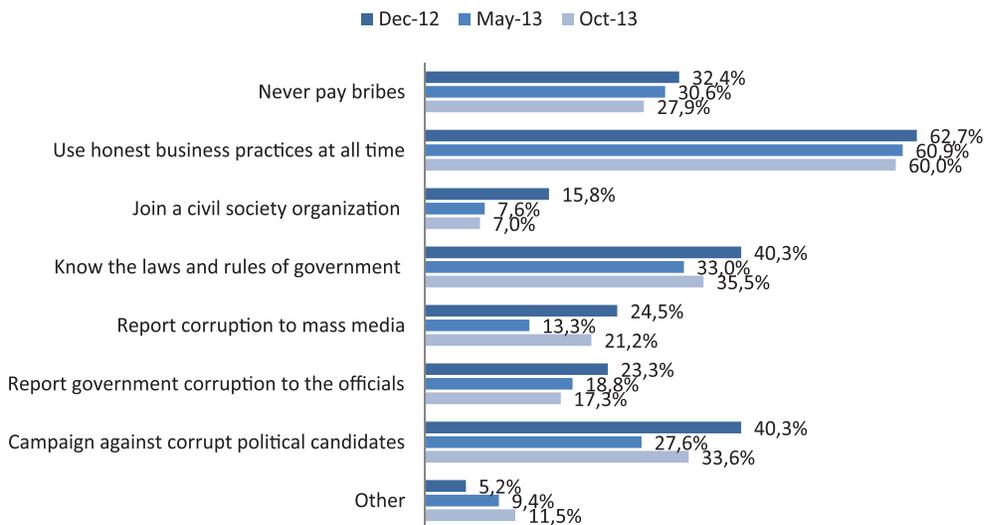
Despite the above results, a positive trend is observed regarding business policy dealing with corruption. The number of businesses that have a written policy on dealing with corruption has been steadily increasing, from 9.7 percent in December 2012 to 14.2 percent in May 2013 and 19.4 percent in October 2013.

Figure 6.5: Does your company have any written policy or rule about dealing with corruption within your organization?



Among the three best ways to combat corruption, “using honest business practices” remains at the top of the table with 60 percent of respondents supporting this practice. Conversely, “never pay bribes” and “report government corruption to the officials” have been experiencing consistent declines. “Never pay bribes” has fallen from 32.4 percent in December 2012 to 27.9 percent in October 2013. Reporting to the officials declined to 17.3 percent in October, and respondents once again believe it is more effective to report to mass media (21.2 percent). “Campaigning against corrupt officials” also experienced a slight surge and now finds support from 33.6 percent of respondents. This improvement from May 2013 may be linked to consecutive elections in 2012 and 2013.

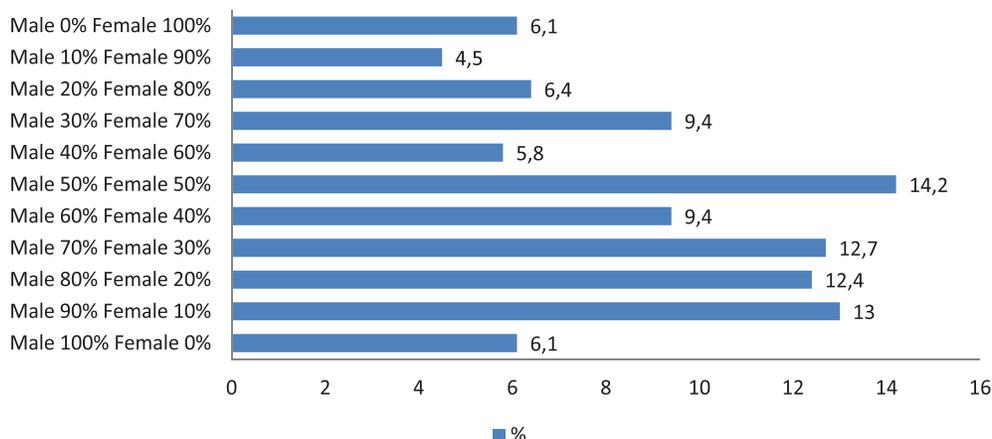
Figure 6.6: Best three ways to reduce corruption



7. Gender issues

A significant imbalance can be observed in employment tabulations in October 2013. Overall, only 14.2 percent of companies reported balanced gender distribution in their staff. The proportion of companies with majority female staff is 32.2 percent against 53.6 percent of companies with majority male staff (Fig 7.1).

