

## **EASE OF DOING BUSINESS: A COMPARATIVE STUDY OF INDIA WITH BRICS AND SAARC COUNTRIES**

**DEEPAK KUMAR ADHANA\***

**DR. NEELAM GULATI\*\***

---

### **ABSTRACT:**

*India moved up by 23 places from 100 to 77 to enter the top 100 rankings on the 'ease of doing business' index by World Bank, owing to significant improvements in 6 major indicators. "India's leap of 23 ranks in the ease of doing business ranking is significant considering that last year India has improved its ranking by 30 places, a rare feat for any large country of the size of India." The absolute score, also known as the Ease of Doing Business Score, of India has improved to 67.23 this year from 60.76 last year. "The significant jump this year is a result of the Indian government's consistent efforts over the past few years and India's endeavor to strengthen its position as a preferred place to do business."*

*According to the data collected by World Bank, New Zealand is the easiest place in the world to do business, followed by Singapore, Denmark, Hong Kong and South Korea. The US and the UK are ranked 8th and 9th on the list. Last year World Bank had ranked India at 100. The results also show that India jumped 50 spots in just two years and has emerged as one of the top reformers. The report has also recognized India and Djibouti as the only economies to make the list of 10 top improvers for the second consecutive year*

---

\* **Research Scholar, Institute of Mgt. Studies & Research, M.D. University, Rohtak (INDIA)**

\*\* **Professor, DAV Institute of Management, Faridabad Haryana (INDIA)**

*The present paper highlights the current scenario of ease of doing business in India. It also makes a comparison of India with BRICS and SAARC countries in ease of doing business standings. The study exhibits the Indicator wise highlights of India's performance. The paper, in the end also indicates the reforms that have improved India's standing in EODB.*

**KEY WORDS:** *Distance to Frontier, Ease of Doing Business, World Bank*

## **I. INTRODUCTION:**

### **EASE OF DOING BUSINESS INDEX:**

The “ease of doing business” index is an index which has been introduced by the World Bank Group. A high ranking (a low numerical value) indicates that there are easier and, generally simpler, regulations for businesses and stronger protections of property rights. Empirical research, conducted or funded by the World Bank, conclude that there is a strong impact of improvement in these regulations on economic growth.

### **Definition:**

Ease of doing business is an index published by the World Bank. It refers to an aggregate numerical value that includes various parameters which determine the level of the ease of doing business in any country.

### **What is the ease of doing business score?**

This year the name of the Doing Business distance to frontier score has been changed to “ease of doing business score” to better reflect the main idea of the measure—a score indicating an economy’s position to the best regulatory practice. Nevertheless, the process for calculating the score remains the same. The score combines measures with different units such as time to start a company or procedures to transfer a property.

### **Methodology:**

The ranking of a country on the index is based on the average of 10 sub indices:

<b>Indicator Set</b>	<b>What is Measured</b>
<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited

	liability company for men and women
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures time and cost to get connected to the electrical grid, the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system for men and women
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and incorporate governance
<b>Paying taxes</b>	Payments, time and total tax and contribution rate for a firm to comply with all tax regulations as well as post filing processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes for men and women
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Labor market regulation</b>	Flexibility in employment regulation and aspects of job quality

## II. OBJECTIVES AND METHODOLOGY:

The objectives and the research methodology are as follows:

### OBJECTIVES OF STUDY:

The present study has been geared to achieve the following objectives;

1. To analyse the ease of doing business scenario in India
2. To make a comparison of India with other BRICS and SAARC countries in ease of doing business standings
3. To study the reforms that have improved India's standing in EODB

**RESEARCH METHODOLOGY:**

**Type of Research:** Quantitative and Analytical Research

**Data Collection Method:** This study has been carried out with the help of secondary data only, all the data has been collected from the various sources such as websites & reports and compiled as said by the need of the study.

**Sources of Data Collection:** The study is based on the published data. For the purpose of present study, the data was extracted from the various newspapers, journals, articles and websites particularly from World Bank, the Department of Industrial Policy and Promotion (DIPP) and Ministry of Commerce. World Bank's Ease of Doing Business Reports has also been analysed.

