

Business Standard

Evolve political consensus on ease of doing business, says IACC

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[India](#) should work towards evolving a political consensus to improve the nation's ranking in "ease of doing business" to unleash the growth and employment potential and to derive full benefit of the demographic dividend, according to Indo-American Chamber of Commerce (IACC).

"In a federal set up like India, where there are three lists - areas to be addressed by Centre, states and both Centre and states - a harmonious and seamless policy framework is inevitable to push the reform process and make [India](#) an important destination for investment both from within and abroad. There are perception drivers, which embolden the investors to channelize their [business](#) activities. World Bank's Ease of Doing indices are one among them, which we should focus to move in value chain," says Mr. N V Srinivasan, National President, IACC.

Admittedly, [India](#) has improved its ranking in the Ease of Doing [Business](#) 2017 report of the World [Bank](#) in four of the ten indicators - trading across borders, getting electricity, enforcing contracts and paying Taxes. But the overall position, which remained at 130 among 189 countries, is a matter of great concern. "The urgency in improving the rankings has been stressed by the prime minister when he told the chief secretaries and all secretaries of the Government of [India](#) to study the World [Bank](#) report and analyze the potential areas that need fine tuning on an urgent basis," Mr. Srinivasan said. Importantly, the low income countries move faster in the ranking pecking order than the developed economies.

The IACC observed that industry and every other segment of the society should introspect on the ease of doing [business](#) and come out with a roadmap to make [India](#) move up the growth chain. Areas that [India](#) should fast track in improvement of the ranking are credit delivery systems, protecting investors, resolving insolvency, entrepreneurship etc. Proposed introduction of Goods and Services Tax (GST) is an area that can be a game changer in the Indian situation. There are similar areas in the fiscal structure, such as Income Tax, corporate tax etc, where it is perceived by the foreign investors that Indian rates are still high. In addition to these, the foreign investors feel there are bureaucratic delays and economic uncertainties that loom large in the Indian context, which hold them back from investing in the country.

Each department both in the center and states should introspect on what more should be done and hold regular parleys with stakeholders to assess the challenges on the ground, prospects and to crystallize methods to act on the suggestions. A case in point is the recent consultative paper brought out by Telecom Regulatory Authority of [India](#) (TRAI) mainly to address the ease of doing [business](#) in [India](#) in the telecom sector. TRAI has identified in consultation with the stakeholders, a number of areas that include issues relating to consumer protection, quality of services, financial health of the players, issues relating to broadcasting sector etc. as major hindrances. A number of steps are being taken to address those issues, such as revisiting tariff orders, promoting internet and broad band penetration, promoting access to 2.5 lakh common service centers across the country to seek redressal of the civic problems etc.

Calling for emulating the example across the country and departments at the micro levels down to the local self-governments, IACC suggested that every layer of the society be involved in the process. For instance, industry should not only imbibe what are fair [business](#) practices but also implement them in letter and spirit. The cost and time over-runs are another factor, which adversely affect the development tempo. Some of these are on account of the cumbersome land acquisition, weak financial delivery systems, increasing number of sickness and bankruptcies etc.