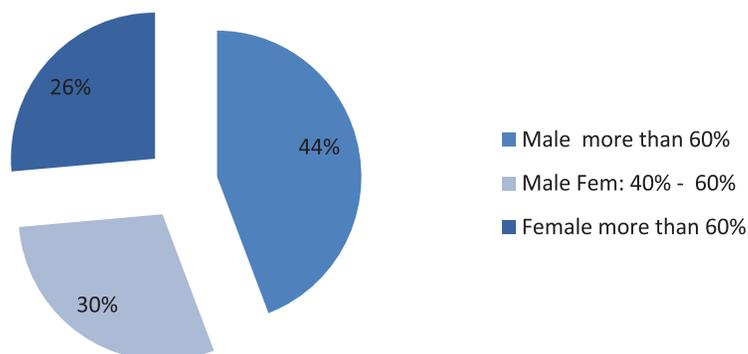
Fig 7.1 Gender proportion of employees (% of companies)



In Figure 7.2, the data are presented by dividing the sample into the following three groups:

- Business with more than 60% male employees.
- Business with male/female ratio between 60/40 and 40/60 (balanced group)
- Businesses with more than 60% female employees

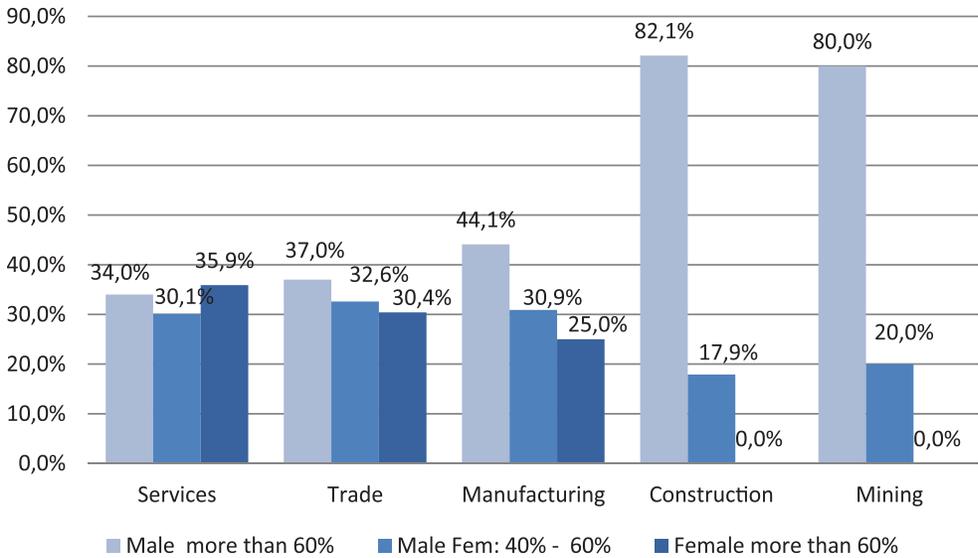
Figure 7.2: Companies grouped by gender proportion



The worst gender balance was observed in the construction sector (Figure 7.3). Although conditions in construction may make it more difficult to employ women,

