

# Improvements in regulations important for growth and development

Doing Business 2015: Going Beyond Efficiency, a new World Bank Group report, has revealed that in the past year, governments around the world continued to implement a broad range of reforms aimed at improving the regulatory environment for local entrepreneurs.



Economies that both improve the efficiency of regulatory procedures and strengthen the legal institutions that support enterprise, trade, and exchange are better able to facilitate growth and development.

According to the report, local entrepreneurs in 123 economies saw improvements in their regulatory environment in the past year. From June 2013 to June 2014, the report, which covers 189 economies worldwide, documented 230 business reforms, with 145 aimed at reducing the complexity and cost of complying with business regulations, and 85 aimed at strengthening legal institutions. Sub-Saharan Africa accounted for the largest number of reforms.

## Many variables

"An economy's success or failure depends on many variables; among these, often overlooked, are the nuts and bolts that facilitate enterprise and business," said Kaushik Basu, senior vice president and chief economist of the World Bank. "By this I mean the regulations that determine how easy it is to start a business, the speed and efficiency with which contracts are enforced, the paperwork needed for trade, and so on. Making improvements in these regulations is virtually costless, but it can play a transformative role in promoting growth and development."

Since its inception, Doing Business has captured more than 2,400 regulatory reforms making it easier to do business. These efforts have led to tangible results for small businesses all over the world. For example, ten years ago, importing key inputs from overseas took 48 days for a Colombian entrepreneur; now, it takes only 13 days - the same as for an entrepreneur in Portugal.

Similarly, starting a business took 57 days for a budding entrepreneur in Senegal ten years ago; now that process requires just six days - just one more day than in Norway. And in India a little over a decade ago, an entrepreneur seeking a loan to grow his business would have had little luck, because financial institutions lacked access to information systems to assess creditworthiness. Today, thanks to the creation and expansion of a national credit bureau offering credit scores and coverage on par with those in some high-income economies, a small business in India with a good financial history is more likely to get credit and hire more workers.

[Download the Doing Business 2015: Going Beyond Efficiency report](#)

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