

A Review of Ease of Doing Business for New Age Entrepreneurs in India

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Abstract

Empowering people to become the master of their own destiny is one of the most powerful tools of economic growth and development. Thus, entrepreneurs are said to be the key drivers of the economic engine. Entrepreneurs innovate and create opportunity, jobs, wealth, and prosperity for many. According to an estimate, new age entrepreneurs account for 20% of gross job creation in the United States (Kauffman Foundation, 2015). In addition to job creation, new businesses bring economic dynamism by spurring innovation and injecting competition. The conducive environment that facilitates people to start their own business provides a big spark to the economic development. The factors that contribute to the success of entrepreneurs around the world include access to the human, financial, and professional resources along with host of encouraging government policies (Babson College Website, 2016). An efficient economy should ideally provide transparent and favourable regulatory environment for the creation and growth of business enterprises.

The present paper reviews important measures and policies undertaken by the Government of India under the realm of 'Ease of Doing Business'. These policies are reviewed in the backdrop of India's performance in the Doing Business Index, 2017.

Keyword: Entrepreneurship, Doing Business Index, Ease of Doing Business

Introduction

The World Bank conducts an extensive study called 'Ease of Doing Business Index' on how easy or difficult it is for an entrepreneur to start, run and shut down a business while complying with relevant regulations in a country. The index is an aggregate of scores earned by the country on various parameters that define business life cycle in the country. The scores are further used to determine the ranking of various countries across the world in reference to the conduciveness of their entrepreneurship ecosystem for entrepreneurs. The entire exercise aims to provide an objective basis for understanding the regulatory environment for doing business in a country and its cross country comparability for ascertaining competitive environment. The index measures the business regulations for domestic firms, primarily small and medium enterprises (SME). Small and medium enterprises are the major economic drivers, especially in the developing countries. In India SMEs contribute 38% to GDP, 46% of exports and provide employment to more than 120 million people (SME Times, 2015).

About Ease of Doing Business Index

'Doing Business' measures eleven different areas of business regulations across 189 economies, from Afghanistan to Zimbabwe, over time since 2004. The dataset covers 47 economies in Sub-Saharan Africa, 32

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in Latin America and the Caribbean, 25 in East Asia and the Pacific, 25 in Eastern Europe and Central Asia, 20 in the Middle East and North Africa, and 8 in South Asia, as well as 32 OECD high-income economies. These areas have been determined by extensive World Bank Enterprise Survey identifying the major obstacles faced by entrepreneurs and from an extensive literature review.

The variables included in the index are:

- i. Starting a business
- ii. Dealing with the construction permit
- iii. Getting electricity
- iv. Registering property
- v. Getting credit
- vi. Protecting minority investors
- vii. Paying taxes
- viii. Trading across borders
- ix. Enforcing contracts
- x. Resolving insolvency
- xi. Labour market regulation

Each of these variables is further measured on a total of 36 indicators which are specified in Appendix. ‘Ease of doing Business Index’ as proposed by World Bank is a measure based on ‘Distance to Frontier’ score. The frontier is the benchmark which represents the best performing economy on a particular indicator. The illustration for calculating ‘Distance to Frontier’ score is given in Fig. 1.

A lot of research has already been done to establish the importance and impact of ‘Ease of Doing Business’ Indicators on the economic growth. Haidar (2012) investigated the link between business, regulatory reforms and economic growth in 172 countries using a five year dataset. His research showed that on an average each business, regulatory reform is associated with a 0.15% increase in the growth rate of GDP. Ani (2015) in his research involving 29 East Asian, Southeast Asian and South Asian economies found significant effects of ‘Ease of doing business’ on economic growth. His research indicated 83% of the total variation in the economic growth can be explained by the changes in the indicators of ease of doing business specifically dealing with construction permits, getting credit, registering property and trading across borders. Regression analysis established that a one day increase in the average number of days taken to complete a procedure will decrease the value of GDP in general.