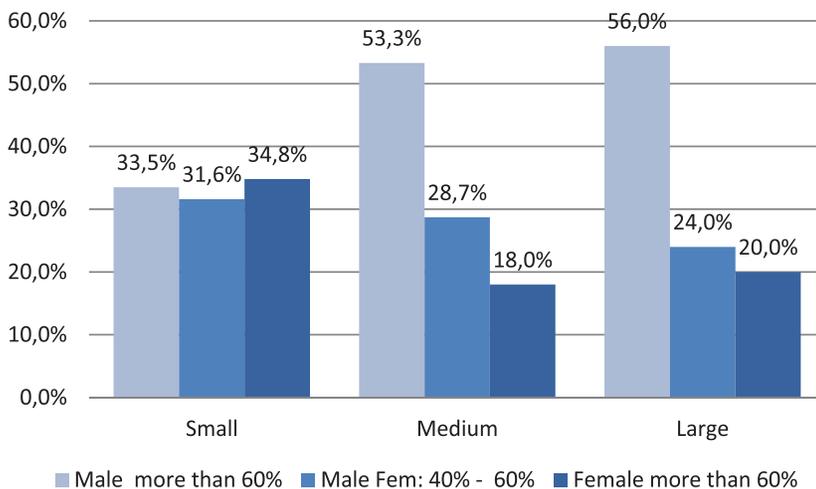
the imbalance is not properly compensated by alternative sectors such as trade or services.

Figure 7.3: Gender distribution by sector



The gender distribution by company size shows a negative correlation between size and female employment (Fig 7.4). It can be deduced that a female job seeker has a better chance in small, family-oriented businesses than in larger companies.

Figure 7.4: Gender distribution by company size



It can also be seen that majority female companies are outside of the business mainstream. For example, companies with a higher proportion of females participate less in public tenders (Fig 7.5). Introduction of the Government Independent Procurement Agency has been met with much less enthusiasm by this group than by majority male companies, as shown by their lower interest in tender participation (Fig 7.6).

Figure 7.5: Do you bid on government tenders?

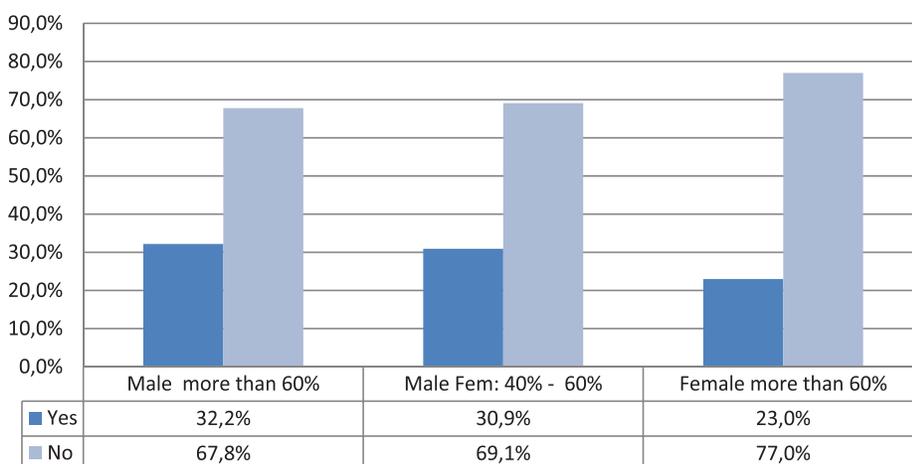
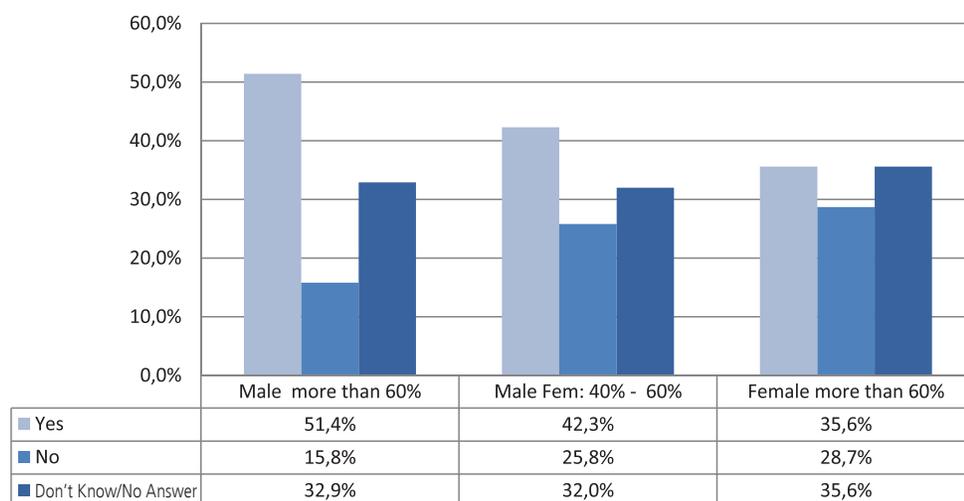


