

Chapter 1 : Ease of getting away with white collar crime - The Hindu BusinessLine

India - Ease of Doing Business Ranking Among the chosen countries for this index, India was ranked in on the World Bank's Doing Business index. Since then there has been a remarkable improvement.

October 28, India now ranks out of countries in the ease of doing business, moving up 12 places from last year, according to a World Bank report. Going from in the world to , as India has done, is very good sign. China is ranked 84 and Pakistan is at th place. Pakistan in fact has slipped 10 spots from last year while China has moved six spots in a year from 90 since the last report. The World Bank said India, which has a global ranking of , implemented two reforms during the past year. For example, in starting a business, India eliminated the requirements for a paid-in minimum capital and a certificate to commence business operations, significantly streamlining the process for starting a business. Observing that the potential to see kind of a rapid economic growth in India is very high, Mr Claros said it has very favourable demographics, and to the extent that some of the bottlenecks that the Doing Business data identified in India are removed, the potential benefits could be quite large. This could have also international repercussions in terms of the impact on the global economy," he said. Mr Claros said there is a great deal of work underway in India to design a policy that will be modest and friendly. India stands for having made big strides toward better and more efficient business regulation. In it took days to start a business in India. In this has been reduced to 29 days, the report said. In India the establishment of debt recovery tribunals reduced nonperforming loans by 28 per cent and lowered interest rates on larger loans, suggesting that faster processing of debt recovery cases cut the cost of credit. Research also shows that a badly designed tax system can be a big deterrent for businesses, it said. In , India established an online system for value added tax registration and replaced the physical stamp previously required with an online version. More reforms are ongoing - in starting a business and other areas measured by Doing Business - though the full effects have yet to be felt," it said. India made starting a business easier by eliminating the minimum capital requirement and the need to obtain a certificate to commence business operations. This reform applies to both Delhi and Mumbai, it said. The utility in Delhi made the process for getting an electricity connection simpler and faster by eliminating the internal wiring inspection by the Electrical Inspectorate. The utility in Mumbai reduced the procedures and time required to connect to electricity by improving internal work processes and coordination, it said. The report said in dealing with construction permits, India ranks and in registering property it ranks But in getting electricity India is now ranked at the 70th spot. In protecting minority investors, India now ranks eight and in getting credit it is now placed at the 42nd spot. In paying taxes and enforcing contracts India is now ranked at th and th spots respectively. In trading across borders, India ranks rd and in resolving insolvency, it ranks th, the report said. The Doing Business report records 22 economies worldwide with resolution times above 1, days and four of them are in the South Asia region, namely Afghanistan, Bangladesh, India, and Sri Lanka. Furthermore, it takes entrepreneurs in the region an average 98 days to register property, which is more than twice the global average. Last year, Pakistan was ranked and Bhutan was India was ranked , Afghanistan , Bangladesh Last year, India was ranked in starting a business, dealing with construction permits , Getting electricity , Registering property , Getting Credit 36 Protecting minority investors seven , paying taxes , trading across borders , enforcing contracts , and Resolving insolvency

Chapter 2 : Ease of Doing Business: India - Indpaedia

The World Bank's Doing Business Report (PDF) ranked India 11th out of the countries surveyed. That 30 place jump over last year's ranking of 41th came as a welcome relief to the.