Topic/Variable	- Construction permit
Indicator	- Number of procedures
If the Frontier score	= 5
If the Worst score	= 30 (99 th percentile)
If number of procedures involved in a particular economy	= 20
Linear transformation	= $(30-20)/(30-5)=0.4$
Distance to frontier score on the scale of (0-100)	= $0.4*100 = 40$

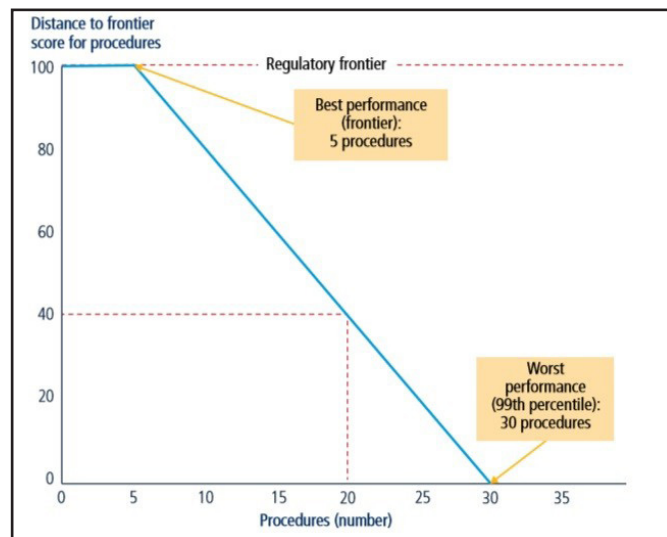


Fig. 1: Illustration for Calculating ‘Distance to Frontier’ Score

Source: <http://espanol.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB15-Chapters/DB15-DTF-and-DBRanking.pdf>

Indian Government Initiatives for Ease of Doing Business

In May, 2014 the central government under the leadership of Prime Minister Narendra Modi not only acknowledge the significance of ease of doing business on the economic development but took several initiatives to achieve the same.

The Government created a dedicated Ministry of Skill Development and Entrepreneurship in May, 2014 with a mission to develop 300 million skilled workforce people in India by 2022 and create a suitable ecosystem for entrepreneurship in India by removing the existing bottlenecks (Ministry of Skill Development and Entrepreneurship, 2015).

'Make in India' initiative launched by the government in September, 2014 to provide a boost to manufacturing in India, recognised 'Ease of Doing Business' as the single most important factor to promote entrepreneurship. It introduced new processes, new infrastructure, new sectors and new mindset to with the objective to de-license and de-regulate the industry during the entire life cycle of a business (PMINDIA, 2016). Digital India programme launched by the government in 2014 aims at bringing good governance to the citizens through developing Digital Infrastructure and e-governance (Soni, 2015).

The Department of Industrial Policy and Promotion (DIPP) formulated various policies to simplify the regulations and make governance easier. Other initiatives undertaken in 2015, include single window portal for obtaining clearances from various government agencies, limiting the documents for export-import to just three, removing minimum paid-up capital requirement, increasing the validity period of industrial licenses, online display of specified timeline of processing foreign investors application, merging the process of VAT and professional tax registration, reduction in number of procedures to obtain electricity connection etc.

The Department of Industrial Policy and Promotion (DIPP) with support from KPMG and World Bank also conducted "Assessment of State Implementation of Business Reforms" to identify the status of implementation of business reforms agreed between states and DIPP reforms for the period January 1 to June 30, 2015 and ranked them according to the ease of doing business. The states were found at different levels of implementation. The State of Gujarat was at 71.14% implementation compare to all India average of 32% (DIPP, 2015).

In December, 2015 a sub-committee formed by Department Related Parliamentary standing Committee (DRSC) on Commerce recommended the need to increase the pace of change, doing away with unnecessary rules, vagueness in regulations and vague acts, enhanced use of technology at all levels of decision making, push towards impending reform in labour laws and easing out the taxation for the start-up.