**III. DOING BUSINESS REPORT**

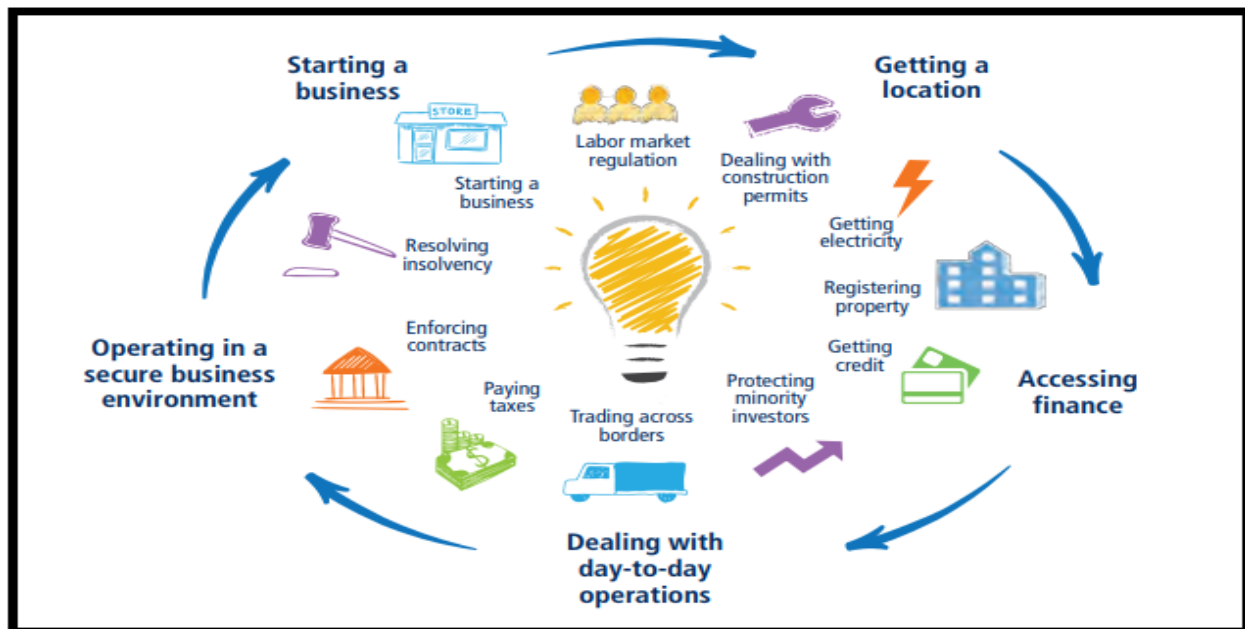
Since 2003, the World Bank Group has been elaborating study every year known as The **Doing Business Report** (DBR) which aims to measure the costs of business regulations to the firms in 190 countries. The study has become one of the flagship knowledge products of the World Bank Group in the field of development of private sector. It has also motivated the blueprint of various regulatory reforms in developing countries. The study provides a detailed analysis of procedural requirements and costs usual private firm is subject to in all the countries, and then, allots ranks to every country on the basis of their index figure. Broad communication efforts provide a back up to the study. The study also spotlights countries and their leaders who are promoting reforms by providing the ranks.

**Overview of Doing Business 2019:**

Reforming to Create Jobs, a World Bank Group flagship publication is the 16th in a series of annual reports which measures the regulations which result in enhancement of business activity and the regulations which hinder it. Doing Business provides quantitative indicators on business rules and regulations and the safeguard of property rights that is comparable across 190 economies—from Afghanistan to Zimbabwe—and over time.

Doing Business 2019 assess the regulations which affect 11 domains of a business' life. All except one of these domains, that is labor market regulation, are included in this year's ranking

on the ease of doing business. The domains which are included while determining the rank are resolving insolvency, trading across borders, paying taxes, protecting minority investors, getting credit, registering property, getting electricity, dealing with construction permits, enforcing contracts and starting a business. Doing Business collects and publishes data on labour market regulations with a focus on flexibility of employment regulations as well as the several other aspects of job quality. However, as said this regularity area does not constitute the part of EODB ranking.



**Figure 1:** Parameters of Ease of Doing Business

**Source:** Doing Business database

**Note:** Labor market regulation is not included in the ease of doing business ranking.

### **Main Findings of Doing Business 2019:**

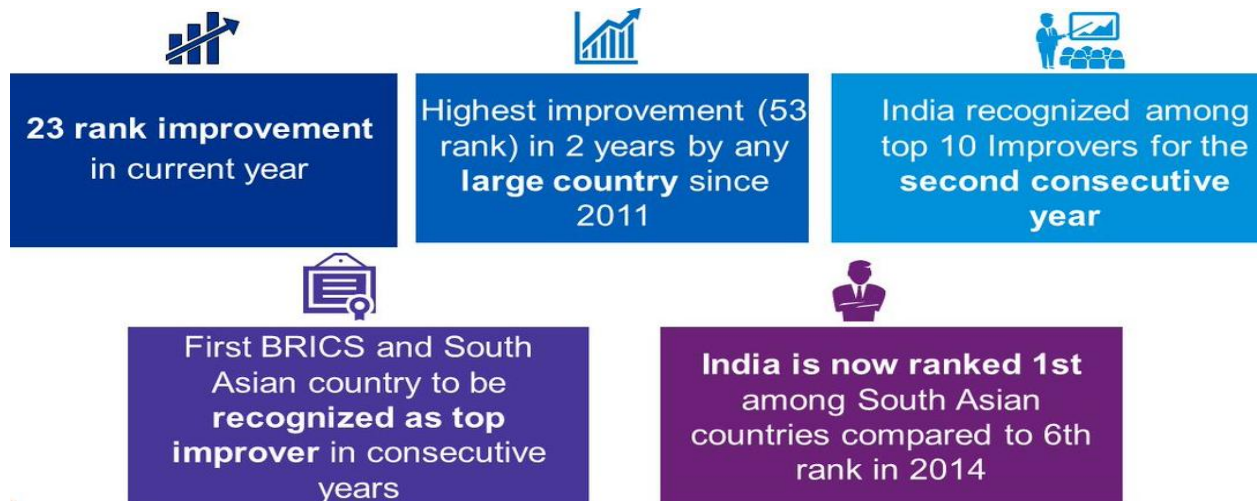
Reforming to Create Jobs finds that entrepreneurs in 128 economies saw improvements in their local regulatory framework last year. The report documented 314 business reforms between June 2017 and June 2018.

#### IV. BIG THUMBS-UP TO MODINOMICS: INDIA JUMPS 23 PLACES TO 77TH RANK IN EASE OF DOING BUSINESS REPORT:

India has jumped 23 places to number 77 in the latest Ease of Doing Business report for 2019 released by the World Bank. India has stood out this year by being one of the 10 economies which recorded improvement in most of the areas measured by Doing Business.

The report, which counts New Zealand, Singapore and Denmark among the easiest countries in the world to do business in, ranked China at 46, which is 31 places ahead of India. However, there was no improvement in China's rank, albeit the Distance to Frontier (DTF) scores of the country increased by 0.40 points. India's DTF score increased by 4.71 points this year reaching at 60.76 points. India was ranked at 130<sup>th</sup> position last year. India's 30 place elevation is the highest elevation made by any country this year. It was a clear and big acknowledgement of the structural reforms that Modi government has been undertaking.



