Overview

An economy cannot thrive without a healthy private sector. When local businesses flourish, they create jobs and generate income that can be spent and invested domestically. Any rational government that cares about the economic well-being and advancement of its constituency pays special attention to laws and regulations affecting local small and medium-size enterprises (SMEs). Effective business regulation affords micro and small firms the opportunity to grow, innovate and, when applicable, move from the informal to the formal sector of an economy. Like its 15 predecessors, *Doing Business 2019* continues to enable regulators to assess and benchmark their domestic business regulatory environments.

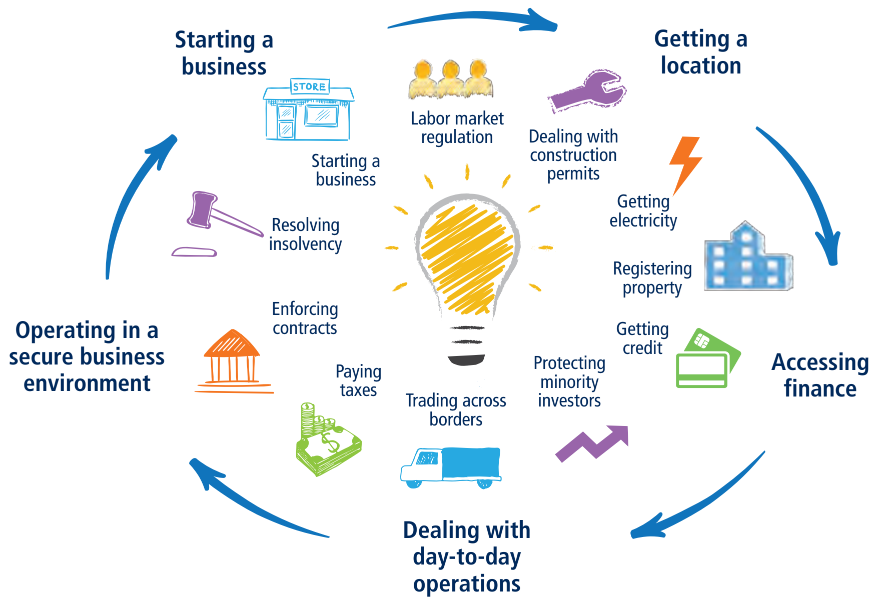
Doing Business advocates for both regulatory quality and efficiency. It is important to have effective rules in place that are easy to follow and understand. To realize economic gains, reduce corruption and encourage SMEs to flourish, unnecessary red tape should be eliminated. However, specific safeguards must be put in place to ensure high-quality business regulatory processes; efficiency alone is not enough for regulation to function well. What use is it when one can transfer property in just a few days and at a low cost, but the property registry contains unreliable information with incomplete geographic coverage? *Doing Business* exposes cases with evident discrepancies between regulatory quality and efficiency, signaling to regulators what needs to be reformed.

Doing Business 2019 measures the processes for business incorporation, getting a building permit, obtaining an electricity connection, transferring property, getting access to credit, protecting minority investors, paying taxes, engaging in international trade, enforcing contracts and resolving insolvency. *Doing Business* collects and publishes data on labor market regulation with a focus on the flexibility of employment regulation as well as several aspects of job quality. However, this regulatory area does not constitute part of the ease of doing business ranking (figure 1.1). For more details on the *Doing Business* indicators, see the data notes at http://www.doingbusiness.org.

Each of the measured business regulatory areas is important to nascent and existing entrepreneurs. However, as *Doing Business* data show, SME owners face drastically different realities across economies as they set up and operate their businesses. An entrepreneur in Uganda, for example, will spend nearly a month and undertake 13 procedures to set up a new company. The entrepreneur will then be required to manage another 18 interactions with different

- *Doing Business* captured a record 314 regulatory reforms between June 2, 2017, and May 1, 2018. Worldwide, 128 economies introduced substantial regulatory improvements making it easier to do business in all areas measured by *Doing Business*.
- The economies with the most notable improvement in *Doing Business 2019* are Afghanistan, Djibouti, China, Azerbaijan, India, Togo, Kenya, Côte d'Ivoire, Turkey and Rwanda.
- One-third of all business regulatory reforms recorded by *Doing Business 2019* were in the economies of Sub-Saharan Africa. With a total of 107 reforms, Sub-Saharan Africa once again has a record number this year.
- The BRIC economies—Brazil, the Russian Federation, India and China—introduced a total of 21 reforms, with getting electricity and trading across borders the most common areas of improvement.
- The 10 top economies in the ease of doing business ranking share common features of regulatory efficiency and quality, including mandatory inspections during construction, automated tools used by distribution utilities to restore service during power outages, strong safeguards available to creditors in insolvency proceedings and automated specialized commercial courts.
- Training opportunities for service providers and users are positively associated with the ease of doing business score. Similarly, increased public-private communication on legislative changes and processes affecting SMEs are associated with more reforms and better performance on the *Doing Business* indicators.

FIGURE 1.1 What is measured in *Doing Business*?



Source: Doing Business database.
Note: Labor market regulation is not included in the ease of doing business ranking.

agencies and wait an additional four months to obtain a building permit. Once the construction of the warehouse is completed, the entrepreneur will need to wait another two months and cash out 7,513.6% of income per capita to obtain a connection to the electrical grid. In contrast, a Danish entrepreneur can expect to be able to register a new business in just 3.5 days, complete all required legal procedures to build a warehouse through seven steps in slightly over two months and secure a reliable electricity connection for about 100% of local income per capita. Differences in regulatory and institutional quality can affect how many new businesses are created and the dynamism of the private sector, which generates jobs and economic opportunities. In Denmark the average number of newly registered companies is eight per 1,000 workers per year, whereas in Uganda this figure is less than one new company per 1,000 workers per year.[1] Many factors explain this difference, including the level of business regulation.[2]

Doing Business does not claim to cover all the areas pertinent to private sector development and growth. The report has a set of clear limitations; *Doing Business* data alone are not sufficient to assess the overall competitiveness or foreign investment prospects of an economy. *Doing Business* does not assess market size, the soundness and depth of financial markets, macroeconomic conditions, foreign investment, security or political stability. However, the *Doing Business* indicators do offer insights for policy makers to identify areas for reform and improve the local business environment. For more information on what is measured and what is not, see the chapter About *Doing Business*.

WHAT ARE THE BENEFITS OF IMPROVED BUSINESS REGULATION?