The government launched Start-up India initiative in January 2016, under which it proposed 19 point Action Plan for the protection and promotion of startups. It includes:

1. Reducing the regulatory burden on startups by allowing them to self-certify on various labour and environmental laws.
2. Creating a single point of contact for the entire Startup ecosystem and enable knowledge exchange and access to funding.
3. Creating a mobile app and portal that will act as a single platform for Startups for interacting with Government and Regulatory Institutions for all business needs and information exchange among various stakeholders.
4. Providing access to high quality Intellectual property services and resources, including patent examination at Lower Costs.
5. Exempting startups from 'prior experience' criteria to provide them equal opportunity in public procurement compared to experienced companies.
6. Making it easier for Startups to wind up operations.
7. Providing funding support through a fund of funds with a corpus of INR 10,000 crore.
8. Providing credit guarantee funding to startups through Nation Credit Guarantee Funding Trust company (NCGTC).
9. Tax Exemption on Capital Gains if such capital is invested in funds recognised by the government. This exemption is in addition to the capital gain exemption for investment in startups.
10. Exemption from income-tax for a period of 3 years.
11. Tax Exemption on investments above fair market value.
12. Organising startup festivals for showcasing innovation and providing a collaboration platform.
13. Launch of Atal Innovation Mission (AIM) with Self-Employment and Talent Utilisation (SETU) Programme.
14. Setting-up of incubators across the country in public private partnership (Start-up India, 2016).

As per DIPP report June, 2016 many of the initiatives have been implemented or are in the process of implementation. Also, the final results of state wise policy implementation (conducted by DIPP, KPMG and World Bank) for 2016 are still awaited but real time data suggests fierce competition among states to be ahead of each other in implementing the reforms on all the parameters which have increased

to 338 this year as compared to 98 in 2015 (Chitravanshi, 2016)

India's Position in the Doing Business Index Since 2004

The 'Ease of Doing Business' Index 2017 was released as part of the World Bank's annual report titled Doing Business 2017: Equal Opportunity for all. The World Bank revised its methodology based on the data collected till June 2016. It is a cross country Doing Business Database which shows India's rank 130 in a list of 190

countries. The top three countries in 2017 Index are New Zealand, Singapore and Denmark respectively. India's rank improved four places higher than the previous year ranking of 2015. However, it is important to note here that the India's ranking is lower than the most of its neighbours and BRICS countries like Singapore (2), Korea (5), Hong Kong (4), Malaysia (23), Japan (34), Russian Federation (40), Thailand (46), Bhutan (73), China (78), Nepal (107), Sri Lanka (110), Brazil (123), Pakistan (144), and Bangladesh (176).

The ranking of India in different components of 'Ease of Doing Business' and Distance to Frontier measurement for the year 2016-17 is mentioned in Table 1.

Table 1: India's Ranking in "Ease of Doing Business" Index 2016 and 2017

S.No	Topic	Doing Business Rank	Doing Business Rank	Change	Distance to Frontier	Distance to Frontier	Distance to Frontier
		2017	2016		2017	2016	2015
1	Starting a Business	155	151	-4	74.31	73.74	63.7
2	Dealing with construction Permit	185	184	-1	32.83	32.83	32.83
3	Getting Electricity	26	51	25	85.09	79.76	66.28
4	Registering Property	138	140	2	50.00	49.97	49.96
5	Getting Credit	44	42	-2	65	65	65
6	Protecting Minority Investors	13	10	-3	73.33	73.33	73.33
7	Paying Taxes	172	172	0	46.58	43.17	56.14
8	Trading Across Borders	143	144	1	57.61	56.45	56.45
9	Enforcing contracts	172	178	6	35.19	32.41	32.41
10	Resolving insolvency	136	135	-1	32.75	32.59	32.6
	OVERALL	130	131		55.27	53.93	52.87

Source: Compiled from <http://www.doingbusiness.org/data/exploreeconomies/india/>

In 2017 Index, India has improved on four frontiers i.e. Getting Electricity (by 25 points), Enforcing Contracts (by 6 points), Registering Property (by 2 points), and Trading Across Borders (by 1 point), whereas on five other frontiers i.e. Starting a Business, Dealing With Construction Permit, Getting Credit, Protecting Minority Investors, and Resolving Insolvency, India's position slipped further down. India's position remained unchanged on Paying Taxes.