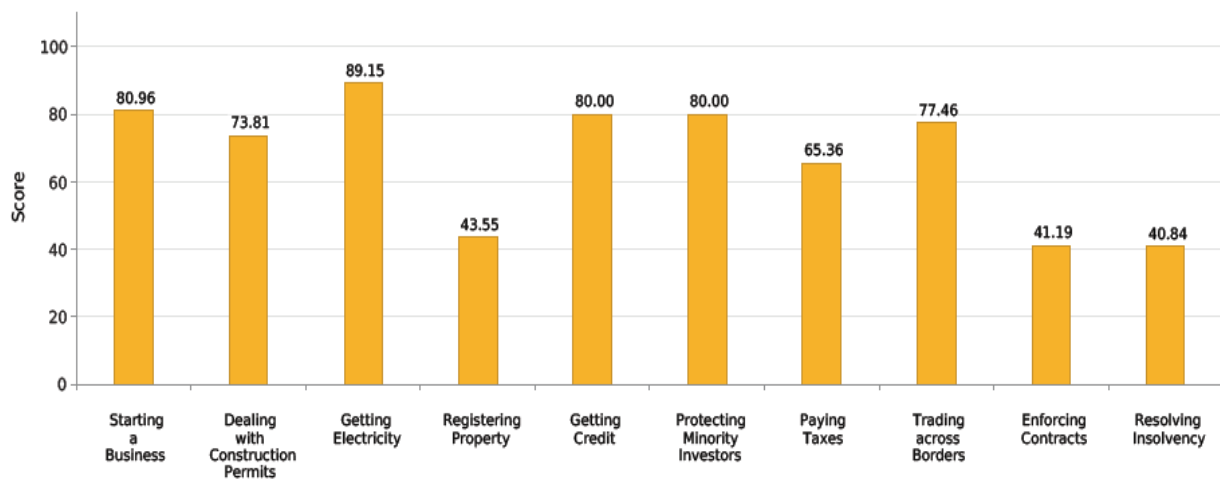


**Figure 2:** Highlights of Ease of Doing Business Ranking 2019

<b>Ease of Doing Business: Where India stands now</b>			
	<b>Doing Business 2018 Report (2017)*</b>	<b>Doing Business 2019 Report (2018)*</b>	<b>Movement in Rank</b>
<b>India's Country Rank (Out of 190)</b>	<b>100</b>	<b>77</b>	<b>23</b>
Dealing with construction permits	181	52	<b>129</b>
Trading Across Borders	146	80	66
Starting a business	156	137	19
Getting Credit	29	22	7
Getting Electricity	29	24	5
Enforcing Contracts	164	163	1
Paying Taxes	119	121	-2
Protecting Minority Investors	4	7	-3
Resolving Insolvency	103	108	-5
Registering Property	154	166	<b>-12</b>

PARAMETERS	EODB SCORES		SIGN
	2018	2019	
Starting a business	75.4	80.96	↑
Dealing with construction permits	38.8	73.81	↑
Getting electricity	85.2	89.15	↑
Registering property	47.1	43.55	↓
Getting credit	75	80	↑
Protecting minority investors	80	80	---
Paying taxes	66.1	65.36	↓
Trading across borders	58.6	77.46	↑
Enforcing contracts	40.8	41.19	↑
Resolving insolvency	40.8	40.8	---

### Ease of Doing Business Score on Doing Business topics – India



**Figure 3:** India's score in Ease of Doing Business Parameters

### India finally has become a Better Place to do Business:

The World Bank rolled out the Doing Business report in 2002, and it currently ranks 190 countries to identify the most business-friendly nations on the basis of 10 parameters. This year, India managed to improve its ranking in six out of these 10 criteria.



