

1. Discussing the reforms that contributed in improving India's ranking in the World Bank's 'Ease of Doing Business' index, identify the challenges that still remain in the overall environment of doing business. Suggest some concrete steps that India can take to further improve its performance on the index.

Answer :

India has jumped to 100th place on World Bank's Ease of Doing Business making it one of the top 10 best improved countries. . This has been achieved owing to:

- In 2016, introduction of **Income Computation and Disclosure Standards (ICDS)** has eased the payment of taxes online and gathering of data.
- **Easing submitting building plans** in advance of applying for a construction permit
- New form for business incorporation that combines the permanent account number (PAN) with tax account number (TAN).
- **Reduction in the time** required to complete provident fund and state insurance applications.
- Regulating the profession of insolvency administrators and adopting a new **insolvency and bankruptcy code**.
- India **reduced border compliance time** by improving infrastructure at Mumbai port.
- **Export and import border compliance costs reduced** in Delhi and Mumbai after removal of merchant overtime fees.
- **Protecting minority investors** owing to initiatives taken by SEBI like rationalisation of KYC norms, increasing number of arbitration centres and simplifying FPI norms.
- **Reform in power supplies.**

However, some challenges still seek redressal:

- **Construction permits:** States need to expedite municipal permits by making all the applications online through a single window clearance.
- **Starting business:** Better implementation of Startup schemes and simplifying clearance process including single window clearance and self-certification.
- **Enforcing Contracts:** Setting up commercial courts, strengthening alternate dispute resolution like mediation, amending model BIT to do away the dilution of Investor state dispute settlement mechanism.
- **Clearance issues:** Strict implementation of EIA, SIA etc so that projects don't get stuck later.
- **Inflexible labour policies:** Labour laws like Factories Amendment Bill for overtime working, Employee compensation amendment bill for compensation to employees, Model Shops and Establishments Bill for 24*7 business and other reforms to streamline hiring and firing policy.

India has shown resolve in tackling difficult issues and its performance in the ease of doing business has been remarkable. India can improve its ranking further by concentrating on areas where there is more room for improvement like construction permits etc. and by synergizing the efforts of everyone concerned with the regulatory process.

PRACTICE QUESTIONS

Answer the following Questions

1. Special Purpose Vehicles (SPVs) are fast becoming an important avenue for channelizing funds for projects in infrastructure sector. Explaining the concept of SPVs, highlight some of the benefits and risks associated with them. Also, suggest measures to manage the risks identified. 10
(150 words)
2. Providing social security, especially to those working in unorganised sector, is an important requirement to achieve the goal of inclusive growth. Discuss.
(150 words)