For year on year comparison of performance, Distance to the Frontier (DTF) is used. In other words, it measures the distance of each economy to the 'frontier', which is the best performance on each of the indicators across all economies in the Doing Business sample since 2005 (World Bank). Refer appendix for absolute and percentage

change in distance to frontier. Topic wise analysis of India's performance is discussed below.

Starting a Business

One of the most important indicators in reviewing doing business is the process for starting a new business. This is an aggregate score of four indicators i.e. number of procedures for starting a business, the number of days for completing the registration process, cost required to complete all procedures (as a % of PCI), and minimum paid up capital required (as a % of PCI). The DTF score for starting business in India changed by 15.5% points in the 2016 Index. Two major facilitators included reduction in the minimum paid up capital requirement to 0% of per

capita income from 111% in 2015 and the number of days required for registration to 28 from 34 in 2015 (this has further reduced to 26 in 2017 Index). It is interesting to note that in New Zealand it takes only one day to register a startup. Not much improvement has been shown as far as no of procedures and Cost of starting business in terms of PCI is concern. Both these indicators at 12.9 and 13.8 in 2017 ranking stand out to be at a much higher rate compare to other competitive countries.

Some of the significant steps taken by the government to simplify the registration process for starting a new business include -

- E-biz portal launched by DIPP under Digital India programme, the portal integrated 11 central government services, facilitating faster clearances for businesses which helped in reducing the time required for registration (Ministry of Commerce & Industry, 2015).
- Companies will now be allowed to self-certify in various labour and environmental laws. The government has also increased the validity of environmental clearance from 5 years to 7 years and removed the requirement of environmental clearance for 36 white industries.
- Online registration of VAT with real-time Tax Identification Number (TIN) has been introduced. The requirement of inspection of shops and establishments has been removed in Mumbai to make the registration instant (DIPP, 2016).
- Director's Identification Number (DIN) and company name availability can be simultaneously applied for with the application for incorporation of a company. The government further plans to introduce Business Identification Number (BIN) which will eliminate the need of 18 different registration numbers required currently and thereby speed up the registration process (Economic Times, 2016).

Dealing with Construction Permits

Ease of doing business on this parameter is based upon the number of procedures involved to build a warehouse, the time required to complete each procedure, cost required to complete each procedure (as a % of warehouse cost) and building a quality control index (0-15). India ranks 183 and features in bottom 10 economies in dealing with

construction permit with no improvement as compared to the previous year. The DTF score for India is 32.47 which is much below the regional average of South Asia of 59.92. There was a considerable increase of 72% in DTF score in 2015 but no change has been observed since then.

HongKong involves only 5 procedures to build a warehouse and 5 other economies involve only 7 procedures as compared to 35 procedures in India. In Singapore, it takes only 26 days to complete the procedures, whereas in India it takes 190 days. Cost incurred in India is 26% of warehouse cost which is reduced by merely 3% as compared to 2015. This is the fourth highest in the entire world after Afghanistan, Nigeria, and Madagascar. The cost incurred in Mumbai i.e. 46% is the highest in the entire world. 90% of the countries have cost below 10%, including China, Russian Federation and many others. The quality control index stands at 11.5 out of 15 which is ahead of China at 9.

- DIPP has already initiated the process to enable Municipal Corporations in metros to accept online application for grant of construction permits for residential and industrial buildings. This expected to be implemented by October 2016 in Mumbai and Delhi (LiveMint, 2016).
- Other initiatives by the government include removing the requirement of certain NOCs from Development Corporation and Labour Department, digital signing of building permit applications and maps and color coding of maps to determine the requirement of NOC (DIPP, 2016).