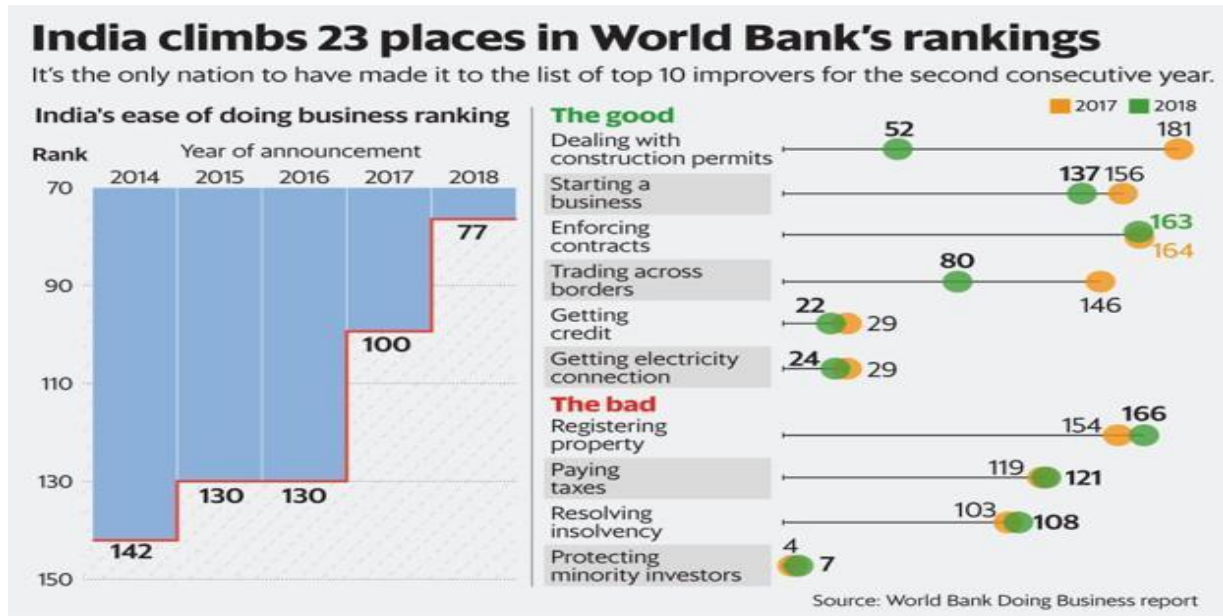


Figure 4: India's ranking in Ease of Doing Business Parameters

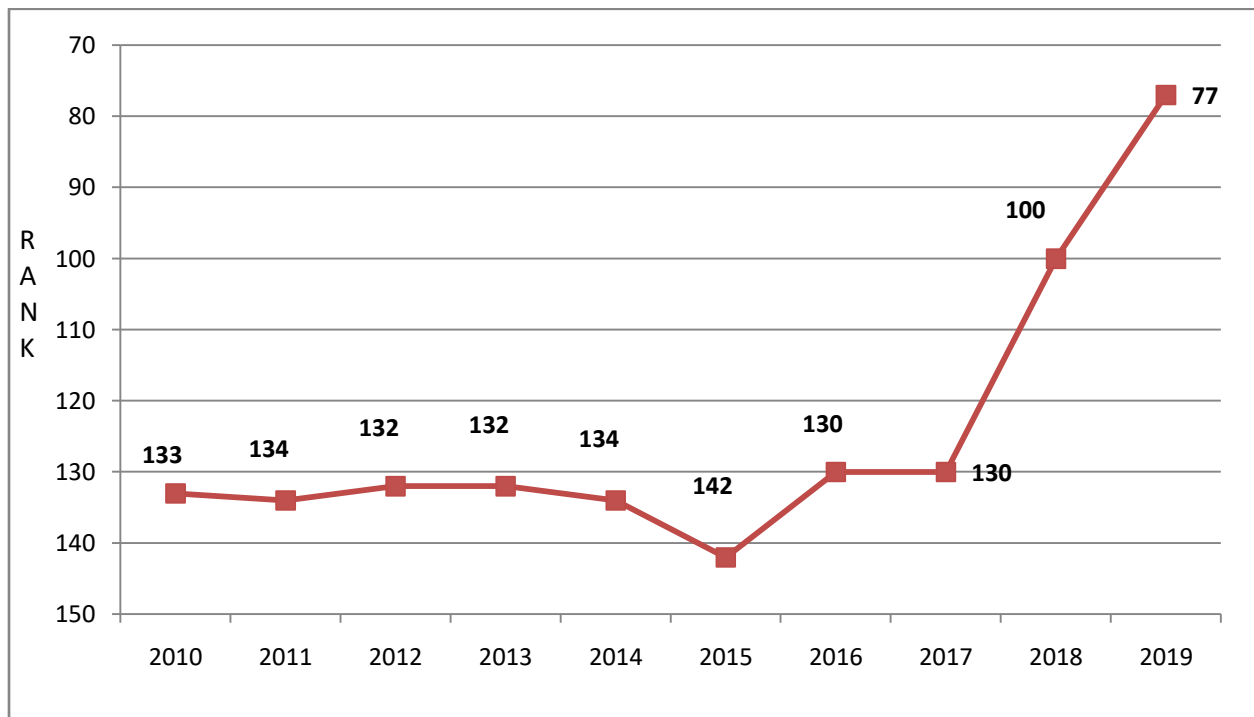
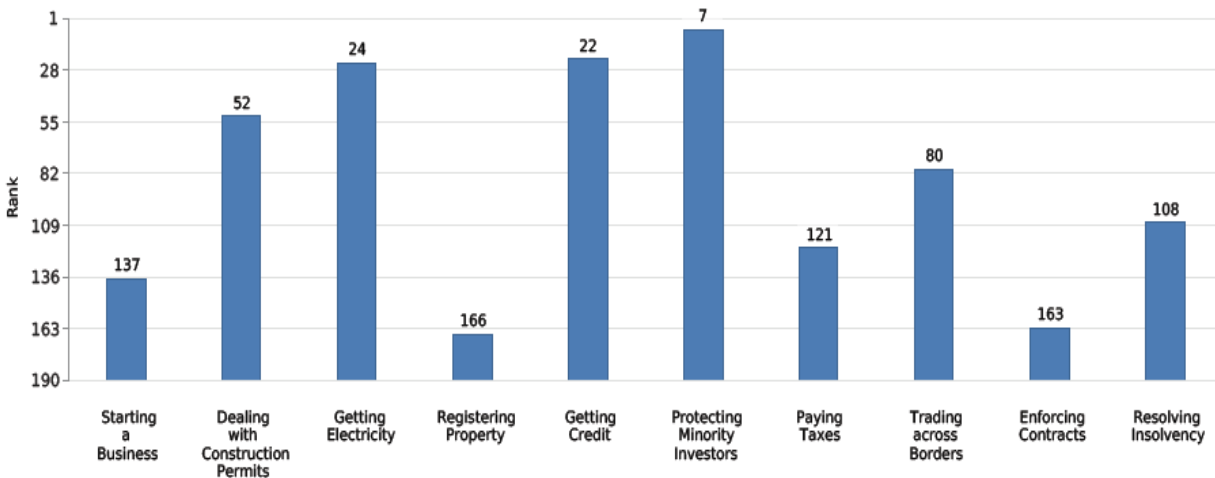