Figure 7.6: Will you bid now that the Government Independent Procurement Agency is in charge of government procurement?



Majority female companies are more likely to support legislation that punishes both the giver and receiver of bribes (Fig 7.7). Male majority companies more strongly support punishing only those who receive bribes. On the other hand, majority female companies reported twice as many cases of corruption as male majority companies (12.6 against 6.2 percent, Fig 7.10) and were a bit more active in taking steps to combat fraud and corruption (11.5 against 9.6 percent, Fig 7.9).

Figure 7.7: Who should be punished for a bribe?

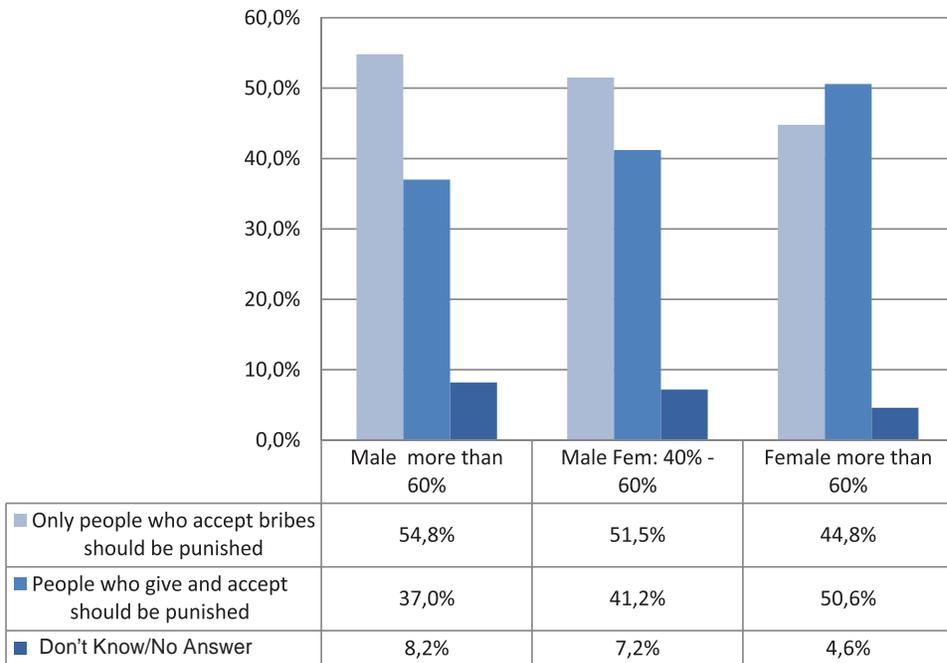


Figure 7.8: If the extent of corruption in government were to decrease, how would their company's net income change?