Getting Electricity

Continues and affordable access to electricity is essential for smooth business functioning. This parameter is measured on the basis of number of procedures required to obtain an electricity connection, time required to complete each procedure, cost required to complete each procedure (as a % of per capita income) and the reliability of supply and transparency of tariffs index. This parameter has seen the maximum improvement as compared to all other nine parameters.

India ranks 26 on this parameter and has improved by 25 positions as compared to the last year. The distance to frontier score increased by 5% to reach 85.09 i.e. higher than South Asia regional average of 55.37. The

improvement in the score is due to decrease in procedures from 7 to 5, number of days required for new connection from 101 (in 2015) to 45.9 and cost from 487% (in 2015) to 133.2% in 2017. In Japan, the cost is 0% of per capita income. The reliability of supply and transparency of tariff index has also improved to 7 in the scale of 0-8.

The Indian Government further intends to reduce the number of procedures to 3 which is equivalent to existing minimum in the world. The time for giving the electricity connection has also already been reduced to 21 days in Mumbai by improving internal work processes and coordination (DIPP, 2015). Application format of the Delhi Electric Supply Code and Performance Standards Regulations, 2007 has been revised for faster release of electricity connection.

Registering Property

Registering property refers to the procedures required to be fulfilled to purchase or transfer the property. Ensuring formal property rights is essential to get finance and other clearances as well. It is measured based on the number of procedures involved to legally transfer the title on immovable property, number of days required to complete each procedure, cost required to complete each procedure (as % of property value) and quality of the land administrative index (0-30). India ranks 138 on the index with a 2 point improvement as compared to 2016. There has been no major improvement in its distance to frontier score (50 in 2017) since 2006, infact it decreased by 15% in 2015 and the number of procedures involved are 7 as compared to 4 in China and 3 in the Russia. It takes 46.8 days in India to complete the procedure, whereas in China and Russia it takes 19.5 days and 15 days respectively. The cost involved is also on the higher side i.e. 7.7% of property value as compared to 3.4% in China, 3% in Brazil and 0.2% in Russia. The quality of the land administrative index is only 7 in India, which is very low on the scale of 30.

Major land reforms will be required to improve India's ranking on this parameter. DIPP has proposed for digitising all land dealings, registration, payment of stamp duty etc.

Getting Credit

Easy access to credit is the stepping stone to start-up creation. The depth of credit information and stronger legal rights for the borrowers and lenders facilitate the

access to credit and improve its allocation. India's rank slipped by 8 positions to 44 in 2016 from 36 in 2015. The rank of India on this parameter is much higher than most of the other parameters and ahead of China (79) but slip in rank is a matter of concern inspite of various government policies of financial inclusion. Rising NPAs in public sector banks can be attributed to affect in credit flow to entrepreneurs. The depth of the credit information index is 7 on a scale of 8 whereas the legal rights index is only 6 on a scale of 12.

The government has taken many steps to improve the credit availability, it has launched MUDRA (Micro Units Development Refinance Agency) Bank in April 2015 to provide credit upto 10 lakhs to small businesses. Under the Start-up India Action Plan, the government has created a fund corpus of INR 10,000 crores to provide funding support for innovation driven enterprises. It has also planned to establish credit guarantee mechanism to all innovative startups through NCGTC witha budgetary corpus of INR 500 crores (Start-up India, 2016).

Protecting Minority Investors

Protecting minority investors refer to the protection of minority shareholders from conflict of interest and shareholders' rights in corporate governance. There are six indicators which decide protecting minority investors. In this area, India ranks 13 in 2017 down 3 positions since 2016, though this is the best ranking India has across all parameters. India's performance among all the indicators averages between 6 to 10. SEBI and other regulatory bodies have not made any significant change in policy influencing shareholders' rights.