November 11, This is quite a big jump, given that its rank crept up from 41 to 11 in the four years from 2011 to 2014. New Zealand is the top dog here. In which aspects of doing business did India see big improvements and where did it lag? It also made smaller improvements in starting a business and getting credit. Single-window clearance for securing building permits in Delhi and a new online system in Mumbai, brought about this quantum change. From 118 to 107 on cross-border trade, its rank climbed to 107. In 2011, importers spent hours at the border complying with formalities, but only spent 97 hours this year. For exporters, the timeline shrank from 118 to 66 hours, delivering big savings. Upgrades in port infrastructure, a move to online documentation and facilities for exporters to seal their containers on their own, helped. India also managed incremental reforms in a few other indicators. On starting up a business, its rank improved from 118 to 107, as the time taken to start a new company was crunched from 30 days to 17 days, thanks to quicker GST registration and the abolition of site inspections in Mumbai. Its score remains dismal on registering property, where it ranks 118. New Zealand gets this done in a single day. The other vexatious aspect that most business folk will readily identify with, is paying taxes. Despite the advent of GST, India has remained a back-bencher on this at a rank of 118. But businessmen in Hong Kong make just three payments a year, those in Singapore spend just 49 hours paying taxes. The average tax rate across global economies is less than half of the Indian rate! India also fares poorly, at rank 118, on enforcing contracts. The EODB study tries to capture the experience of small and mid-sized companies in a country with their regulators, by measuring the time, costs and red tape they deal with. To collect data, it empanels experts from the largest business cities in each country, with Mumbai and Delhi surveyed in India. It has many rounds of interactions with them – typically lawyers, business consultants, accountants, freight forwarders, government officials – who can capture the experience of multiple businesses. Over 13, experts participated in the study, from June 2, to May 1, 2015. Each country is assigned a rank out of 189 based on the total score it earns on 10 key aspects of doing business. The indicators considered now are: The above facts make the shortcomings of the study obvious. In India, it may not reflect the experience of partnership or proprietorship firms that dominate the small business space, or those located in tier 2 or tier 3 towns. With the ten indicators measured by the study well-known, it is also easy for governments to specially target these areas for reforms. But the EODB rankings do serve as the most trusted ready-reckoner for foreign investors looking to set up shop in a country. For that reason, this is an achievement for India to celebrate.

Chapter 3 : EASE OF DOING BUSINESS - Make In India

Ease of Doing Business is one of the important initiatives run by the Government and is crucial to the success of various initiatives such as Make in India, Start-up India, Digital India, etc.

Nov 08, , This acted as a catalyst to kick-start the journey of improving ease of doing business in India. To put things in perspective, India is now the highest-ranked South Asian nation and the third among the Brics. In two years, India has improved its rank by 53 points, a jump that has not been achieved by any economy that is comparable to India in size and scale. Along this remarkable journey, it has learnt several important lessons. First, we have learnt that persistence pays off. This is particularly true of two indicators: These dramatic improvements have resulted from the dedication of the customs, shipping, ports and municipal corporations of Mumbai and Delhi, who have been painstakingly working on business process reengineering, online single-window systems and infrastructure improvements since . Their hard work has only paid off this year, since deep and lasting reform takes time to have its intended impacts felt on the ground. We have learnt that the World Bank follows a rigorous feedback-driven process, and credit is only given once the reform reaches the users, not when the change is introduced by the government. Second, we have also learnt that the client experience matters the most. This means that no reform is complete until its effects are felt by its users. With this understanding, India has mainstreamed private sector feedback into its reform process. Today, both Dipp and implementing departments actively solicit feedback from users on whether the reforms are working as intended, or if any corrections are required. This has helped authorities to identify gaps in the implementation of reforms and rectify them to have the intended impact. Many departments have innovated in this regard. All of this has been supplemented by a wide-ranging communications effort using not just traditional media, but also social media like Facebook and Twitter. Several departments, including the municipal corporations, have established WhatsApp groups with their users, to address in real-time any challenges or constraints that are being faced by the users. These have enabled us to fundamentally transform how the government communicates with citizens and, thereby, transform the way the government machinery operates. Third, in countries of the scale of India, coordination is critical. However, dramatic improvements were seen only since November , when a nodal department was identified for each indicator. A task force was constituted in each nodal department consisting of senior officials from all relevant departments and Dipp. This led to much greater coordination between the departments and the reform being expedited. Finally, we have found that there is great value in learning from the experience of other countries. We also look forward to sharing our experiences with other Asian and African countries, which have already expressed interest in learning from our business reform experience. Our experience over the last four years has shown that India can excel when a strong political leadership is committed to reforms, and a group of dedicated and hard-working officials is given the support they need to get things done. The lessons we have learnt till date will be fundamental in our efforts going forward to make India reach the top 50 in the Doing Business Report. The writer is secretary, department of industrial policy and promotion, ministry of commerce and industry, GoI Disclaimer: The opinions expressed in this column are that of the writer. The facts and opinions expressed here do not reflect the views of www.

Chapter 4 : Ease of doing business index - Wikipedia

India's leap in the World Bank's Ease of Doing Business rankings this year has slipped under the radar, in the cacophony over demonetisation and the RBI-Centre spat. The country has, in fact.