Doing Business includes 11 indicator sets that measure aspects of business regulation which are important to domestic small and medium-size companies and national competitiveness. Evidence from economic literature corroborates the economic relevance and importance of the areas measured by *Doing Business*. In the case of the starting a business indicator set alone, more than 300 research articles have been published in the top 100 academic journals since 2003 assessing how the regulatory environment for entry affects a wide range of economic outcomes such as productivity, growth, employment and informality. Recent research shows the positive effects of improved business regulation. Fewer procedures and lower levels of minimum capital, for example, are positively and significantly associated with the process of starting a business. Where procedures are more complex or unclear, the likelihood of corruption is higher.[3] Another study discusses the benefits to companies of formal registration, such as greater access to new equipment and a larger scale of operations, which can lead to increased competitiveness and productivity.[4]

In the context of construction permitting, simplicity and transparency are key in allowing businesses to expand and build new and safe infrastructure. Research shows that regulatory burdens often pose substantial obstacles for investors. Discrepancies among existing laws, for example, can lead to unnecessary and even contradictory compliance requirements.[5] Furthermore, lengthy processing times for required approvals—as is the case in Ghana—can drive up costs and spur the development of an informal construction sector, where falsified construction permits result in unsafe infrastructure.[6]

Electricity is a necessity for any business to function properly and expand. It is also an important element in the competitiveness and strengthening of human capital in an economy. Research data indicate that higher electricity costs tend to have an adverse impact on businesses. As prices rise, firms shift their focus to less electricity-intensive production processes, resulting in reduced output and productivity.[7] Equally important is the reliability of a power connection. Recent research finds that power outages and deficient power infrastructure in Sub-Saharan Africa had a measurable negative impact on economic growth over the period 1995–2007.[8]

Similarly, clearly defined regulation and equal access to property rights are essential for enabling businesses to expand their operations. If governments do not put in place adequate land ownership protections and leave investors open to land disputes or property seizures, stakeholders would be disinclined to put money into land and property development projects. A recent study exploring whether political institutions have an impact on the effectiveness of economic reforms in promoting growth finds that financial and trade reforms are more effective in developing economies with sound property rights. This evidence suggests that sufficiently developed property rights may be a precondition for reaping the growth benefits of reform.[9] Ample literature on the importance of property rights finds a strong association between investment, access to finance, productivity and economic growth.[10]

Another area measured by *Doing Business* is the protection of minority investors. Greater protection helps foster trust and confidence and, in turn, spurs greater access to finance for entrepreneurs.[11] The indicator set focuses on how policy makers mitigate the risk that corporate executives, directors and majority shareholders will use their position to advance their own interests at the expense of the company and other shareholders. Clear rules, robust rights and increased transparency are some of the regulatory instruments at their disposal. Corporate governance is a key determinant of investment efficiency,[12] while shareholders' ability to sue and hold directors accountable are essential checks and balances.[13]

Finally, the regulation of labor markets is critical as policy makers work to create more and better jobs for their citizens. Labor regulation is also an area of interest to researchers as they strive to assess the optimal balance between adequate worker protections and labor market efficiency. In India, for example, research shows that when faced with restrictive labor laws, firms choose to circumvent such legislation by hiring workers indirectly through contractors, especially in times of economic uncertainty.[14] Another study on foreign investment and the organization of global firms suggests that firms consider the strength of worker bargaining power when making sourcing decisions.[15]

Doing Business 2014 presented a synthesis of the fast-growing literature published in top-ranking economic journals using *Doing Business* data for analysis or motivation.[16] The chapter reviews the different estimation methods used in economic analysis and summarizes the recent research by area of study and methodology, including firm entry and labor market regulation, trade regulations and cost and tax regulations. *Doing Business 2016* also presented an extended review of the literature published in 70 top academic law journals focusing on four sets of indicators: enforcing contracts, getting credit (legal rights), protecting minority investors and resolving insolvency.[17] For further research insights, updated annually, see the chapter About *Doing Business* and the *Doing Business* website at http://www.doingbusiness.org/research.

WHERE IS BUSINESS REGULATION BETTER?

Doing Business benchmarks aspects of business regulation and practice using specific case studies with standardized assumptions. Based on an economy's performance in each of the 11 measured areas, the report scores the efficiency and quality of the business environment. This approach facilitates the comparison of regulation and practice across economies and allows for changes to be tracked over time. The ease of doing business score (box 1.1) serves as the basis for ranking economies on their business environment: to obtain the ranking, economies are sorted by their scores. The ease of doing business score shows an economy's absolute position to the best regulatory practice, while the ease of doing business ranking is an indication of an economy's position relative to that of other economies.

The economies that rank highest in the ease of doing business (table 1.1) are those that have consistently well-designed business regulation or whose regulatory environments have thrived thanks to comprehensive reform over the years. The top three economies this year—New Zealand, Singapore and Denmark—exemplify a business-friendly environment. Meanwhile, Mauritius, which joins the group of

BOX 1.1 What is the ease of doing business score?

This year the name of the *Doing Business* distance to frontier score has been changed to "ease of doing business score" to better reflect the main idea of the measure—a score indicating an economy's position to the best regulatory practice. Nevertheless, the process for calculating the score remains the same. The score combines measures with different units such as time to start a company or procedures to transfer a property. The score captures the gap between an economy's current performance and a measure of best regulatory practice set in *Doing Business 2015* across the entire sample of the same 41 indicators for 10 *Doing Business* indicator sets used in previous years. For example, according to the *Doing Business* database, across all economies and over time, the least time needed to start a business is 0.5 days, while in the worst 5% of cases it takes more than 100 days. Half a day is, therefore, considered the best performance, while 100 days is the worst. Higher scores show absolute better ease of doing business (the best score is set at 100), while lower scores show absolute poorer ease of doing business (the worst performance is set at 0). The percentage point scores of an economy on different indicators can be averaged together to obtain an aggregate score. For more details, see the chapter on the ease of doing business score and ease of doing business ranking available at http://www.doingbusiness.org.

top 20 economies this year (the only Sub-Saharan African economy to do so), has reformed its business environment methodically over time. Indeed, over the past decade Mauritius has reformed more than once in almost all areas measured by *Doing Business*.[18] Following seven reforms in the area of property registration captured by *Doing Business* since 2005, for example, the time needed to register property has decreased more than 12 times; the time needed for business incorporation has decreased almost 10 times as a result of four reforms in starting a business.[19]

A continuous and focused reform agenda keeps an economy competitive and vigilant, as others also keep improving. Two economies that enter the top 20 this year—the United Arab Emirates and Malaysia—have maintained such a reform momentum. The United Arab Emirates is the highest-ranking economy in the Middle East and North Africa region, with reforms captured in four areas. Six reforms in Malaysia were measured by *Doing Business*, resulting in the second highest regional improvement in the ease of doing business score.