Paying Taxes

To facilitate the Ease of Doing Business and encourage startups, it is essential to have less complex and easily administrable tax system as well as low perceived tax rates. This parameter is measured on the basis of the total number of taxes required to be paid, the time required (in hours per year) to pay taxes and total tax rate (as % of profit before all taxes). India ranks 172 on this parameter, as corporate in India have to make on an average 25 (it was 33 in 2015) payments per year in the form of taxes or mandatory contributions as compared to 9 in China and Brazil, 7 in Russia, 6 in Singapore, and 3 in Hong Kong.

The number of hours spent in paying taxes per year is 241 in India whereas it takes only 12 hours in the UAE. In India the total taxes paid amount to 60.6% of the profit which is comparable to other BRIC countries, but much higher than Singapore (18.4%) where the ease of doing business is the highest.

The DTF score of paying taxes depicted the best improvement of 35% in 2012. This was the reflection of mandatory electronic filing and payment for value added tax. Though registration of VAT, application of PAN, TIN, professional tax, property tax, etc. have been made online over a period time, no major changes are observed in DTF score for last four years.

- Implementation of GST from April 2017 (Live Mint, 2016) would reduce the number of payments as well reduce the administrative burden, thereby expected to decrease the number of taxes and the time spent in paying taxes.
- The reduction in corporate income tax to 25% from 30% over a period of 4 years as introduced in Union Budget, 2015 should considerably reduce the tax burden.
- Moreover, under start-up India Action Plan, start-ups have been exempted from tax for the first three years of operations to facilitate growth of business and meet working capital requirements.

Trading across Borders

Trading across borders measures the ease of exporting and importing to other countries' i.e. border compliances (in hours and in US\$), documentary compliances (in hours and in US \$), cost associated and procedures involved (in hours and in US\$). A total of eight indicators, four each for export and import are assessed to calculate the ease. India stands 143 in the ranking of trading across borders. Denmark tops the ranking of trading across borders with zero cost involved and only 0.5 hours for documentary compliance in import and export. DTF scores of trading across borders have not increased since 2009. In India, border compliance to export takes 106 hours and cost \$283 whereas in China it takes 26 hours and costs \$522. Documentary compliance for export takes 38 hours and cost \$283 in India as compared to 21.19 hours and \$84.57 in China. With respect to imports border compliance takes 283 hours and cost \$574 as compared to 92 hours and \$776

in China. Documentary compliance of imports involves 61 hours and \$135 which is slightly lesser than China. Though cost involved in all compliances is comparable, but the time involved is much higher.

The Central Board of Excise and Customs has taken several steps to reduce the time taken like limiting the number of documents required for export and import to 3 which currently involved 8-9 documents, online single window clearance of import goods, online filing of import and export declaration, increasing the number of seaports and air cargo complexes with 24X7 custom clearance facility etc. The government further plans to create zero human interface system for imports and exports.

Enforcing Contracts

Enforcing contracts measures the efficiency and transparency of commercial dispute resolution by the courts. The indicators include time and cost involved in enforcing a contract and the quality of the judicial policy index. In India it takes around 1420 days from filing a case to enforcing the judgement and it costs 39.6% of the claim leading to the poor ranking of 172. Singapore ranks 1st taking only 150 days to enforce a contract. Quality of judicial policy index in India is only 9 on the scale of 0-18 as compared 14.1 of China and 15.5(highest) in Singapore, Australia, and Macedonia.

The DTF score of India on this parameter (35.19) is even below the South Asian average of 42.83. Several steps have been taken by the government, however an overall judicial reform are yet to be taken to enable ease.