Figure 5: India's Rank in World Bank Ease of doing Business Reports

Parameters/Year	2017	2018	2019
Overall	130	100	77

Starting a Business	155	156	<b>137</b>
Dealing with Construction Permits	185	181	<b>52</b>
Getting Electricity	26	29	<b>25</b>
Registering Property	138	154	166
Getting Credit	44	29	<b>22</b>
Protecting Minority Investors	13	4	7
Paying Taxes	172	119	121
Trading Across Borders	143	146	<b>80</b>
Enforcing Contracts	172	164	163
Resolving Insolvency	136	103	108



**Figure 6:** India's ranking in 10 Parameters of Ease of Doing Business

The adoption of an insolvency and bankruptcy code, making compliance with corporate income tax laws easier, and extended paid maternity leave have together helped improve India's ranking. In all, the country has adopted 37 reforms since 2003 and nearly half of these came in the last four years. India has improved its rank in 6 out of 10 indicators and has moved closer to international best practices (Ease of Doing Business Score) on 7 out of the 10 indicators.

The most dramatic improvements have been registered in the indicators related to '**Construction Permits**' and '**Trading across Borders**'. In grant of construction permits, India's rank improved from 181 in 2017 to 52 in 2018, an improvement of 129 ranks in a single year. In 'Trading across Borders', India's rank improved by 66 positions moving from 146 in 2017 to 80 in 2018.

S. No.	Indicator	2014	2018	Change
1	Construction Permits	184	52	+132
2	Getting Electricity	137	24	+113
3	Trading across Borders	126	80	+46
4	Paying Taxes	156	121	+35
5	Resolving Insolvency	137	108	+29
6	Enforcing Contracts	186	163	+23
7	Starting a Business	158	137	+21
8	Getting Credit	36	22	+14

**The 10 economies improving the most across three or more areas measured by Doing Business in 2017/18**

Economy	Ease of doing business rank	Change in ease of doing business score	Reforms making it easier to do business									
			Starting a business	Dealing with construction permits	Getting electricity	Registering property	Getting credit	Protecting minority investors	Paying taxes	Trading across borders	Enforcing contracts	Resolving insolvency
Afghanistan	167	+10.64	✓				✓	✓	✓			✓
Djibouti	99	+8.87	✓			✓	✓	✓			✓	✓
China	46	+8.64	✓	✓	✓	✓		✓	✓	✓		
Azerbaijan	25	+7.10		✓	✓	✓	✓	✓	✓	✓		✓
India	77	+6.63	✓	✓	✓		✓		✓	✓		
Togo	137	+6.32	✓	✓	✓	✓			✓		✓	
Kenya	61	+5.25				✓	✓	✓	✓			✓
Côte d'Ivoire	122	+4.94	✓	✓			✓		✓		✓	
Turkey	43	+4.34	✓	✓			✓		✓	✓	✓	✓
Rwanda	29	+4.15	✓		✓	✓	✓			✓	✓	✓

Source: Doing Business database.

**Figure 7: The 10 economies improving the most**

Djibouti and India are the only economies to make the list of 10 top improvers for the second consecutive year. Djibouti introduced a total of 11 business regulatory reforms in the past two editions of Doing Business, while India made 14 sizeable improvements during the same period.

**V. WHERE INDIA STANDS WITH BRICS & SAARC NATIONS:**






India secures highest rank in South Asia		But not in the BRICS grouping	
Doing Business 2019 Report (2018)*	Doing Business 2019 Report (2018)*		
Bhutan	81	Brazil	109
India	77	Russian Federation	31
Nepal	110	India	77
Sri Lanka	100	China	46
Pakistan	136	South Africa	82
Maldives	139	<b>Note:</b> Green represents best performing economy; Red represents worst performing economy; Source: Doing Business 2019 Report	
Bangladesh	176		
Afghanistan	167		
<b>Note:</b> Green represents best performing economy; Red represents worst performing economy; Source: Doing Business 2019 Report			

**BRICS** is the acronym coined for an association of five major emerging national economies: Brazil, Russia, India, China and South Africa. Originally the first four were grouped as "BRIC" (or "the BRICs"), before the induction of South Africa in 2010.






In 2015, the five BRICS countries represent over 3.1 billion people, or about 41% of the world population; four out of five members (excluding South Africa) are in the top 10 of the world by population. As of 2018, these five nations have a combined nominal GDP of US\$18.6 trillion, about 23.2% of the gross world product, combined GDP (PPP) of around US\$40.55 trillion (32% of World's GDP PPP) and an estimated US\$4.46 trillion in combined foreign reserves