Twelve of the top 20 economies are from the OECD high-income group; four are from East Asia and the Pacific, two are from Europe and Central Asia and one each is from Sub-Saharan Africa and the Middle East and North Africa. Except for low-income economies, all income groups are represented. The regional diversity and varying income levels among the top 20 economies underscore the point that any economy can make it to the top, as long as it has few bureaucratic hurdles and strong laws and regulation. The efficiency and quality of regulation are what matter most for a good performance in the ease of doing business ranking.

The top 20 economies share a number of international good practices. In the area of starting a business, 13 of these economies have at least one procedure that can be completed online in 0.5 days. The electricity distribution utilities in all but one of the top 20 economies use automated tools, allowing for faster, more efficient and more secure restoration of service during power outages. In the areas of construction and land administration, in all top 20 economies mandatory inspections are always done in practice during the construction of a warehouse, and the majority have comprehensive geographic coverage. The quality of legal infrastructure and the strength of legal institutions is also robust. In all top 20 economies, for example, the insolvency framework stipulates that a creditor has the right to object to decisions accepting or rejecting creditors' claims, providing strong safeguards to creditors in insolvency proceedings. Court automation is prevalent, and judgments are enforced twice as fast on average (95.6 days) than in the remaining economies (200 days). These economies also have strong disclosure requirements in place to prevent the misuse of corporate assets by directors for personal gain. Most mandate that a shareholder must immediately disclose transactions—as well as any conflicts of interest—to other shareholders. To date, no economy has reached the best regulatory performance on all indicators; every economy can progress further by learning from the experience of others.

More trends emerge from the list of the top 50 economies. Regionally, almost 60% of the top 50 economies are from the OECD high-income group, followed by Europe and Central Asia (24%) and East Asia and the Pacific (12%). South Asia and Latin America and the Caribbean are the two regions absent from the top 50 ranking. Upper-middle-income economies represent almost 26% of the top 50 economies. Georgia, Kosovo and Moldova are the three lower-middle-income economies on the list and Rwanda is the only low-income economy. There is, however, a large variation between regions' regulatory efficiency and regulatory quality (figure 1.2). While four of the 10 top improvers in *Doing Business 2019* are Sub-Saharan African economies, the

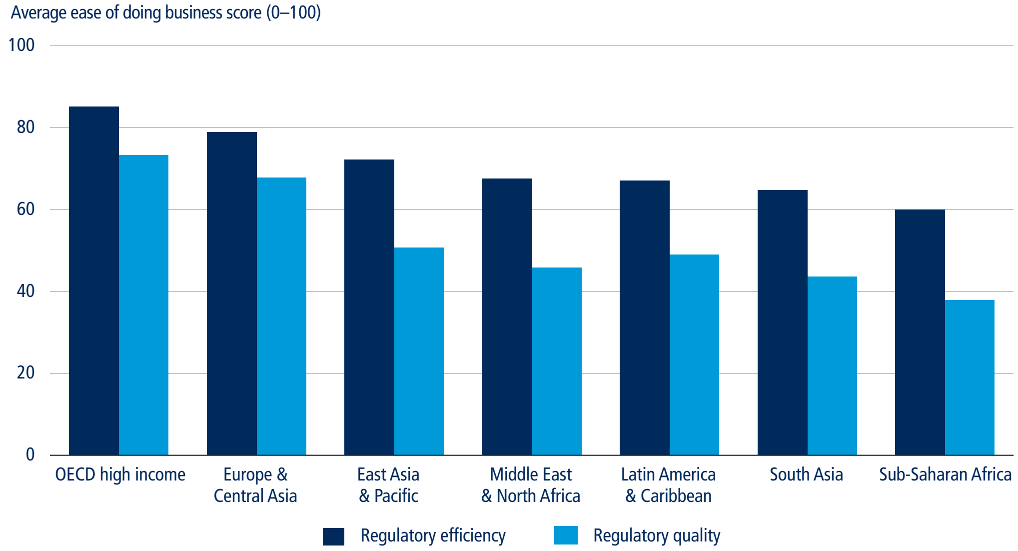
TABLE 1.1 Ease of doing business ranking