Resolving Insolvency

A business shutdown needs to be equally smooth and easy as starting a new business. Speedy and inexpensive insolvency resolution is essential to help loss making businesses to shut down and reallocate their funds to more viable business opportunities. Resolving insolvency is measured on the basis of recovery rate for creditors and the strength of the insolvency framework index. There is no improvement in India's position in resolving insolvency as compared to last year. India stands at 136th position as compared much below to its competitors. The recovery rate in India is only 26% as compared to 36.2% in China, 41.7% in Russia, and 92.9% in Japan. India's strength of the insolvency framework index is '6' on a

scale of 0-16 as compared to 11.5 of China and Russia. It takes 4.3 years in India to recover the debt, which is a very long period. The shortest time for debt recovery is 0.4 years in Ireland.

- The Insolvency and Bankruptcy Code, 2015 passed in May, 2016 aims at creating a unified framework for resolving insolvency and bankruptcy matters. It provides for the corporate insolvency applications to be considered within 180 days, with an option of a 90-day extension, thereby aiming to reduce the time taken currently to less than a year (LiveMint, 2016).
- The Parliamentary Committee recommended replacing the Company Law Board and the Board for Industrial and Financial Reconstruction (BIFR) by National Company Law Tribunal to speed up winding of sick companies. It also proposes the introduction of commercial benches in High courts, training programme for judges for handling commercial case, electronic case management system, judicial grid linkage for rapid scheduling of trials and online availability of judgement copies to speed up the entire process.¹

Conclusion

Doing business index measures data on a large number of parameters directly affecting the ease of business, but certain important indicators like level of corruption, macro-economic stability, market size, adequacy of physical infrastructure etc. are not taken into consideration. Also the data for India are collected from Mumbai and Delhi, the largest business cities of the country, but might not be actual representative of the entire nation. The significant variation in the socioeconomic and political environment of different countries also affects the ranking performance on of parameters in the index.

Currently India is the only fastest growing young country in the world. India is the youngest start-up nation with 72% founders being less than 35 years of age and this is growing at the rate of 800 start ups per year (NASSCOM, 2015). According to the NASSCOM Start Up Report 2014, The startups created 80,000 jobs in 2015, and attracted nearly 500 investors and the numbers are growing. But it is noteworthy that most of the top 200 startups in India relocated their headquarters to countries like US

and Singapore to enjoy more freedom of doing business (Forbes India, 2016)

In addition to the demographic dividend which India is enjoying and will continue to do so in next few decades, Ease of starting and doing business will prove to be a crucial factor in attracting investment both domestically and from abroad. A review of India's position in Ease of Doing Business Index proves that it is still a long way for India to make its position among top 50 countries in the List.

Getting Electricity has proved to be a game changer for India. India's ranking has improved considerably due fall in number of days required for getting electricity to half, between 2014 and 2016. However, Paying Taxes and Enforcing Contracts remain a challenge as no improvement is recorded in these areas. Implementation of GST from 2017 and some Labour reforms are expected to improve India's position in these parameters.

Demonetisation and Digitisation of Payments undertaken by the government in November, 2016 is expected to produce positive results in the long run. Areas like financial services, construction, unorganised retail, etc. will see a lot of transformation.

But the initiatives launched and efforts made by the government needs to be monitored. If the reforms are speedily implemented and identified pain-points are worked upon, India might see one of the biggest jumps in 'ease of doing business' index.

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Appendix

Table A1: Doing Business Indicators Score for India (Selected Years)