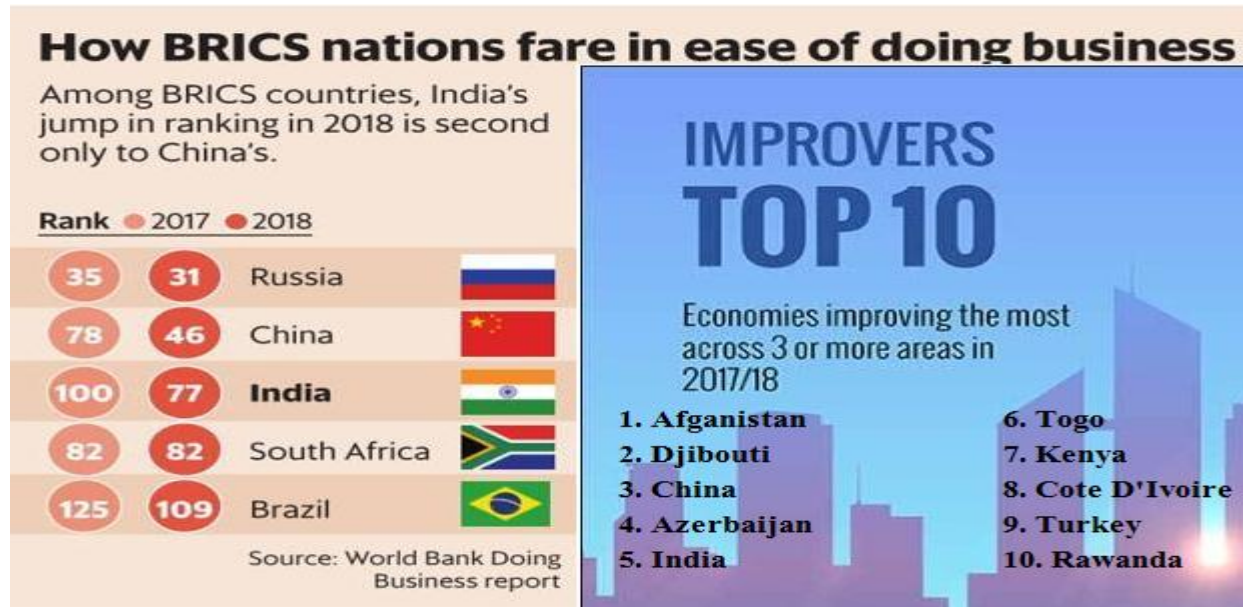
The BRIC economies—introduced a total of 21 reforms, with getting electricity and trading across borders the most common areas of improvement.

Classification	Jurisdiction	2	2	2	2	2	2	2	2	2	2
		0	0	0	0	0	0	0	0	0	0
		1	1	1	1	1	1	1	1	1	1
		9	8	7	6	5	4	3	2	1	0

Classification	Jurisdiction	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Very Easy	 Russia	31	35	40	51	62	92	112	120	123	120
Very Easy	 China	46	78	78	84	90	96	91	91	79	89
Easy	 India	77	100	130	130	142	134	132	132	134	133
Easy	 South Africa	82	82	74	73	43	41	39	35	34	34
Medium	 Brazil	109	125	123	116	120	116	130	126	127	129

#### EODB Score and Rank of BRICS Countries:



Economy	EODB Rank	EODB Score	EODB Score Change
 Russia	31	77.37	+0.61
 China	46	73.64	+8.64
 India	77	67.23	+6.63
 South Africa	82	66.03	+1.37
 Brazil	109	60.01	+2.96





**Figure 8:** India's Comparison with other BRICS Nations

**South Asia** or **Southern Asia**, is a term used to represent the southern region of the Asian continent, which comprises the sub-Himalayan SAARC countries and, for some authorities, adjoining countries to the west and east.

The present territories of Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, India, Pakistan, and Sri Lanka form South Asia. The South Asian Association for Regional Cooperation (SAARC) is an economic cooperation organisation in the region which was established in 1985 and includes all eight nations comprising South Asia.

Classification	Jurisdiction	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Easy	 India	77	100	130	130	142	134	132	132	134	133
Easy	 Bhutan	81	75	73	71	125	141	148	142	142	126

Classification	Jurisdiction	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Medium	 Sri Lanka	100	111	110	107	99	85	81	89	102	105
Medium	 Nepal	110	105	107	99	108	105	108	107	116	123
Below Average	 Pakistan	136	147	144	138	128	110	107	105	83	85
Medium	 Maldives	139	136	135	128	116	95	95	79	85	87
Below Average	 Bangladesh	176	177	176	174	173	130	129	122	107	119
Below Average	 Afghanistan	167	183	183	177	183	164	168	160	167	160

## VI. EASE OF DOING BUSINESS: HOW INDIA IMPROVED ITS RANKING:

For the first time, India jumped a record 30 places to 100 in the Ease of Doing Business report for 2018, which is an influential 190-country barometer of competitiveness that many businesses likely consider for investment decisions.

Every year, the World Bank collects data about how easy it is to do business in 190 countries. Let's take a look at how India fares in comparison to China, its economic competitor in the developing world, as well as its performance in the past 5 years:

**Comparison with BRICS Countries:**

PARAMETERS	Brazil	Russia	India	China	South Africa
Days to Start a business	20.5	10.1	16.5	8.6	40
Days to get a Construction permit	434	193.8	94.8	155.1	155
Days to get Electricity	64.4	73	55	34	109
Days to Register property	31.4	13	69.1	9	23
Hours to file taxes each year	1958	168	275.4	142	210
Days to Enforce contracts	731	337	1445	496.3	600
Years in Resolving Insolvency	4	2	4.3	1.7	2

**Comparison with SAARC Countries:**

PARAMETERS	India	AFGN	BAN	Bhutan	Nepal	SL	MLD	PAK
Days to Start a business	16.5	8.5	19.5	12	16.5	9	12	16.5
Days to get a Construction permit	94.8	199	273.5	150	117	87	140	262.8
Days to get Electricity	55	114	150.2	61	70	100	75	161.2
Days to Register property	69.1	250	270.8	77	6	39	57	144.1
Hours to file taxes each year	275.4	270	435	52	353	129	390.5	293.5
Days to Enforce contracts	1445	1642	1442	225	910	1318	760	1071.2
Years in Resolving Insolvency	4.3	2	4	No Practice	2	1.7	1.5	2.6

\* SL- Sri Lanka, Pak- Pakistan, MLD- Maldives, BAN- Bangladesh, AFGN- Afghanistan