Rank	Economy	EODB score	EODB score change	Rank	Economy	EODB score	EODB score change	Rank	Economy	EODB score	EODB score change
1	New Zealand	86.59	0.00	65	Colombia	69.24	+0.20	129	Barbados	56.78	0.00
2	Singapore	85.24	+0.27	66	Luxembourg	69.01	0.00	130	St. Vincent and the Grenadines	56.35	+0.01
3	Denmark	84.64	+0.59	67	Costa Rica	68.89	-0.47	131	Cabo Verde	55.95	+0.02
4	Hong Kong SAR, China	84.22	+0.04	68	Peru	68.83	+0.56	132	Nicaragua	55.64	+0.37
5	Korea, Rep.	84.14	-0.01	69	Vietnam	68.36	+1.59	133	Palau	55.59	+0.01
6	Georgia	83.28	+0.48	70	Kyrgyz Republic	68.33	+2.57	134	Guyana	55.57	-1.21
7	Norway	82.95	+0.25	71	Ukraine	68.25	+0.94	135	Mozambique	55.53	+1.78
8	United States	82.75	-0.01	72	Greece	68.08	-0.12	136	Pakistan	55.31	+2.53
9	United Kingdom	82.65	+0.33	73	Indonesia	67.96	+1.42	137	Togo	55.20	+6.32
10	Macedonia, FYR	81.55	+0.32	74	Mongolia	67.74	+0.27	138	Cambodia	54.80	+0.41
11	United Arab Emirates	81.28	+2.37	75	Jamaica	67.47	+0.55	139	Maldives	54.43	+0.10
12	Sweden	81.27	0.00	76	Uzbekistan	67.40	+1.08	140	St. Kitts and Nevis	54.36	+0.01
13	Taiwan, China	80.90	+0.24	77	India	67.23	+6.63	141	Senegal	54.15	+0.37
14	Lithuania	80.83	+0.29	78	Oman	67.19	-0.02	142	Lebanon	54.04	+0.07
15	Malaysia	80.60	+2.57	79	Panama	66.12	+0.41	143	Niger	53.72	+1.24
16	Estonia	80.50	+0.01	80	Tunisia	66.11	+1.51	144	Tanzania	53.63	+0.34
17	Finland	80.35	+0.05	81	Bhutan	66.08	+0.20	145	Mali	53.50	+0.23
18	Australia	80.13	-0.01	82	South Africa	66.03	+1.37	146	Nigeria	52.89	+1.37
19	Latvia	79.59	+0.33	83	Qatar	65.89	+0.64	147	Grenada	52.71	+0.07
20	Mauritius	79.58	+1.29	84	Malta	65.43	+0.28	148	Mauritania	51.99	+0.92
21	Iceland	79.35	+0.05	85	El Salvador	65.41	+0.21	149	Gambia, The	51.72	+0.23
22	Canada	79.26	+0.38	86	Botswana	65.40	+0.46	150	Marshall Islands	51.62	+0.01
23	Ireland	78.91	-0.51	87	Zambia	65.08	+1.48	151	Burkina Faso	51.57	+0.12
24	Germany	78.90	0.00	88	San Marino	64.74	+2.27	152	Guinea	51.51	+2.02
25	Azerbaijan	78.64	+7.10	89	Bosnia and Herzegovina	63.82	+0.27	153	Benin	51.42	+0.13
26	Austria	78.57	+0.03	90	Samoa	63.77	+0.01	154	Lao PDR	51.26	+0.11
27	Thailand	78.45	+1.06	91	Tonga	63.59	+0.03	155	Zimbabwe	50.44	+1.92
28	Kazakhstan	77.89	+0.73	92	Saudi Arabia	63.50	+1.62	156	Bolivia	50.32	+0.15
29	Rwanda	77.88	+4.15	93	St. Lucia	63.02	+0.06	157	Algeria	49.65	+2.06
30	Spain	77.68	+0.07	94	Vanuatu	62.87	-0.21	158	Kiribati	49.07	+0.33
31	Russian Federation	77.37	+0.61	95	Uruguay	62.60	+0.34	159	Ethiopia	49.06	+0.91
32	France	77.29	+0.99	96	Seychelles	62.41	-0.01	160	Micronesia, Fed. Sts.	48.99	0.00
33	Poland	76.95	-0.36	97	Kuwait	62.20	+0.75	161	Madagascar	48.89	+0.71
34	Portugal	76.55	-0.07	98	Guatemala	62.17	+1.01	162	Sudan	48.84	+3.75
35	Czech Republic	76.10	+0.05	99	Djibouti	62.02	+8.87	163	Sierra Leone	48.74	+0.15
36	Netherlands	76.04	+0.01	100	Sri Lanka	61.22	+1.80	164	Comoros	48.66	+0.14
37	Belarus	75.77	+0.72	101	Fiji	61.15	+0.04	165	Suriname	48.05	-0.05
38	Switzerland	75.69	+0.01	102	Dominican Republic	61.12	+0.55	166	Cameroon	47.78	+0.83
39	Japan	75.65	+0.05	103	Dominica	61.07	+0.04	167	Afghanistan	47.77	+10.64
40	Slovenia	75.61	+0.02	104	Jordan	60.98	+1.42	168	Burundi	47.41	+0.73
41	Armenia	75.37	+2.06	105	Trinidad and Tobago	60.81	-0.12	169	Gabon	45.58	-0.23
42	Slovak Republic	75.17	+0.29	106	Lesotho	60.60	+0.19	170	São Tomé and Príncipe	45.14	+0.30
43	Turkey	74.33	+4.34	107	Namibia	60.53	+0.24	171	Iraq	44.72	+0.04
44	Kosovo	74.15	+0.44	108	Papua New Guinea	60.12	+1.19	171	Myanmar	44.72	+0.51
45	Belgium	73.95	+2.24	109	Brazil	60.01	+2.96	173	Angola	43.86	+2.16
46	China	73.64	+8.64	110	Nepal	59.63	-0.32	174	Liberia	43.51	-0.04
47	Moldova	73.54	+0.38	111	Malawi	59.59	+0.84	175	Guinea-Bissau	42.85	+0.27
48	Serbia	73.49	+0.17	112	Antigua and Barbuda	59.48	+0.06	176	Bangladesh	41.97	+0.91
49	Israel	73.23	+0.64	113	Paraguay	59.40	+0.41	177	Equatorial Guinea	41.94	+0.28
50	Montenegro	72.73	+0.20	114	Ghana	59.22	+2.06	178	Timor-Leste	41.60	+1.71
51	Italy	72.56	-0.15	115	Solomon Islands	59.17	+0.33	179	Syrian Arab Republic	41.57	+0.02
52	Romania	72.30	-0.53	116	West Bank and Gaza	59.11	+0.39	180	Congo, Rep.	39.83	+0.36
53	Hungary	72.28	+0.34	117	Eswatini	58.95	+0.13	181	Chad	39.36	+1.15
54	Mexico	72.09	-0.18	118	Bahamas, The	58.90	+0.77	182	Haiti	38.52	+0.11
55	Brunei Darussalam	72.03	+1.85	119	Argentina	58.80	+0.87	183	Central African Republic	36.90	+2.67
56	Chile	71.81	+0.37	120	Egypt, Arab Rep.	58.56	+2.74	184	Congo, Dem. Rep.	36.85	+0.67
57	Cyprus	71.71	+0.44	121	Honduras	58.22	+0.09	185	South Sudan	35.34	+2.04
58	Croatia	71.40	+0.34	122	Côte d'Ivoire	58.00	+4.94	186	Libya	33.44	+0.23
59	Bulgaria	71.24	+0.11	123	Ecuador	57.94	+0.12	187	Yemen, Rep.	32.41	-0.59
60	Morocco	71.02	+2.46	124	Philippines	57.68	+1.36	188	Venezuela, RB	30.61	-0.24
61	Kenya	70.31	+5.25	125	Belize	57.13	+0.02	189	Eritrea	23.07	+0.13
62	Bahrain	69.85	+1.82	126	Tajikistan	57.11	+0.08	190	Somalia	20.04	+0.06
63	Albania	69.51	+0.50	127	Uganda	57.06	+0.65				
64	Puerto Rico (U.S.)	69.46	+0.20	128	Iran, Islamic Rep.	56.98	+2.34				

Source: Doing Business database.

Note: The ease of doing business rankings are benchmarked to May 1, 2018, and based on the average of each economy's ease of doing business scores for the 10 topics included in the aggregate ranking. For the economies for which the data cover two cities, scores are a population-weighted average for the two cities. A positive change indicates an improvement in the score between 2016/17 and 2017/18 (and therefore an improvement in the overall business environment as measured by *Doing Business*), while a negative change indicates a deterioration and a 0.00 indicates no change in the score.

FIGURE 1.2 Gaps between regulatory efficiency and regulatory quality are observed across all regions



Source: Doing Business database.