This involves not only issues of licensing and approvals, but also matters for legal reform. In that sense, care must be taken to ensure that they are not merely cosmetic or formal in nature but will result in substantive change. The move towards rationalizing the licensing and approvals system, especially for foreign investment, began much before the Budget. On February 17, , the Government announced a new portal for filing electronic applications for foreign investment where government approvals are required. Furthermore, an e-biz portal allows for obtaining several permissions in an integrated manner. The Budget builds upon these efforts in streamlining the approvals process. The Finance Minister has announced his intention to constitute a new committee, including where necessary to prepare a draft legislation, to create a composite approvals system to replace the current dispensation. While this is a welcome move from a business perspective, a lot will depend upon proper coordination among various governmental agencies, and also cooperate between the Central Government and the States. The Budget also shows evidence of the use of legal reforms to stimulate business activities. Often, the lack of proper legal mechanisms for enforcement of contracts due to the delays and the inefficiencies in the legal system have raised concerns for greater investment. These are now sought to be addressed. The Budget proposes to overhaul the bankruptcy law in India. It is clear that the Sick Industrial Companies Act and its oversight body the Board for Industrial and Finance Reconstruction BIFR have not achieved their goals, which have had a chilling effect on industry and its ability to obtain the requisite funding particularly from creditors. A new comprehensive Bankruptcy Code has been proposed in , which is expected to adhere to global standards in the area. Furthermore, incremental reforms have been suggested to expand the scope of existing bankruptcy law to include other types of creditors as well. All of these emerge in the context of the bankruptcy reform process that has in any case commenced. For example, a special committee constituted for a review of the bankruptcy laws has already submitted its interim report, as we have previously discussed. These efforts are understandable given that the lack of a meaningful and efficient bankruptcy process in India has acted as an impediment to financing efforts of Indian industry. Modernization of the system and bringing it in line with international standards will address the issues. This will also help develop the corporate bond market in India, which has been languishing, particularly in comparison with the expanding equity market. The broader reforms relate to more efficient and timelier resolution of commercial disputes. For this purpose, the Budget reemphasizes the proposal to set up exclusive commercial divisions in various courts around the country based on the Law Commissions recommendations. A Bill is expected to be introduced in Parliament. This again is intended to provide more certainty to the enforcement of contracts and other legal obligations. Currently, much less reliance is placed on private enforcement through courts given the state of the Indian legal system, due to which public enforcement is preferred to the extent available. The idea is that a more robust legal system for enforcement of contracts and resolution of disputes would create a more facilitative regime for business and investments. The Budget proposals attempt to address another area that has courted a lot of controversy in India lately: It also recommends a special dispute resolution procedure for such contracts through a Public Contracts Resolution of Disputes Bill. Another effort in this direction is to propose a comprehensive regulatory reform that will address measures for regulatory arrangements in different sectors pertaining to infrastructure. While this measure will help to some extent, public procurement issues have also been the subject matter of constitutional challenge before the Supreme Court. These reforms will largely address the private contractual issues and disputes in public procurement, but the wider constitutional considerations would continue to operate where the body of jurisprudence laid down by the Supreme Court over the years will continue to dominate. Overall, if one were to take stock of the Budget proposals on the ease of doing business, the idea is to reinvigorate domestic industry and also attract greater foreign investment. In doing so, the Finance Minister appears to have kept a close eye on doing business rankings. These reforms measure up directly against several parameters considered by the World Bank for this purpose. The above

reforms correlate to parameters such as: It is likely that these efforts will enhance perceptions, but what is required is a more substantive implementation of reforms on the ground, which might not be as easy as it appears. He specializes in corporate law and governance, mergers and acquisitions and cross-border investments. Prior to his foray into academia, Umakanth was a partner at a pre-eminent law firm in India.

Chapter 5 : India moves up to 77th rank in Ease of Doing Business Index - The Hindu

World Bank Ease of Doing Business in India World Bank has released their updated global ranking of "Ease of Doing Business", and there is some massive improvement in India's position. Compared to last year, we have jumped 12 spots to be ranked at out of countries.