	<i>Indicator</i>	2017	2016	2015	2005	2004
1	Procedures (Number)	12.9	12.9	13.9	13.0	13.0
2	Time (No. of days)	26.0	28.0	33.5	123.0	123.0
3	Cost (% of per capita income)	13.8	14.3	16.2	49.5	53.4
4	Minimum Capital	0.0	0.0	111.2	390.1	428.0
5	Procedures(Number)	35.1	35.1	35.1		
6	Time(No. of days)	190.0	190.0	190.0		
7	Cost(% of warehouse value)	25.9	26.5	29.0		
8	Building quality control Index	11.5	11.5	11.5		
9	Procedures(Number)	5.0	5.0	7.0		
10	Time(No. of days)	45.9	86.2	101.8		
11	Cost(% of per capita income)	133.2	442.3	487.7		
12	Reliability of supply and transparency of tariffs index (0–8)	7.0	7.0	5.9		
13	Procedures(Number)	7.0	7.0	7.0	7.0	
14	Time(No. of days)	46.8	46.8	46.8	64.0	
15	Cost(% of property value)	7.7	7.7	7.7	13.0	
16	Quality of land administration index (0–30)	7.0	7.0	7.0		
17	Strength of legal rights index (0–12)	6.0	6.0	6.0		
18	Depth of credit information index (0–8)	7.0	7.0	7.0		
19	Extent of disclosure index(0-10)	7.0	7.0	7.0		
20	Extent of director liability index(0-10)	6.0	6.0	6.0		
21	Ease of shareholder suits index(0-10)	7.0	7.0	7.0		
22	Extent of shareholder right index(0-10)	10.0	10.0	10.0		
23	Extent of ownership and control index(0-10)	8.0	8.0	8.0		
24	Extent of corporate transparency index(0-10)	6.0	6.0	6.0		
25	Payments (number per year)	25.0	33.0	33.0		
26	Time (hours per year)	241.0	243.0	243.0		
27	Total tax rate (% of profit)	60.6	60.6	60.6		
28	Postfiling index(0-100)	4.3	4.3			
29	Border compliance (hours)	106	109	..		

	Indicator	2017	2016	2015	2005	2004
30	Documentary compliance (hours)	38	41			
31	Documentary compliance	92	102			
32	Border compliance (US\$)	283	287			
33	Documentary compliance (hours)	61	63			
34	Border compliance (hours)	283	287			
35	Documentary compliance (US\$)	135	145			
36	Border compliance (US\$)	574	574			
37	Time (days)	1420.0	1420.0	1420.0	1420.0	1420.0
38	Cost (% of claim)	39.6	39.6	39.6	39.6	39.6
39	Quality of judicial processes index (0–18)	9.0	7.5		7.5	
40	Recovery rate (cents on the dollar)	26.0	25.7	25.7	24.6	24.5
41	Strength of insolvency framework index (0–16)	6.0	6.0	6.0		

Source : Compiled from data available on World Bank Doing Business Web site.

Table A2: Data on Distance to Frontier Score of India

	2017	2016	2015	2007	2006
Starting a Business	74.31	73.74	63.70	43.98	29.35
Dealing with Construction Permits	32.83	32.83	32.83	17.10	17.10
Getting Electricity	85.09	79.76	66.28		..
Registering Property	50.00	49.97	49.90	55.93	55.71
Getting Credit	65.00	65.00	65.00	68.75	37.50
Protecting Minority Investors	73.33	73.33	73.33	56.67	56.67
Paying Taxes	46.58	43.17	56.14	33.20	39.43
Trading Across Borders	57.61	56.45	56.45	53.74	53.23
Enforcing Contracts	35.19	32.41	32.41	25.81	25.81
Resolving Insolvency	32.75	32.59	32.60	13.60	13.51

Source : Compiled from data available on World Bank Doing Business Web site.

Table A3: Percentage Change in Distance to Frontier Score of India

	2017	2016	2015	2007	2006
Starting a Business	0.8	15.8	4.4	49.8	9.6
Dealing with Construction Permits	0.0	0.0	79.5	0.0	
Getting Electricity	6.7	20.3	5.0		
Registering Property	0.1	0.0	-15.2	0.4	25.5
Getting Credit	0.0	0.0	-4.4	83.3	0.0
Protecting Minority Investors	0.0	0.0	22.2	0.0	
Paying Taxes	7.9	-23.1	0.2	-15.8	
Trading Across Borders	2.1	0.0	-13.0	1.0	
Enforcing Contracts	8.6	0.0	25.6	0.0	0.0
Resolving Insolvency	0.5	0.0	0.5	0.7	2.1