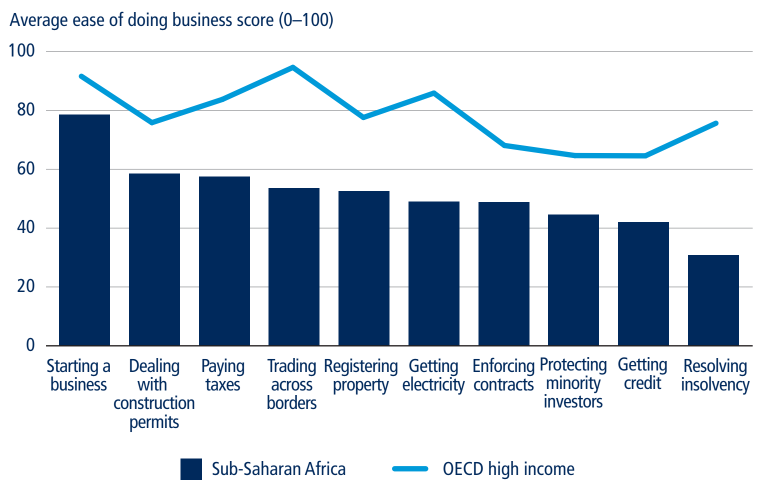
Note: The ease of doing business score for regulatory efficiency is the aggregate score for the procedures (where applicable), time and cost indicators from the following indicator sets: starting a business (also including the minimum capital requirement indicator), dealing with construction permits, getting electricity, registering property, paying taxes (including the postfiling index), trading across borders, enforcing contracts and resolving insolvency. The ease of doing business score for regulatory quality is the aggregate score for getting credit and protecting minority investors as well as the regulatory quality indices from the indicator sets for dealing with construction permits, getting electricity, registering property, enforcing contracts and resolving insolvency.

region has room for further progress: its average ease of doing business score for regulatory quality is less than 40, compared to 73 in OECD high-income economies. Similarly, the average ease of doing business score for regulatory efficiency is 60, compared to 85 among OECD high-income economies.

Not surprisingly, large gaps exist between the performance of Sub-Saharan Africa and OECD high-income economies (figure 1.3). Sub-Saharan African economies score significantly lower than the most efficient economies in all areas. The gap in the score is significantly wider in the areas of trading across borders (41 points) and getting electricity (36 points). The area with the largest score difference is resolving insolvency, where the gap between Sub-Saharan African economies and the best performers is 44 points.

Substantial variations in performance among Sub-Saharan African economies present an opportunity for policy makers to learn from the experience of their neighbors. In the area of getting credit, for example, officials in Angola (ranked 184) and Eritrea (186) could learn from the experience of Rwanda and Zambia (both ranked 3). The two latter economies share many of the good practices found in OECD high-income economies, including reliable secured transaction laws and robust credit information sharing available through credit bureaus or registries.

FIGURE 1.3 Resolving insolvency is the area with the biggest gap between Sub-Saharan African economies and OECD high-income economies



Source: Doing Business database.

The area of resolving insolvency is the most challenging of all worldwide (figure 1.4), yet this should not discourage economies from taking steps in this direction. For example, in 2017/18, as a result of introducing several changes to its insolvency framework, including facilitating the continuation of the debtor's business during insolvency proceedings, providing for equal treatment of creditors in reorganization proceedings and granting creditors greater participation in the insolvency proceedings, Kenya progressed toward the best regulatory practice by 14 points in the score for resolving insolvency.

Variation across areas of regulation, as measured by the ease of doing business ranking, is also frequently observed across all economies, regardless of income level. Among high-income economies, for example, New Zealand ranks 1 for starting a business, but 21 for enforcing contracts. Rwanda, a low-income economy, ranks 2 for registering property and 3 for getting credit, but 88 for trading across borders and 51 for starting a business. China is ranked 6 for enforcing contracts but 28 for starting a business, while Morocco—classified as a lower-middle-income economy—ranks 25 for paying taxes but 112 for getting credit.

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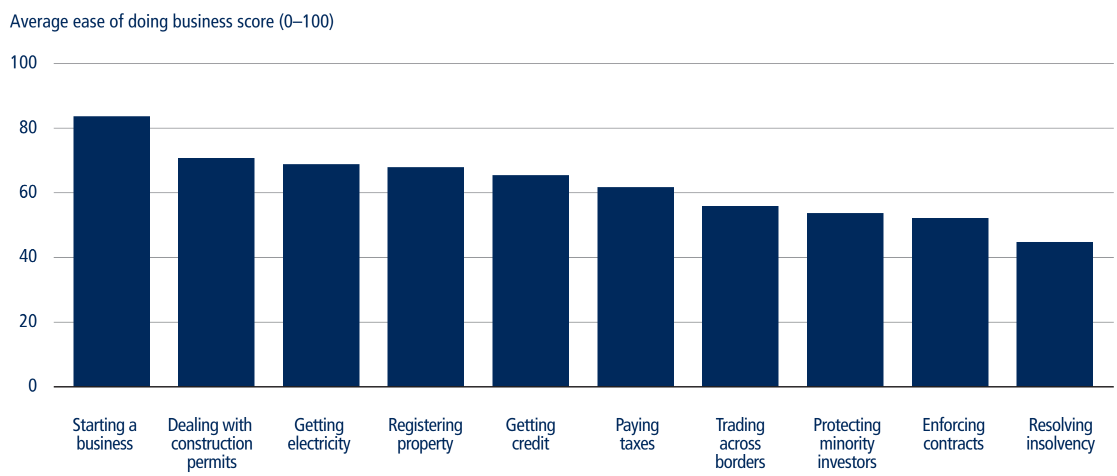
If the process of starting a business is already relatively easy, but the lack of a credit information system or a collateral register can make it difficult for firms to obtain credit, entrepreneurs will face hurdles that could negatively impact the wider economy as they struggle to meet their potential or compete. The opposite can also be true—an economy can have a high-quality land administration system and reliable credit reporting mechanisms, but cumbersome business incorporation processes. As a result, firms may be discouraged from formal entry, with negative consequences for the economy including lower rates of formal employment and tax collection.

Since *Doing Business 2005* more than 3,500 business regulatory reforms have been implemented across the 190 economies measured by *Doing Business*. The majority of these reforms have been made in low- and lower-middle-income economies. In this year's report, 73% of low-income economies and 85% of lower-middle-income economies reformed in at least one area. Such reform dynamism explains the significant improvements in business regulation that low- and lower-middle-income economies have achieved compared to upper-middle-income and high-income economies (figure 1.5).