Methodology[edit] The report is above all, a benchmark study of regulation. The survey consists of a questionnaire designed by the Doing Business team with the assistance of academic advisers. The questionnaire centers on a simple business case that ensures comparability across economies and over time. The survey also bases assumptions on the legal form of the business, size, location, and nature of its operations. The next step of gathering data surveys of over 12, expert contributors lawyers, accountants etc. These individuals interact with the Doing Business team in conference calls, written correspondence and visits by the global team. For the report, team members visited 34 economies to verify data and to recruit respondents. Data from the survey is subjected to several rounds of verification. The surveys are not a statistical sample, and the results are interpreted and cross-checked for consistency before being included in the report. Results are also validated with the relevant government before publication. Respondents fill out written surveys and provide references to the relevant laws, regulations and fees, based on standardized case scenarios with specific assumptions, such as the business being located in the largest business city of the economy. Distance to frontier - Shows the distance of each economy to the "frontier," which represents the highest performance observed on each of the indicators across all economies included since each indicator was included in Doing Business Entrepreneurship - Measures entrepreneurial activity. The data is collected directly from company registrars on the number of newly registered firms over the past seven years Good practices - Provide insights into how governments have improved the regulatory environment in the past in the areas measured by Doing Business Transparency in business regulation - Data on the accessibility of regulatory information measures how easy it is to access fee schedules for 4 regulatory processes in the largest business city of an economy For example, according to the Doing Business DB report, Canada ranked third on the first subindex "Starting a business" behind only New Zealand and Australia. In Canada there is 1 procedure required to start a business which takes on average 5 days to complete. The official cost is 0. There is no minimum capital requirement. By contrast, in Chad which ranked among the worst st out of on this same subindex, there are 9 procedures required to start a business taking 62 days to complete. A minimum capital investment of While fewer and simpler regulations often imply higher rankings, this is not always the case. Protecting the rights of creditors and investors, as well as establishing or upgrading property and credit registries, may mean that more regulation is needed. In most indicators, the case study refers to a small domestically-owned manufacturing company - hence the direct relevance of the indicators to foreign investors and large companies is limited. DB uses a simple averaging approach for weighting sub-indicators and calculating rankings. A detailed explanation of every indicator can be found through the DB website, and a. Some caveats regarding the rankings and main information presented have to be considered by every user of the report. Doing Business does not measure all aspects of the business environment that matter to firm or investors, such as the macroeconomic conditions, or the level of employment, corruption, stability or poverty , in every country. Doing Business does not consider the strengths and weakness neither of the global financial system , nor the financial system of every country. Doing Business does not cover all the regulation, or all the regulatory requirements. Other types of regulation such as financial market, environment, or intellectual property regulations that are relevant for the private sector are not considered. The Doing Business report is not intended as a complete assessment of competitiveness or of the business environment of a country and should rather be considered as a proxy of the regulatory framework faced by the private sector in a country. The paper presented data on the regulation of entry of start-up firms in 85 countries covering the number of procedures, official time and official cost that a start-up must bear before it could operate legally. The main findings of the paper were that: Countries with more democratic and limited governments have lighter regulation of entry. Also, Doing Business highlights every year the successful reforms carried out by each