INDIA	South Asia	GNI per capita (US\$)	1,820
Ease of doing business rank (1–190)	77	Ease of doing business score (0–100)	67.23
Population			1,339,180,127
✓ <b>Starting a business</b> (rank)	137	✓ <b>Getting credit</b> (rank)	22
Score for starting a business (0–100)	80.96	Score for getting credit (0–100)	80.00
Procedures (number)	10	Strength of legal rights index (0–12)	9
Time (days)	16.5	Depth of credit information index (0–8)	7
Cost (% of income per capita)	14.4	Credit bureau coverage (% of adults)	55.9
Minimum capital (% of income per capita)	0.0	Credit registry coverage (% of adults)	0.0
✓ <b>Dealing with construction permits</b> (rank)	52	✓ <b>Protecting minority investors</b> (rank)	7
Score for dealing with construction permits (0–100)	73.81	Score for protecting minority investors (0–100)	80.00
Procedures (number)	17.9	Extent of disclosure index (0–10)	8
Time (days)	94.8	Extent of director liability index (0–10)	7
Cost (% of warehouse value)	5.4	Ease of shareholder suits index (0–10)	7
Building quality control index (0–15)	14.0	Extent of shareholder rights index (0–10)	10
✓ <b>Getting electricity</b> (rank)	24	Extent of ownership and control index (0–10)	8
Score for getting electricity (0–100)	89.15	Extent of corporate transparency index (0–10)	8
Procedures (number)	3.5	✓ <b>Paying taxes</b> (rank)	121
Time (days)	55	Score for paying taxes (0–100)	65.36
Cost (% of income per capita)	29.5	Payments (number per year)	11.9
Reliability of supply and transparency of tariffs index (0–8)	6.5	Time (hours per year)	275.4
✓ <b>Registering property</b> (rank)	166	Total tax and contribution rate (% of profit)	52.1
Score for registering property (0–100)	43.55	Postfiling index (0–100)	49.31
Procedures (number)	9	✓ <b>Trading across borders</b> (rank)	80
Time (days)	69.1	Score for trading across borders (0–100)	77.46
Cost (% of property value)	8.3	Time to export	
Quality of land administration index (0–30)	8.7	Documentary compliance (hours)	14.5
		Border compliance (hours)	66.2
		Cost to export	
		Documentary compliance (US\$)	77.7
		Border compliance (US\$)	251.6
		Time to import	
		Documentary compliance (hours)	29.7
		Border compliance (hours)	96.7
		Cost to import	
		Documentary compliance (US\$)	100
		Border compliance (US\$)	331
		✓ <b>Enforcing contracts</b> (rank)	163
		Score for enforcing contracts (0–100)	41.19
		Time (days)	1,445
		Cost (% of claim value)	31.0
		Quality of judicial processes index (0–18)	10.5
		✓ <b>Resolving insolvency</b> (rank)	108
		Score for resolving insolvency (0–100)	40.84
		Time (years)	4.3
		Cost (% of estate)	9.0
		Recovery rate (cents on the dollar)	26.5
		Strength of insolvency framework index (0–16)	8.5

The important features of India's performance this year are:

- The World Bank has recognized India as one of the top improvers for the year.
- This is the second consecutive year for which India has been recognized as one of the top improvers.
- India is the first BRICS and South Asian country to be recognized as top improvers in consecutive years.
- India has recorded the highest improvement in two years by any large country since 2011 in the Doing business assessment by improving its rank by 53 positions.
- As a result of continued performance, India is now placed at first position among South Asian countries as against 6th in 2014.

## VII. INDICATOR WISE HIGHLIGHTS OF INDIA'S PERFORMANCE ARE:

### A. Starting a Business -

- Procedures reduced from 11 to 10 in Delhi and 12 to 10 in Mumbai
- Time reduced from 30 to 16 days in Delhi and 29.5 to 17 days in Mumbai
- PAN, TAN, DIN now merged with SPICe making it a single form for company incorporation
- No requirement of inspection for registration under Shops & Establishment in Mumbai
- Distance to Frontier improved from 75.40 to 80.96

**B. Construction Permits –**

- a. Procedures reduced from 37 to 20 in Mumbai and from 24 to 16 in Delhi
- b. Time reduced from 128.5 to 99 days in Mumbai and from 157.5 to 91 days in Delhi
- c. Building quality control index improved from 12 to 14 in Mumbai and 11 to 14 in Delhi
- d. Cost of obtaining construction permits reduced from 23.2 percent to 5.4 percent
- e. Ease of doing score improved from 38.80 to 73.81

**C. Access to Electricity**

- a. Procedures reduced from 5 to 3 in Delhi and 5 to 4 in Mumbai
- b. Ease of doing score improved from 85.21 to 89.15

**D. Access to Credit**

- a. Rank improved from 29 to 22
- b. Ease of doing score improved from 75 to 80
- c. Strength of legal rights index improved from 8 to 9
- d. Secured creditors will now be repaid first during business liquidation hence given priority over other claims

**E. Trading Across Borders –**

- a. Changes in time and cost are as follows:

Delhi	Import				Export			
	Documentary Compliance		Border Compliance		Documentary Compliance		Border Compliance	
	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)
<b>2017</b>	<b>58</b>	<b>140</b>	<b>262</b>	<b>550</b>	<b>21</b>	<b>90</b>	<b>125</b>	<b>413</b>
<b>2018</b>	<b>25</b>	<b>100</b>	<b>92</b>	<b>323</b>	<b>6</b>	<b>80</b>	<b>77</b>	<b>253</b>

Mumbai	Import				Export			
	Documentary Compliance		Border Compliance		Documentary Compliance		Border Compliance	
	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)	Time (hrs.)	Cost (\$)
<b>2017</b>	<b>65</b>	<b>129</b>	<b>267</b>	<b>536</b>	<b>58</b>	<b>94</b>	<b>85</b>	<b>348</b>
<b>2018</b>	<b>35</b>	<b>100</b>	<b>102</b>	<b>340</b>	<b>24</b>	<b>75</b>	<b>54</b>	<b>250</b>

- b. Robust Risk Management System has reduced inspections significantly

- c. e-Sanchit allows traders to file all documents electronically
- d. Time and cost to export reduced through the introduction of electronic self-sealing of container at the factory

Improvements have taken place due to the commitment of the Government to carry out comprehensive and complex reforms, supported by the bureaucracy which has changed its mindset from a regulator to a facilitator. The Government has undertaken an extensive exercise of stakeholder consultations to understand challenges of the industry, government process re-engineering to provide simplified and streamlined processes to create a more conducive business environment in the country.