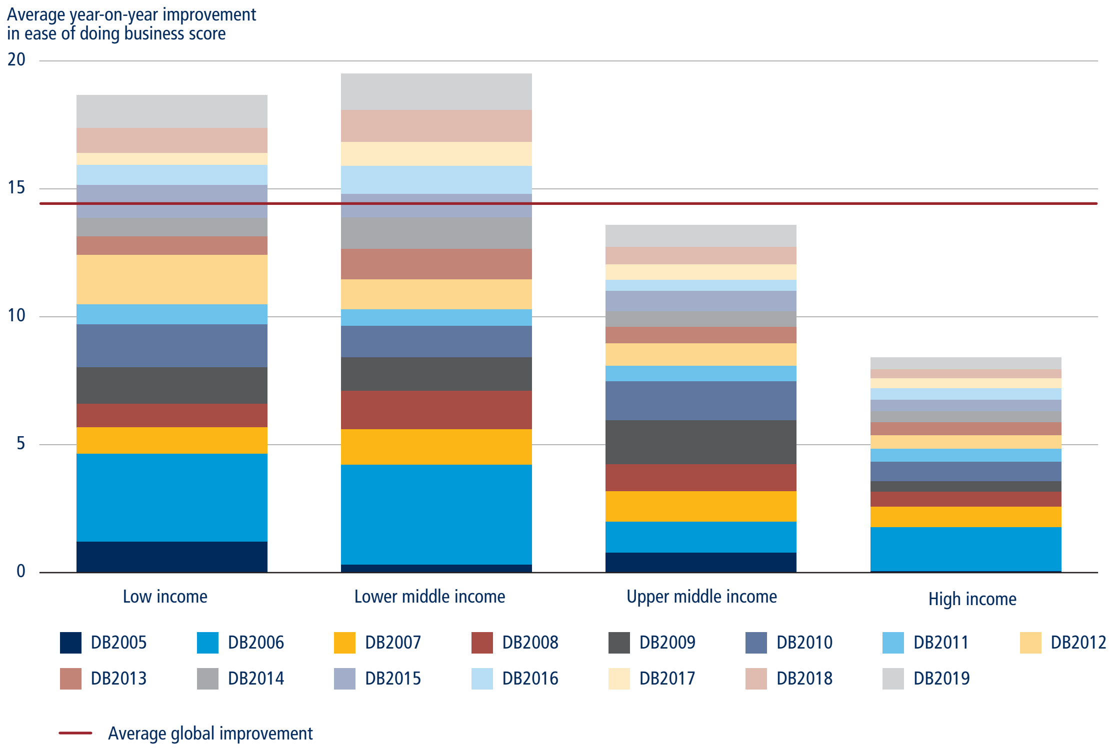
The three regions which have improved the most since 2004 are Europe and Central Asia, Sub-Saharan Africa and the Middle East and North Africa. Together, these regions have introduced more reforms than the other four regions combined. With 905 reforms, Sub-Saharan Africa holds the record for the highest total number of reforms captured by *Doing Business* over the past 15 years. Moreover, the region also recorded the highest number of reforms in 11 of those 15 years. For the same

FIGURE 1.4 Which area is easier for entrepreneurs and which is more difficult?



Source: Doing Business database.

FIGURE 1.5 Low- and lower-middle-income economies have made bigger improvements over time



Source: Doing Business database.

Note: The red line shows the average global improvement in the ease of doing business score since 2004. The measure is normalized to range from 0 to 100, with 100 representing the best regulatory performance. Because of changes over the years in methodology and in the economies and indicators included, the improvements are measured year on year using pairs of consecutive years with comparable data.

period, Europe and Central Asia has, however, maintained the highest average number of reforms per economy per year making it easier to do business (2.03), followed by Sub-Saharan Africa (1.26) and South Asia (1.23).

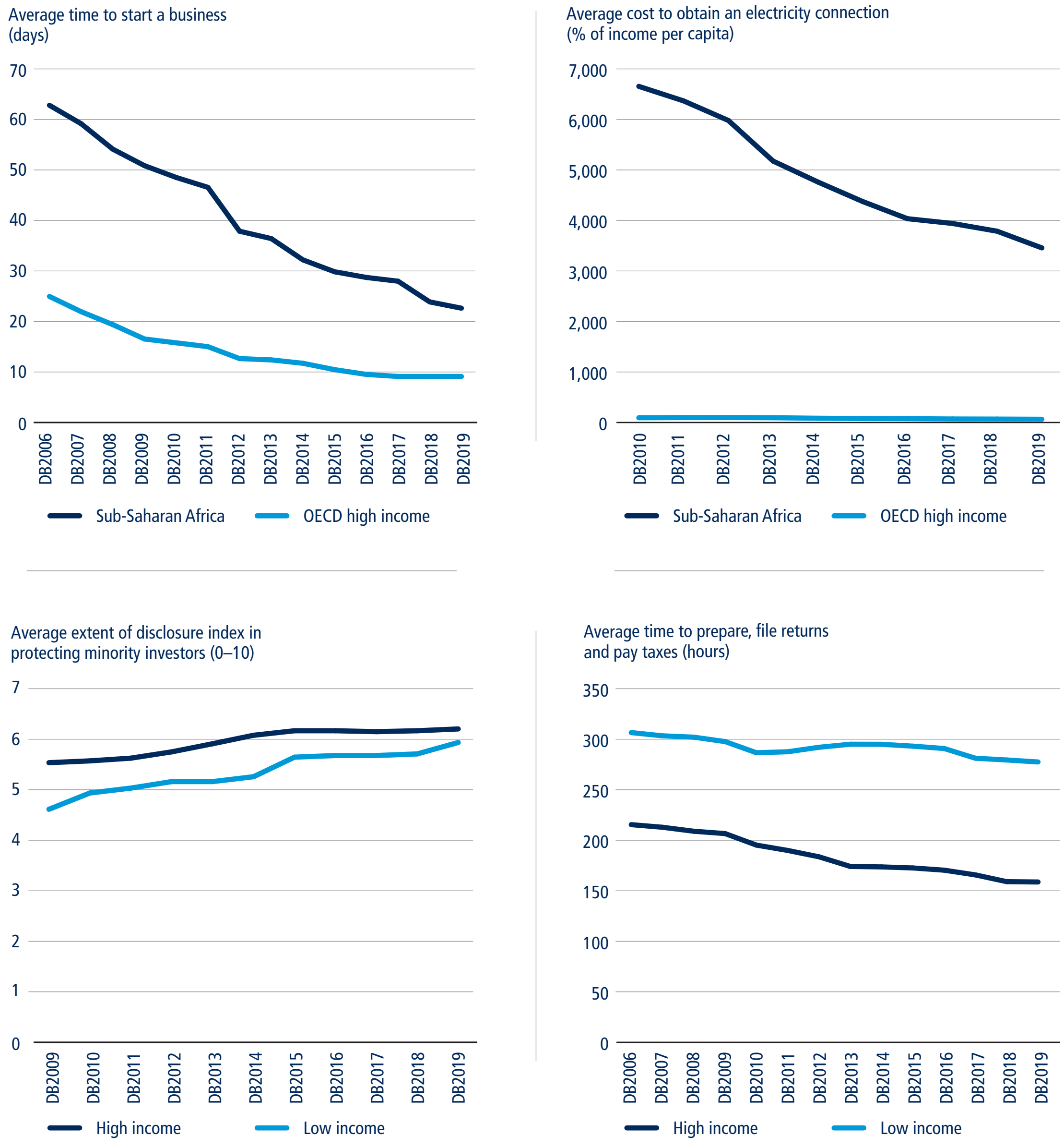
Slowly, but consistently, the economies most in need of business regulatory reform are adopting global good practices and converging toward the best regulatory performance. In 2006 the average time to start a business in Sub-Saharan African economies was 59 days; today the average is 23 days, significantly closer to the high-income economy average of 9 days (figure 1.6). Similarly, the gap between low- and high-income economies on the extent of disclosure index has narrowed over the past decade.[20] In 2009 low-income economies averaged a score of 4.6 on the extent of disclosure index; today their score is almost 6—within 0.4 points of the high-income economy average. Although this shows a substantial gradual convergence, not all areas have experienced the same pace of improvement. Since 2006 low-income economies have reduced the time to pay taxes, for example, by only 29 hours on average, compared to a reduction of 57 hours on average—nearly twice as much—by high-income economies (which had 100-hours faster head start on average to begin with).