country. Since *The Regulation of Entry* was published, Simeon Djankov and Andrei Shleifer have published eight other academic studies, one for each set of indicators covered by the report. In *Doing Business*, regulations measured from June through May. Over the previous decade, the reports recorded nearly 2,000 regulatory reforms implemented by economies. Poland was the global top improver in the past year. It enhanced the ease of doing business through four institutional or regulatory reforms, making it easier to register property, pay taxes, enforce contracts, and resolve insolvency. Reform efforts globally have focused on making it easier to start a new business, increasing the efficiency of tax administration and facilitating trade across international borders. Georgia was a new entrant to the top 10. In *Doing Business*, regulations measured from June through May in economies. In *Doing Business*, regulations measured from June through June in economies. The added city enables a sub-national comparison and benchmarking against other large cities. Research and influence[edit] More than 3,000 academic papers have used data from the index. Moving from the worst one-fourth of nations to the best one-fourth implies a 2. Another 7,000 working papers in economics and social science departments use the data from the *Doing Business* report. The various sub-components of the index in themselves provide concrete suggestions for improvement. Many of them may be relatively easy to implement and uncontroversial except perhaps among corrupt officials who may gain from onerous regulations requiring bribes to bypass. As such, the index has influenced many nations to improve their regulations. Several have explicitly targeted to reach a minimum position on the index, for example the top 25 list. They, especially the later, look at many more factors that affect economic growth, like inflation and infrastructure. These factors may however be more subjective and diffuse since many are measured using surveys and they may be more difficult to change quickly compared to regulations. A November EconTalk podcast explains the lasting influence in academia and policy circles of the *Doing Business* report. *Doing Business Report*[edit] The *Doing Business Report* DB is a report started by Simeon Djankov and elaborated by the World Bank Group since every year that is aimed to measure the costs to firms of business regulations in countries. The study has become one of the flagship knowledge products of the World Bank Group in the field of private sector development, and is claimed to have motivated the design of several regulatory reforms in developing countries. The study presents every year a detailed analysis of costs, requirements and procedures a specific type of private firm is subject in all countries, and then, creates rankings for every country. The study is also backed up by broad communication efforts, and by creating rankings, the study spotlights countries and leaders that are promoting reforms. For business interests, it has helped to catalyze debates and dialogue about reform. For the World Bank Group, it demonstrates an ability to provide global knowledge, independent of resource transfer and conditionality. The annual exercise generates information that is relevant and useful. Some highlighted findings of the DB are: Lower barriers to start-up are associated with a smaller informal sector. Lower costs of entry encourage entrepreneurship, enhance firm productivity and reduce corruption. Simple start-up translates into greater employment opportunities. Contents[edit] In *Doing Business*, the study contains quantitative measures of regulations for starting a business, dealing with construction permits, employing workers, registering property, getting credit, protecting investors, taxes, trading across borders, enforcing contracts, getting an electricity connection and closing a business. As stated in the introduction of the study, "A fundamental premise of DB is that economic activity requires good rules. These include rules that establish and clarify property rights and reduce the costs of resolving disputes, rules that increase the predictability of economic interactions and rules that provide contractual partners with core protections against abuse. As recognized by the Independent Evaluation Group of the World Bank, some have questioned the reliability and objectivity of its measurements while others doubt the relevance of the issues it addresses or fear it may unduly dominate countries reform agendas at the expense of more crucial development objectives. Attention given to the indicators may inadvertently signal that the World Bank Group values less burdensome business regulations more highly than its other strategies for poverty reduction and sustainable development. According to Snodgrass, several limitations are present in the DB studies and have to be kept in mind when using the study: To achieve cross-country standardization respondents are asked to give estimates for a limited liability company of a specific size. Transactions and fees to be cost out are very specifically defined. The costs of other types of transactions may differ. The cost estimates come from

individuals identified as expert respondents. Sometimes the estimates given by such individuals may differ with other experts and with public officials. If so, the responses are cross-checked for consistency. The estimates assume that a business knows what is required and does not waste time. Satisfying regulatory requirements will obviously take longer if the business lacks information or is unable to follow up promptly. A related point here is that DB may not understand "work-arounds", "facilitating fees", and "learning time" that speed or delay approvals and causes variation costs. Related studies [edit] Published now for twelve years, the DB has originated a growing body of research on how performance on DB indicators, and reforms generated by the reports, related to specific development desirable outcomes. As stated by the DB, about " articles have been published in peer-reviewed academic journals and about working papers are available through Google Scholar". The DB has acknowledged the limitation of getting data from one city to give information and a ranking valid for all the country. Several regional and sub-national studies have been carried out using the Doing Business methodology to assess variations within countries and regions across different cities, including sub-national studies for countries like Brazil, Mexico and Colombia and regional studies for the Caribbean, the Arab World, Bulgaria and other south eastern European countries. All studies are available from the DB website. DB sometimes unintentionally has been widely used as a study to measure competitiveness. However, regulation rather than competitiveness is the main objective in the DB. Other studies that are also used to measure competitiveness and recognized as business enabling environment ranking systems are the Global Competitiveness Index, the Index of Economic Freedom, and the Global Entrepreneurship Monitor, among others. The Employing Workers index was revised in Doing Business to be in full compliance with the International Labour Organization conventions. It has subsequently been removed from the rankings. An Independent Evaluation, contained both praise and criticism of Doing Business. The report recommended that the index be clearer about what is and is not measured, disclose changes to published data, recruit more informants, and simplify the Paying Taxes indicator. The Employing Workers indicator was also removed as a guidepost for Country Policy and Institutional Assessments, which help determine resources provided to IDA countries. A study commissioned by the Norwegian government alleges methodological weaknesses, an uncertainty in the ability of the indicators to capture the underlying business climate, and a general worry that many countries may find it easier to change their ranking in Doing Business than to change the underlying business environment. It recommended that the report be retained, but that the aggregate rankings be removed and that a peer-review process be implemented among other things. While there is a persuasive case for paying attention to these aspects of doing business, the Bank will need to carefully consider the correct way to assess the regulation and legal environment of these areas if these indicators are to be retained. Although procedures may take place simultaneously, they cannot start on the same day that is, simultaneous procedures start on consecutive days ". These assumptions generated some criticisms especially by countries that were able to complete one or more procedures simultaneously and could therefore be penalized in the final rank. World Bank claimed that the same criteria are applied to all economies and therefore would not produce biased results. In the possible biases in applying the DB time indicator were mathematically demonstrated in a scientific article [18] appeared on the Rivista italiana di economia demografia e statistica Italian Review of Economics, Demography and Statistics - RIEDS.

