

Ease of Biz: What we have learned in last three years

Amitabh Kant



In 2014, Prime Minister Narendra Modi shared his vision of taking India among the top 50 countries in ease of doing business. At the time, India was ranked 142 out of 189 economies, last among the Brics nations and sixth among the eight South Asian economies.

Today, India stands at 77 in Doing Business 2019, released on Wednesday by the World Bank, making it the highest-ranked South Asian nation. In three years, India has improved its ranking by 65 positions — something that few countries of India's size and complexity can boast of.

Why does improvement on the index matter for 'Make in India'? The perception of a country drives business, and the reforms that are implemented demonstrate that we are open for business. The World Bank report highlights the top reformers and rank based on feedback collected from private sector respondents familiar with them.

Today, India is among the top 25 on three indicators (Getting Electricity, Protecting Minority Investors and Getting Credit), and in the top 80 on another two indicators (Dealing with Construction Permits and Trading Across Borders). This remarkable achievement didn't happen overnight or even in a few months. The improvement reflects continuous efforts of implementing agencies over the last four years to ease the regulatory environment.

This remarkable transformation has been the result of sustained efforts by a number of implementing departments, spanning central, state and municipal governments, to improve on their respective indicators. The Department of Industrial Policy and Promotion (DIPP) deserves spe-

IMPROVEMENT ACROSS PARAMETERS

Doing Business Parameters	2018 rank	Chg over 2014
Starting a business	137	21
Construction permits	52	132
Getting electricity	24	113
Registering property	166	-45
Getting credit	22	14
Protecting minority investors	7	0
Paying taxes	121	35
Trading across borders	80	46
Enforcing contracts	163	23
Resolving insolvency	108	29

cial praise for having pursued this initiative with vigour and energy. These changes in mindset and approach to reform have been critical to achieving the successes that India is celebrating today. These learnings will be especially critical as the country strives to focus on further improving its performance on Doing Business with the objective of achieving the vision of making India the easiest and simplest place to do business in.

Further improvement depends on our ability to drive similar reforms in the indicators where we still lag. Reforms in both Enforcing Contracts and Registering Property are the most complex among all the Doing Business indicators in the context of India, due to the multiplicity of stakeholders involved.

There have been some significant efforts in these areas already: the central government has amended the Commercial Courts, Commercial Divisions and Commercial Appellate Divisions Act, 2015, to allow district court-level commercial courts. Similarly, the state governments of Delhi and Maharashtra have invested heavily in digitising land records and building online solutions for registration and mutation.

But these efforts are merely the first steps in the right direction. What these indicators have in common is the time that they take. Doing Business indicates it takes more than four years to resolve a commercial dispute, and it takes several weeks to conduct title search on property and to mutate the property into the name

of the new owner. The time taken to complete these formalities underlies primarily why we continue to lag on these indicators.

Technology can play a critical and significant role in reducing the time requirement — digitising land records can help improve public access, and introducing e-court management systems can help somewhat smoothen processes through automation.

Similarly, digitising land records are useful, but they are not effective in isolation. A land buyer checks deeds, land records, cadastral maps, court records, property tax records and mortgages to make sure the land they buy is free of encumbrances. All of this information is held in different agencies, at differing stages of digitising. Instead, all this data must be integrated into a useable, searchable format that allows users to quickly and effec-

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tively identify encumbrances through a single interface.

The Doing Business report shows that much of the world is also reforming, and India must also strive to incrementally improve on all the indicators where it does well so that the country can continue to maintain its current ranking on these indicators.

What we have learned over the past three years is that in India, transformative change is possible if we put our minds to it.

So while today we celebrate our achievements, from tomorrow we must embark dedicatedly to reform, perform and transform the way we deal with business disputes and land management in India.

Author is CEO, NITI Aayog. Views expressed are personal

INDIA VERSUS BRICS COUNTRIES

	2014	2018	Change
Russia	62	31	31
China	19	46	-27
India	142	77	65
South Africa	43	82	-39
Brazil	120	109	11