Change takes time, especially when the starting point is characterized by weak institutions and costly, cumbersome processes. However, the reform trends captured by *Doing Business* suggest a strong impetus for change in low- and lower-middle-income economies. Recent research shows that poverty is reduced when economies adopt business-friendly regulation.[21]

WHICH ECONOMIES IMPROVED THE MOST IN *DOING BUSINESS* IN 2017/18?

Governments worldwide invest substantial effort in changing business regulatory frameworks to make doing business easier for entrepreneurs. Such efforts can range from straightforward changes (for example, reducing the fees for obtaining a building permit in Cambodia or publishing fee schedules and service standards for property transfer in Tunisia) to substantial revisions of legislation (the Kyrgyz Republic's new civil procedure code) or the establishment of new institutions (such as specialized commercial benches in Ethiopia or intermediate

FIGURE 1.6 Areas where economies are converging and areas where they are not



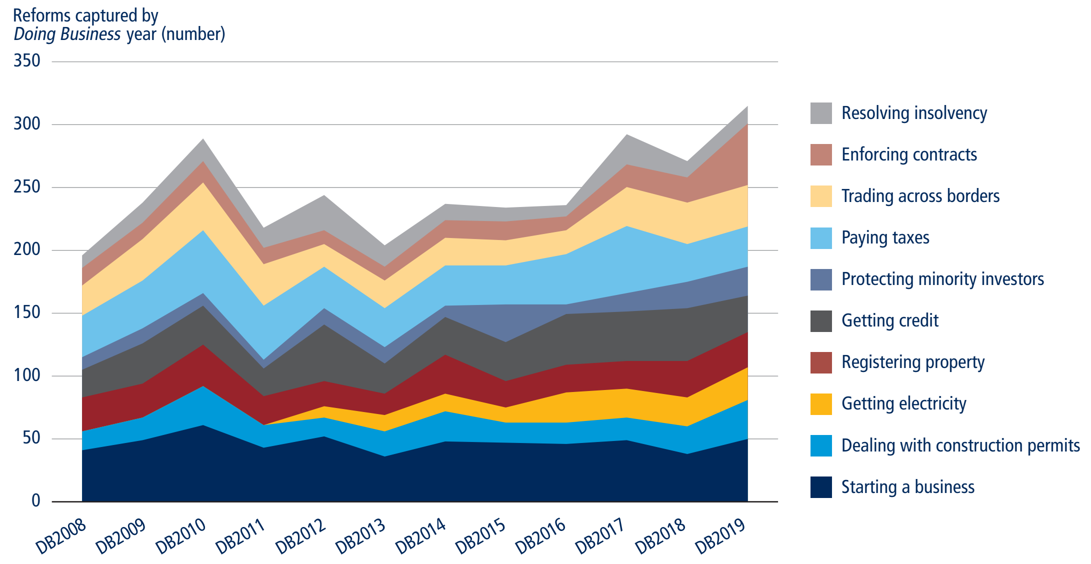
Source: Doing Business database.

Note: The upper left-hand side graph includes 174 economies where data is available back to *Doing Business 2006*. The upper right-hand side graph includes 183 economies where data is available back to *Doing Business 2010*. The lower left-hand side graph includes 182 economies where data is available back to *Doing Business 2009*. The lower right-hand side graph includes 174 economies where data is available back to *Doing Business 2006*.

customs posts in El Salvador). While the variety of activities that can be undertaken to improve the ease of doing business is extensive, they are all aimed at streamlining processes, increasing procedural and legislative efficiency and improving the accessibility and transparency of information. For more details on how *Doing Business* identifies changes as a reform, see the data notes at http://www.doingbusiness.org.

In the past year, *Doing Business* observed a peaking of reform activity worldwide. From June 2, 2017, to May 1, 2018, 128 economies implemented a record 314 regulatory reforms improving the business climate (see table 1A.1 at the end of this chapter). The previous record was set by *Doing Business 2017*, which captured 290 reforms implemented by 137 economies (figure 1.7). Almost one-third of all reforms recorded in 2017/18 were implemented in two

FIGURE 1.7 *Doing Business 2019* captured a record 314 reforms in 128 economies



Source: Doing Business database.
Note: The getting electricity indicator set was added in *Doing Business 2012*. The report's geographical coverage has gradually expanded from 178 economies in *Doing Business 2008* to 181 in *Doing Business 2009*, 183 in *Doing Business 2010*, 185 in *Doing Business 2013*, 189 in *Doing Business 2014* and 190 economies since *Doing Business 2017*.

areas—starting a business and enforcing contracts (table 1.2). *Doing Business 2019* also recorded the lowest number of changes to making it more burdensome for businesses to operate since *Doing Business 2007*.[22]

In 2017/18, one-quarter of economies measured by *Doing Business* made starting a business easier by reducing the procedures, time or cost associated with company incorporation. Twenty-three of the 50 economies that reformed in this area did so by simplifying preregistration or registration formalities. Such changes can vary from integrating multiple application forms into a single registration template to abolishing requirements for site inspections or bank certificates prior to company incorporation. By allowing voluntary value added tax registration at the time of business incorporation, Georgia reduced its relative gap to the best regulatory performance on starting a business the most in 2017/18. Previously, entrepreneurs had to make a separate visit to the Revenue Service for value added tax registration after company registration. Georgia also enhanced its existing one-stop shop for business incorporation, allowing entrepreneurs to start a company through a single procedure.