Chapter 6 : India Moves Up in World Bank's Ease of Doing Business List

India is ranked among economies in the ease of doing business, according to the latest World Bank annual ratings. The rank of India improved to in from in Ease of Doing Business in India averaged from until , reaching an all time high of in and a record low of in

Starting a business The requirement of Common company seal is eliminated. Introduction of form by MCA. With this form three processes such as Name Availability, Director Identification Number and Incorporation of Company are clubbed into one. The company can be registered within working days in India. Dealing with construction permits Municipal Corporations of Delhi as well as Municipal Corporation of Greater Mumbai have introduced fast track approval system for issuing building permits with features such as Common application form, provision of using digital signature and online scrutiny of building plans. Delhi has a uniform building bye laws, which allows for risk-based classification regimes for different building types. The uniform building bye laws have provision of deemed approval of sanctioning building plans within 30 days. Now importers and exporters can electronically lodge their customs clearance documents at a single point only with the customs. The number of mandatory documents required by customs for import and export of goods have been reduced to three viz. NJDG was opened to general public on 19th September, The amendment modifies rule 4 to include additional types of charges, including: Getting Electricity In both Delhi and Mumbai, the distribution companies have stipulated that electricity connections will be provided in 15 days and the number of documents required to obtain an electricity connection have been reduced to only 2. This will reduce procedures, cost and time taken to obtain an electricity connection significantly. The digitization of property records will overcome the cumbersome and time consuming paper work for registering properties. It will ensure transparency and allow citizens to ascertain history of transactions in digital mode. This has greatly reduced the time to prepare and file returns. With introduction of e-Verification system, there remains no physical touch point for document submission to Income tax authorities. The online portal is aimed to provide the following: Real time ranking and tracking of the States and UTs based on implementation of the recommendations Details of the good practices to learn and replicate Provide information on current policies and practices across States and UTs More than reforms have been uploaded by States on the portal, the validation exercise of which is underway. A detailed data set of ease of doing business measures implemented by various states is available at URL:

Chapter 7 : Budget Ease of Doing Business - IndiaCorpLaw

New business density (new registrations per 1, people ages) New businesses registered (number) Losses due to theft and vandalism (% of annual sales of affected firms).

