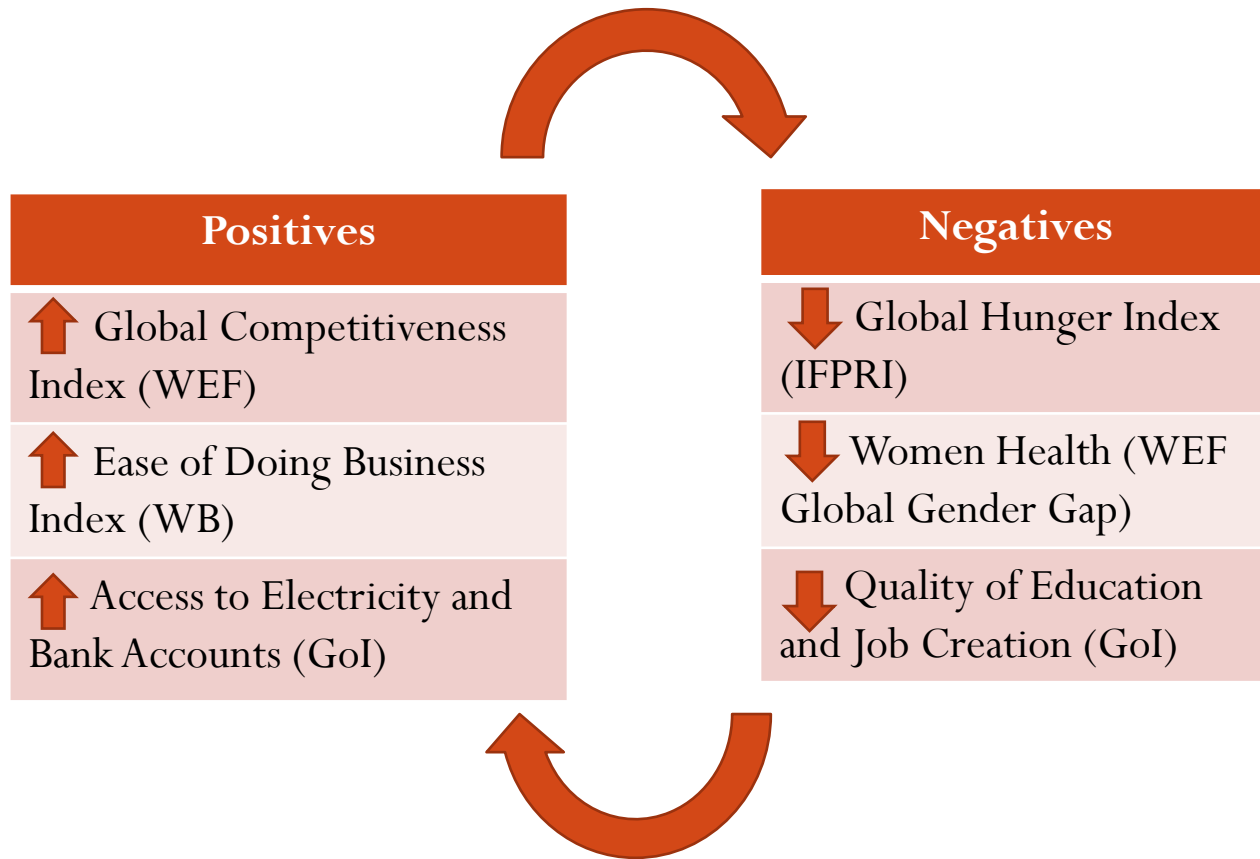


# Ease of Doing Business: Political Economic Challenges

27 February 2017, New Delhi

NCAER National Workshop  
Building Synergies: Matching Business Reforms to  
Improved 'Ease of Doing Business'

# Assessing India's performance



# Action lies in the states



**BusinessLine**  
 THE HINDU  
**Modi asks officials to assess progress of 'ease of doing business'**  
 Our Bureau  
 Small Business Ideas  
 Most Profitable Business Ideas  
 Best Businesses to Start

New Delhi, Feb 22:  
 Prime Minister Narendra Modi's focus on "ease of doing business" has once again become a top priority for the government to assess the progress on Implementation (Pragati). Modi asked officials to assess the progress on parameters outlined in the World Bank's report "Ease of Doing Business 2016". He further reviewed the progress of implementation in Rajasthan, Gujarat, Kerala and Karnataka.