### **VIII. REFORMS THAT MADE IT POSSIBLE:**

Below is the Summaries of Doing Business Reforms in 2017/18 that took India up in Ease of Doing Business ranking;

#### **✓ Starting a business**

India made starting a business easier by fully integrating multiple application forms into a general incorporation form. India also replaced the value added tax with the GST (Goods and Services Tax) for which the registration process is faster. These reforms apply to both Delhi and Mumbai. At the same time, Mumbai abolished the practice of site inspections for registering companies under the Shops and Establishments Act.

#### **✓ Dealing with construction permits**

India streamlined the process of obtaining a building permit and made it faster and less expensive to obtain a construction permit. It also improved building quality control by introducing decennial liability and insurance. This reform applies to both Delhi and Mumbai.

#### **✓ Getting electricity**

The Delhi Electricity Regulatory Commission reduced charges for low voltage connections. Getting electricity was also made easier in Delhi through a reduction in the time for the utility to carry out the external connection works.

#### **✓ Getting credit**

India strengthened access to credit by amending its insolvency law. Secured creditors are now given absolute priority over other claims within insolvency proceedings. This reform applies to both Delhi and Mumbai.

✓ **Paying taxes**

India made paying taxes easier by replacing many indirect taxes with a single indirect tax, the GST, for the entire country. India also made paying taxes less costly by reducing the corporate income tax rate and the employees' provident funds scheme rate paid by the employer. This reform applies to both Delhi and Mumbai.

✓ **Trading across borders**

India reduced the time and cost to export and import through various initiatives, including the implementation of electronic sealing of containers, the upgrading of port infrastructure and allowing electronic submission of supporting documents with digital signatures. This reform applies to both Delhi and Mumbai.

✓ **Labor market regulation** India (Mumbai) changed regulations pertaining to weekly holiday work, overtime hours and paid annual leave.

✓ **Other Reforms**

- Separately, the government had also announced implementation of eBiz portal which will offer Government-to-business (G2B) services for investors and business activities, through a single window to cut time and cost and improve business environment.
- The establishment of debt recovery tribunals in India "reduced non-performing loans by 28 percent and lowered interest rates on larger loans, suggesting that faster processing of debt recovery cases cut the cost of credit.
- Under its National Trade Facilitation Action Plan 2017-2020, India implemented several initiatives that improved the efficiency of cross-border trade, reducing border and documentary compliance time for both exports and imports.
- Investor facilitation cell created under the Invest India agency.
- Government of India has also started to rank its 36 states and Union Territories "to further promote Ease of Doing Business" in the country which is promoting Competitive Federalism.

**CONCLUSION:**

In the last four years, Prime Minister Narendra Modi's government has taken several revolutionary steps to improve the business environment in India. The jump in India's ranking in the World Bank's Ease of Doing Business Report, from 142 to 77, in four years, is a result of this. India has improved on indicators like dealing with starting business, construction permits, getting credit, protecting minority investors, paying taxes, enforcing contracts and resolving insolvency. But the process is not yet complete. This is an area where a country with ample business opportunities should not be satisfied with 100th rank. Therefore should strive towards 50th rank. The day is not far away where India will be in top 50 destinations for ease of doing business.

**REFERENCES:****Papers:**

1. Bhanushali, D. K. (2015). Ease Of Doing Business And Foreign Direct Investment: Relationship Assessment. Ease Of Doing Business: Contemporary, Issues, Challenges & Future Scope (Pp. 74-80). Ahmedabad: Gujarat Technological University.
2. Bhatt, D. K. (2015). Significance Of Paying Tax Indicator To Improve Ease Of Doing Business (Eodb) Ranking: A Comparative Study Of India Vis-A-Vis Other South Asian Countries. Ease of Doing Business: Contemporary Issues, Challenges & Future Scope. (Pp. 17-28). Ahmedabad: Gujarat Technological University

**Links:**

1. <http://www.doingbusiness.org/data/exploreeconomies/india>
2. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=184513>
3. <https://economictimes.indiatimes.com/news/economy/indicators/ease-of-doing-business-india-jumps-23-notches-now-at-rank-77/articleshow/66445814.cms>
4. <https://www.moneycontrol.com/news/business/economy/ease-of-doing-business-2019-india-jumps-23-spots-to-77th-rank-in-world-banks-latest-report-3112641.html>
5. <https://www.hindustantimes.com/editorials/india-can-make-it-even-easier-to-do-business/story-akrwmf74c4LYuGdDAp85AK.html>

6. <https://economictimes.indiatimes.com/news/international/business/where-to-do-business-in-2019-and-where-to-avoid/articleshow/66454732.cms>
7. <http://www.makeinindia.com/five-highlights-from-world-banks-doing-business-report-2019>

**Newspaper:**

Times of India 1 & 2 Nov. 2018

The Hindu 31 Oct & 1 Nov. 2018

Hindustan Times 1 Nov. 2018

Economic Times 1 Nov. 2018

**Reports:** World Bank Ease of Doing Business Reports 2003-1019