India jumps 12 places Ease of Doing Business in India and the world, , ranks; Graphic courtesy: Under the new methodology , its rank has moved to from in the previous year. The Doing Business Measuring Regulatory Quality and Efficiency , released on Tuesday , captures reforms implemented in countries between June 2, and June 1, In the global ranking stakes, Singapore retains its top spot. The report comes as a shot in the arm for the government battling to revive growth, attract investment and remove the regulatory and bureaucratic hurdles to business. The report highlights two reforms that India has implemented during the past year. In both Delhi and Mumbai, the process for getting an electricity connection was made simpler and faster. The report also highlights a number of reforms already underway in India, which were not fully felt by the majority of businesses by June 1, but will help India further improve its rank in the coming years. Ongoing efforts to introduce and enact the bankruptcy Code, movement on operationalizing commercial benches and courts in Delhi and Mumbai, efforts to introduce automation in judicial processes in courts, further digitization of land records, and integration of registration and mutation processes, and introduction and launch of National Single Window for trade may also help India improve its rank in future. The Doing Business report released on Tuesday showed that India was placed th among countries that had been surveyed for the annual rankings, with Russia, Bhutan, South Africa, China, Nepal, Sri Lanka and Brazil ranking higher. New Zealand replaced Singapore as the easiest place for doing business. The government is keen to improve attractiveness as an investment destination and has undertaken several measures to make it easier to do business in the country. But it slipped on various other parameters and the government said that at least a dozen steps initiated by it were not recognised by IFC this year, prompting it to put in place a strategy to focus on several reform initiatives in the coming coming year. For instance, the enactment of the Insolvency and Bankruptcy Code was not factored in as the IFC team argued that the law had not been implemented, something that the government now intends to do by December-end. For instance, the government said the new process to get a name for incorporating a company took1. Which version should readers believe? Both reports describe changes in rules rather in practice. The reports cannot capture the role of money and influence to get clearances. Enormous hurdles can vanish with a bribe or telephone call. The Doing Business report shows India is a difficult place for honest, rule-bound business. Critics have long pilloried the shortcomings of the Doing Business report. Yet it has become popular, warts and all, because it captures at least the formal hurdles facing honest business, and promotes competition between countries. They compared data for a large group of countries from the Doing Business survey with that from a separate Business Enterprise survey, also done by the Bank. They examined three indicators -the time taken for obtaining construction permits, starting a business or operating licence, and the delay in importing goods. They found the average time taken for all three was far less in the Enterprise surveys. For many technical reasons, but mainly because the Enterprise surveys got data from businessmen across a country , whereas the Doing Business surveys got data from a single city , from lawyers and technocrats familiar with changing rules. So, the Enterprise surveys captured the reality inclusive of bribes and influence, whereas the Doing Business surveys captured changes in rules that would benefit honest, but possibly non-existent, businesses. The Doing Business report gives a single number for the time taken in clearances. But Hallward-Driemeier and Pritchett found huge variations for different firms: The investment climate is not the same for everybody: The biggest, best-connected firms have a big advantage. In practice, clearances are faster than rules suggest. The time taken for construction permits in 80 countries was only one-sixth as much in the Enterprise surveys as in the Doing Business surveys. Still, Enterprise surveys carry more credibility than the Doing Business report. This survey looks at changes in laws and rules agreed upon to improve the investment climate. These are more relevant for honest than dishonest business. That does not make them irrelevant. Rules must be changed to make honest business easier. This may not have a revolutionary short-term impact, but is essential for the long term. We need to shift from an influence-based to