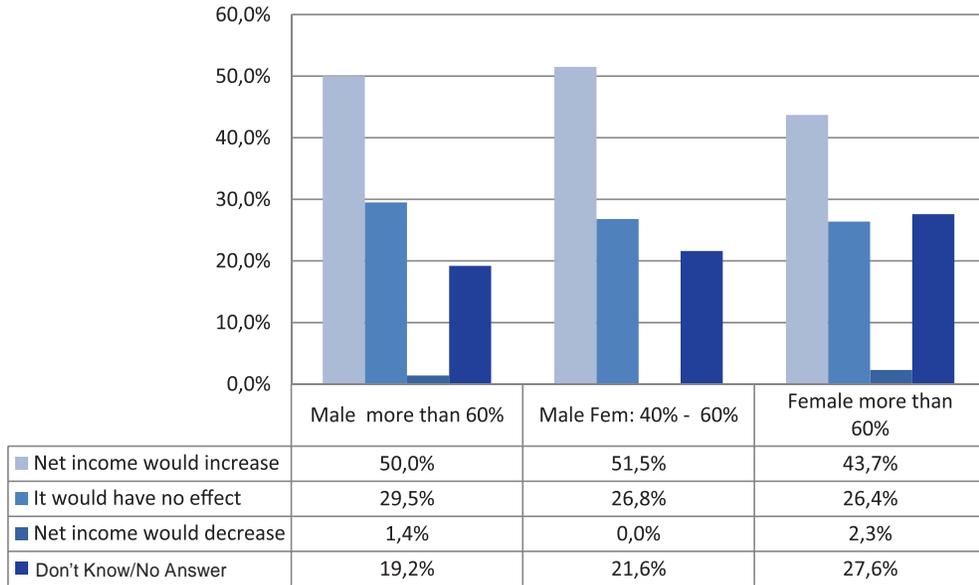


Figure 7.9: Has your company taken any steps to combat fraud or corruption?

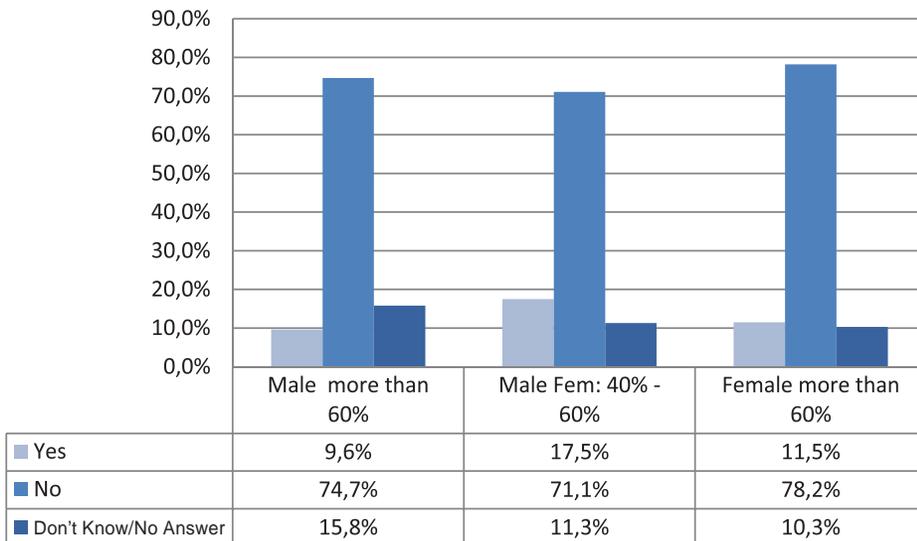
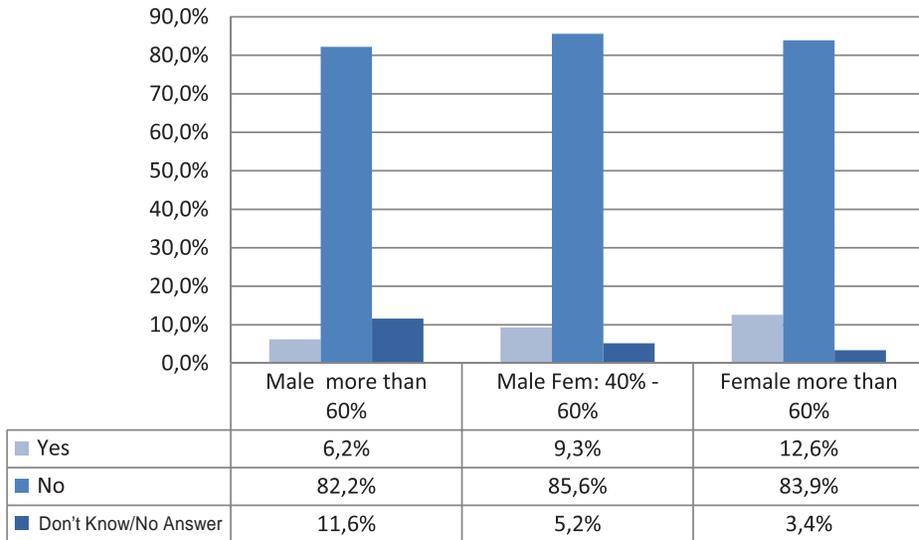