...it has been pushed to

ECONOMY  
**A.P., Telangana top in ease of doing business**



NEW DELHI, OCTOBER 31, 2016, 12:34 IST  
 UPDATED: OCTOBER 31, 2016, 12:49 IST

Andhra Pradesh and Telangana have jointly topped the 2016 all-India State/Union Territory-wise Ease of Doing Business rankings, while last-year's topper Gujarat slipped to the third spot. The rankings, announced on Monday by Commerce and Industry Minister Nirmala Sitharaman, are on the basis of a 340-point business reform action plan and their implementation by the States. This covers the period from July 1, 2015 to June 30, 2016.

**Business Reforms Action Plan**  
 Department of Industrial Policy and Promotion  
 Ministry of Commerce & Industry, Government of India

Home (Index.aspx) About the Website (AboutUs.aspx) Contact Us (contactus.aspx) Guideline (guideline.aspx)

Download Best Practices Release on Assessment of State Implementation of Business Reforms 2016. Click here for details (Press Release.pdf)

Implementation Scorecard

RANK	STATE	SCORE (%)
1.	ANDHRA PRADESH (ReportView.aspx?rid=208r_id=0)	98.78
2.	TELANGANA (ReportView.aspx?rid=208r_id=0)	98.78
3.	GUJARAT (ReportView.aspx?rid=248r_id=0)	98.21
4.	CHHATTISGARH (ReportView.aspx?rid=228r_id=0)	97.32
5.	MADHYA PRADESH (ReportView.aspx?rid=238r_id=0)	97.01
6.	HARYANA (ReportView.aspx?rid=258r_id=0)	96.95
7.	JHARKHAND (ReportView.aspx?rid=208r_id=0)	96.57
8.	RAJASTHAN (ReportView.aspx?rid=268r_id=0)	96.42
9.	UTTARAKHAND (ReportView.aspx?rid=258r_id=0)	96.13
10.	MAHARASHTRA (ReportView.aspx?rid=278r_id=0)	92.86

# States in action

- **Uttarakhand:** Deemed approval in single window mechanism
  - Inadequate for accessing finance; absence of investor feedback
- **Punjab and Haryana:** Regulatory reforms in labour market
  - Frequent strikes, labour and social unrest, shortage of skilled labour
- **Himachal Pradesh:** Investment in and around capital
  - Uneven geographical development and infrastructure constraints
- **Rajasthan and Uttar Pradesh:** Single window clearance mechanism
  - Frequent transfers, delays, lack of institutional memory

# What do we find?

- Reforms occurring in silos
- Implementation, awareness and capacity building related challenges not taken into account
- Ground realities and infrastructure constraints often ignored

**AS A RESULT, MSMEs NOT BENEFITTING FROM  
REFORMS**

# Way ahead

- Whole of Government Approach to involve all departments (Invest Punjab)
- Regulatory Impact Assessment and Evaluation (Cost/Benefit Analysis) in policy making and review (analysis of policy failures)
- Sunset clause and regulatory guillotine to do away with unnecessary laws (Rajasthan Law Reform Project)
- Institutionalise feedback, response and grievance redress mechanism
- Invest in awareness generation and capacity building
- Sharing of good practices among states
- Focus on MSMEs: Ecosystem approach to ensure their growth
- Co-opt non-state actors for independent assessment, review and evaluation

# About CUTS

- Independent non-profit evidence based economic policy research and advocacy organisation
- Working for improving quality of competition, regulation, investment, governance, consumer protection and trade
- Worked in  $> 35$  emerging economies in last 35 years
- Headquartered in Jaipur, present at grassroots, national, regional and global level

# Thank You

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[www.cuts-international.org](http://www.cuts-international.org)

Link to competitiveness project: <http://www.cuts-ccier.org/STATE-COMP/index.htm>