

WHAT IS BUREAUCRACY INDEX?

Bureaucracy Index is a simple and transparent instrument that allows to quantitatively measure a negative impact of bureaucracy on enterprise activity during one year by calculation of time and money, wasted in order to complete all of the bureaucratic procedures.

In 2018 think tank EasyBusiness initiated the launch of the Index in order to reduce a bureaucratic burden for small business in Ukraine.

BUREAUCRACY INDEX UKRAINE RESULTS



63

Redundant
bureaucratic
duties



469

Wasted man-
hours



€1,171

Lost profits

METHODOLOGY

The duty is bureaucratic if:



It is established by
the law



It is not necessary for
functioning of the firm

Bureaucracy Index is based on a «modeling company», which:



Produces metal
products



Employs 4 people



Is a VAT payer

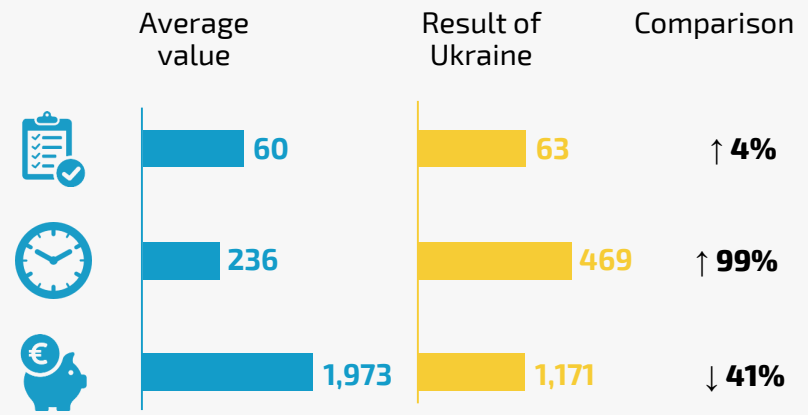


Has its own vehicle



Has €100 000 of annual turnover

COMPARISON WITH OTHER COUNTRIES



EXAMPLES OF BUREAUCRATIC DUTIES



Fuel consumption and inventory report



Capital investment, retirement and amortization of assets report



Documents confirming the provision of employees with **uniform, soap, milk, soda water**

OPPORTUNITY COSTS OF BUREAUCRACY



Hiring a sales representative or sales manager for business development



Investments in the improvement of business-processes, that will allow to save even more money



Development of the company's website to attract new costumers via online sales channels