a rule-based system. Modi has cut big corruption in New Delhi but it continues at the state level. The survey shows that NDA-ruled states are far more reformist than others, occupying most top rankings. Although placed 14th and 16th, UP fulfilled West Bengal, another laggard, fulfilled. It remains to be seen how far changed rules translate into reality. Huge gaps can be expected. Nobody should believe that the states have improved the investment climate fabulously, or that climate control by influential firms has disappeared. Yet the direction of change is positive. Porter, May 30, His work has also achieved remarkable acceptance among practitioners across multiple fields. Would you say that the world economy has recovered from the financial crisis or are we yet to fully recover and are still reeling in the aftermath? The US got really pounded and indeed a lot of that uneasiness has led to Donald Trump getting elected. I feel today that financially the US is in a sound position, our banks have record amounts of capital, the financial markets now are working quite efficiently, the borrowing in American households is now a lot more moderated, people are not doing everything on credit anymore, so America is in a different place now. The concerns now are more ephemeral. There is a lot of fear about globalisation. I think the biggest problem in America now is Education. On the other hand, in India, the business environment is still very inefficient and cumbersome. There is a financial system in India today where state-owned banks have massive bad loans and there is not enough credit in order to provide capital to the good businesses. The biggest problem we have with America is that we have this political system and a president who is dividing the country. The growing sense of nationalism and jingoism is quite rampant in India as well. What do you think the world is going through where the insecurities of being inclusive seem to be at a record-high and a polarised world seems to be the new normal? I think we are all feeling that and for a variety of reasons. Fears of trade and the fears of not having any hope in the system in America is causing people to feel intolerant towards immigrants. The truth, however, is that trade is great for America. It provides more jobs, wages in industries that are indulging in trade are much higher than the average industry norm. All the evidence and every economist on the face of the earth will tell you that trade is good and yet people had a sense of insecurity. Britain is another interesting example. The whole Brexit thing was all about two issues: The whole thing was complete hogwash! The evidence is very clear -immigrants coming into Britain were not taking jobs of the British people, they are actually creating new jobs. They were entrepreneurs allowing the UK to be competitive in areas that were powering growth in the economy. Frankly, Brexit was all about lies and what we are seeing in more and more countries is that democracies and political systems have become much more polarised and politicians have tapped into the fear of some people and even framed that fear. Political processes have tapped into the insecurities of nations. Giving the example of Rwanda, it says the African country has implemented the integrated electronic case management system across all courts which allows for an automatic registration of lawsuits, electronic organisation and scheduling of cases and automated claims processing. Many of the sub-Saharan African countries have done better than India, which has failed to implement crucial judicial reforms when it comes to implementing the electronic case management system. Some of the basic services such as summons are still being served using the antiquated practice. An evaluation of the court structure and proceedings by the World Bank, while ranking countries on ease of doing business in its report, has painted a very grim picture for India compared to many of the sub-Saharan African countries that have done better by adopting a set of good practices, including case management, court automation and alternative dispute resolution--some of the parameters which resulted in India being ranked overall among countries. The report refers to lack of electronic case management system for lawyers and judges in the courts dealing with commercial disputes in Delhi and Mumbai. There is no provision for pre-trial conference in these courts. In India, as far as commercial disputes are concerned, the complaint cannot be filed electronically in the absence of a platform within the competent court. It is not even possible to carry out service of process electronically for claims filed before the court. Only the court fees can be paid electronically and the judgments can be accessed online. The low rating of the Indian judicial system is also on account of the unlimited adjournments granted by courts and non-adherence of the prescribed laws by the judiciary itself. There is a law that regulates adjournments where the maximum number that can be granted is limited to three. The World Bank has rated countries on the judicial indicators with a score ranging between 0 and 18, higher the score better and more efficient the judicial process and system. India failed to

improve its ranking in the last two years and was placed out of economies surveyed by the Bank in Starting a business in India is still not an easy proposition. The only improvement was on getting electricity connections where India jumped 25 places -from 51in to 26 in The scenario is not very encouraging, according to a preliminary assessment by the task force constituted on the recommendation of a committee of secretaries in December last year to bring the country among the top 50 nations. The task force, which has held two meetings so far, comprises officials from the department of industrial policy and promotion, law ministry and the registrars of Delhi and Mumbai HCs besides the law secretaries of Delhi and Mumbai. The high-level panel has emphasised on setting up district level commercial courts where disputes of less than Rs 1 crore can be handled. Currently , commercial disputes are only handled by Delhi and Mumbai HCs and the law bars setting up commercial courts at district level. The World Bank had found India lacking in enforcing contracts, and reducing time and cost involved in resolving commercial disputes through local courts. The Times of India A survey on ease of doing business conducted by NITI Aayog and the IDFC Institute, which was released, created a flutter as the results showed that it took companies days to start a business and highlighted other difficulties faced by companies. The government issued a statement on Tuesday , saying the report itself states that it is meant to be a research document and its contents do not represent views of the government and NITI Aayog. The statement said the survey was conducted between April and April and does not reflect any changes in the ease of doing business since then. In recent years, there has been tremendous progress in easing various processes related to doing business. This has been verified by the World Bank.

Chapter 8 : View: India on right track to reach the top 50 in Ease of Doing Business Index - The Economic

Ease of Doing Business in India and the world, , ranks; Graphic courtesy: The Times of India, Oct 29 India jumps 12 places in ease of biz Turns around many years of decline in World Bank's ranking on reforms.

Chapter 9 : Business Reforms Action Plan

The ease of doing business index is an index created by Simeon Djankov at the World Bank racedaydl.com academic research for the report was done jointly with professors Oliver Hart and Andrei Shleifer.