Figure 7.10: Did you ever report a case of corruption?



STUDY OF PRIVATE PERCEPTIONS OF CORRUPTION

Survey instrument

*Strengthening Transparency
and Governance in Mongolia
Program*

STUDY OF PRIVATE PERCEPTIONS OF CORRUPTION (STOPP): PRIVATE SECTOR

O1. Company Number: _____

O2. Address of Company (only district): District: _____

A. Company Information

- 1. Date of the creation _____

- 2. Main company profile

1. Services

2. Trade

3. Manufacturing

4. Construction

5. Mining

6. Agriculture

7. Other (Pl.specify) _____

- 3. Number of employees _____

- 4. Annual turnover _____

-

B. Losses

5. In your opinion, how much of time does the company management spend on dealing with non-productive obstacles like renewing or obtaining permits, licenses waiting for official responses etc.?	None	1.
	Up to 25%	2.
	25-50%	3.
	More than 50%	4.
	DK	5.
6. How much of the company resources are wasted overcoming non-productive obstacles?	None	1.
	Up to 10%	2.
	10-25%	3.
	More than 25%	4.
	DK	5.

C. Business conditions

7. How satisfied or dissatisfied are you with the general business environment in Mongolia?	Very satisfied	1.
	Somewhat satisfied	2.
	Somewhat dissatisfied	3.
	Very dissatisfied	4.
	DK/CS	5.
8. During the last 6 months have investment conditions for company operations improved, worsened or stayed the same?	Improved	1.
	Stay the same	2.
	Worsened	3.
	DK/CS	4.
9. In the next 6 months, do you expect that investment conditions will ...?	Improve	1.
	Stay the same	2.
	Worsen	3.
	DK/CS	4.

- 10. What are the main investment climate obstacles (mark most important 3)?

- | | |
|-----|--|
| 1. | Higher taxes |
| 2. | Duties, official charges |
| 3. | Unofficial charges |
| 4. | Temporary prohibitions, restrictions |
| 5. | Permanent prohibitions, restrictions |
| 6. | Availability and accuracy of the information |
| 7. | Obtaining, renewing licenses and permissions |
| 8. | Low level of professionalism |
| 9. | Availability and cost of transport |
| 10. | Strong competition from other companies |
| 11. | Standards |
| 12. | Conditions of the labor market |
| 13. | Access to credit |
| 14. | Lack of management training |
| 15. | Lack of market research |
| 16. | Other (Please specify) _____ |
| 98. | No obstacles |
| 99. | DK/CS |

- | | | |
|---|---------------------------------------|-----|
| 11. Which of the following agencies is creating the most of obstacles in your sector of business? | Specialized Inspection agency | 1. |
| | Land utilization agency | 2. |
| | Police | 3. |
| | Tax office | 4. |
| | Customs | 5. |
| | City regulatory agency (hot tohijilt) | 6. |
| | Hygienic agency | 7. |
| | Local authority (sum, horoo) | 8. |
| | Other (Please specify) | 9. |
| | DK/CS | 10. |

D. Public Sector Corruption

12. In your opinion, how much corruption do you think there is in the public sector?	A lot	1.
	Some	2.
	A little	3.
	None	4.
	DK/CS	5.
13. When was the last time you had personal knowledge of a corruption transaction with government by a company in your sector of business?	In the last month	1.
	In the last 2-3 months	2.
	In the last 4-6 months	3.
	In the last 7 months to a year	4.
	More than a year ago	5.
	Never	6.
	DK/CS	7.
14. In your opinion, how often do companies encounter corruption in public sector tenders and contracting?	Always	1.
	Often	2.
	Rarely	3.
	Never	4.
	DK/CS	5.
15. Is public sector corruption affecting your business directly?	Yes	1.
	No(SKIP TO Q.17)	2.
	DK/CS	3.
16. If yes, how much would you say public sector corruption is affecting your business operations?	A lot	1.
	Some	2.
	Little	3.
	None	4.
	DK/CS	5.

17.	How much do you know about the current efforts of the government to fight corruption?	Extensive knowledge	1.
		Little knowledge	2.
		Almost no knowledge	3.
		No knowledge at all	4.
18.	In your opinion, how effective are the existing laws to make the business environment transparent and non-corrupt?	Very effective	1.
		Somewhat effective	2.
		Hardly effective	3.
		Not at all effective	4.
		DK/CS	5.
19.	In your opinion, what effect has the Government anti-corruption measures had, specifically in your sector of business, compared to the situation 6 months ago?	There is less corruption	1.
		Corruption has remained the same	2.
		There is more corruption	3.
		DK/CS	4.
20.	In your opinion, how effective are the steps being taken by the Government to eradicate overall corruption in Mongolia?	Very effective	1.
		Somewhat effective	2.
		Hardly effective	3.
		Not at all effective	4.
		DK/CS	5.
21.	In your opinion, how often does the government punish corrupt government officials?	Always	1.
		Often	2.
		Rarely	3.
		Never	4.
		DK/CS	5.

E. Private Sector Corruption

22. How much corruption do you think there is in the private sector?	A lot	1.
	Some	2.
	A Little	3.
	None	4.
	DK/CS	5.
23. In your opinion, how often do companies encounter corruption in private sector tenders and contracting?	Always	1.
	Often	2.
	Rarely	3.
	Never	4.
	DK/CS	5.
24. In your sector of business, how often do companies encounter corruption in the course of work?	Always	1.
	Often	2.
	Rarely	3.
	Never	4.
	DK/CS	5.
25. In your sector of business, how many companies do you think pay the right amount of tax to the Government?	Almost all companies	1.
	Most companies	2.
	Few companies	3.
	Hardly any companies	4.
	None of the companies	5.

-

- 26. Which of the following sectors do you think is most vulnerable to corruption? (Three responses allowed)

-

1	Mining	6	Finance
2	Construction	7	Other private services
3	Manufacturing	8	Government services
4	Electricity, Gas and Water	9	DK/CS
5	Trade		

F. Fighting Corruption and Impact on Businesses

27. Some people argue that if the Mongolian corruption law is changed to prosecute only those who are receiving bribes it will improve the governance situation. Others think that both givers and receivers should be punished. What is your opinion?	Only people who accept bribes should be punished	1.
	Persons who give and accept should be punished	2.
	DK	3.
28. If the extent of corruption in Government were to be reduced, do you think that it would result in increasing or decreasing the net income of your company or it would not affect your company income at all?	Net income would increase	1.
	Net income would decrease	2.
	It would have no effect	3.
	DK/CS	4.
29. Has your company taken any steps to combat fraud or corruption?	Yes	1.
	No	2.
	DK	3.
30. Did you ever report a case of corruption?	Yes	1.
	No	2.
	DK/CS	3.
31. Does your company have any written policy or rule about dealing with corruption within your organization?	Yes	1.
	No.	2.
	DK/CS	3.

-

- 32. Among the following, which do you think are the three best ways for private businesses to help reduce corruption in the country? (Three responses allowed)

-

1.	Never pay bribes
2.	Use honest business practices at all times
3.	Join a civil society organization whose mission is to fight corruption
4.	Know the laws and rules of Government transactions
5.	Report corruption to mass media
6.	Report government corruption to the office of the ombudsman
7.	Campaign against corrupt political candidates
8.	Other (Please specify) _____
9.	DK/CS

NOTE