The second highest number of business regulatory reforms (49) captured by *Doing Business 2019* is in the area of enforcing contracts. This uptick in reform can be attributed mainly to the achievements of the 17 member states of the Organization for the Harmonization of Business Law in Africa, known by its French acronym OHADA. The organization adopted a Uniform Act on Mediation in 2017 (filling a legislative void that existed in most OHADA member states) which introduced mediation as

TABLE 1.2 Starting a business continues to be the most popular area of reform in 2017/18

Area of reform	Number of reforms in 2017/18	Region(s) with the highest share of reformers in 2017/18
Starting a business	50	East Asia & Pacific
Dealing with construction permits	31	Europe & Central Asia
Getting electricity	26	East Asia & Pacific
Registering property	28	Sub-Saharan Africa
Getting credit	29	Middle East & North Africa and South Asia
Protecting minority investors	23	Middle East & North Africa
Paying taxes	31	South Asia
Trading across borders	33	Europe & Central Asia
Enforcing contracts	49	Sub-Saharan Africa
Resolving insolvency	14	South Asia

Source: Doing Business database.
Note: The labor market regulation indicators also recorded 19 regulatory changes in *Doing Business 2019*. These changes are not included in the total reform count.

an amicable mode of dispute settlement. The OHADA Uniform Act adopts a broad scope of application by covering conventional and judicial mediation and sets out the guiding principles for the conduct of mediation.

Doing Business also recorded a historic number of reforms (26) in the area of getting electricity. East Asia and the Pacific has the highest share of reformers, with 28% of economies from this region improving on the getting electricity indicators. Sub-Saharan African economies recorded eight reforms in this area, the highest number of any region worldwide.

The economies of Europe and Central Asia and Sub-Saharan Africa were the most active in reforming their regulatory frameworks in 2017/18, with four of every five economies substantially improving business regulations in both regions. Nineteen economies in Europe and Central Asia implemented a total of 54 regulatory reforms improving the business environment. A total of 107 business regulatory reforms were recorded by *Doing Business* across 40 economies in Sub-Saharan Africa. Both regions captured reforms in every topic measured by *Doing Business*. Indeed, reforms undertaken by economies in these two regions represent half of all reforms recorded globally. In 2017/18 Sub-Saharan Africa implemented the most reforms ever recorded by *Doing Business* and the highest total number of reforming economies.

On average, Sub-Saharan African economies increased their ease of doing business scores by 0.99 points this year, slightly below the average improvement of 1.00 point for economies in Europe and Central Asia. With an increase of 2.73 points on average, South Asian economies recorded the largest score improvement. This achievement is not surprising as the region has the highest average number of reforms per reforming economy—a total of 19 reforms were implemented by five of the eight economies that comprise the region. The lowest share of reformers was observed in the OECD high-income group where 16 of 34 economies implemented a total of 23 reforms (or 7% of the global count). Latin America and the Caribbean (which is the fourth highest scoring region) had the second lowest share of reformers with 56% of economies implementing reforms in 2017/18. Naturally, economies in these two regions had the lowest average increase in their ease of doing business score in 2017/18: +0.16 points on average in OECD high-income economies (which is the highest performing region and therefore has little room for improvement) and +0.22 points on average in Latin America and the Caribbean.

Worldwide, the 10 economies showing the most notable improvement in performance on the *Doing Business* indicators in 2017/18 are Afghanistan, Djibouti, China, Azerbaijan, India, Togo, Kenya, Côte d'Ivoire, Turkey and Rwanda (table 1.3). Together, these economies implemented a total of 62 business regulatory reforms across all areas measured by *Doing Business*. Overall, the 10 top improvers implemented the most regulatory reforms in the areas of starting a business, getting credit and paying taxes (with eight reforms in each area). This very diverse set of economies includes

TABLE 1.3 The 10 economies improving the most across three or more areas measured by *Doing Business* in 2017/18

			Reforms making it easier to do business									
Economy	Ease of doing business rank	Change in ease of doing business score	Starting a business	Dealing with construction permits	Getting electricity	Registering property	Getting credit	Protecting minority investors	Paying taxes	Trading across borders	Enforcing contracts	Resolving insolvency
Afghanistan	167	+10.64	✔				✔	✔	✔			✔
Djibouti	99	+8.87	✔			✔	✔	✔			✔	✔
China	46	+8.64	✔	✔	✔	✔		✔	✔	✔		
Azerbaijan	25	+7.10		✔	✔	✔	✔	✔	✔	✔		✔
India	77	+6.63	✔	✔	✔		✔		✔	✔		
Togo	137	+6.32	✔	✔	✔	✔			✔		✔	
Kenya	61	+5.25				✔	✔	✔	✔			✔
Côte d'Ivoire	122	+4.94	✔	✔			✔		✔		✔	
Turkey	43	+4.34	✔	✔			✔		✔	✔	✔	✔
Rwanda	29	+4.15	✔		✔	✔	✔			✔	✔	✔

Source: Doing Business database.

Note: Economies are selected on the basis of the number of reforms and ranked on how much their ease of doing business score improved. First, *Doing Business* selects the economies that implemented reforms making it easier to do business in three or more of the 10 areas included in this year's aggregate ease of doing business score. Regulatory changes making it more difficult to do business are subtracted from the number of those making it easier. Second, *Doing Business* ranks these economies on the increase in their ease of doing business score from the previous year. The improvement in their score is calculated not by using the data published in 2017 but by using comparable data that capture data revisions. The choice of the most improved economies is determined by the largest improvements in the ease of doing business score among those with at least three reforms.

some of the largest and the smallest in the world, showing that economies of all sizes can be successful reformers in *Doing Business*.

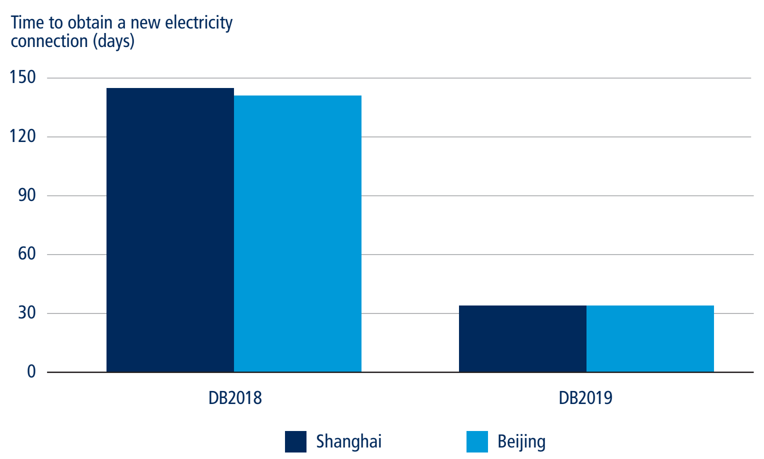
Afghanistan—the top improver in *Doing Business 2019*—focused on enhancing the legal framework for businesses. Minority investor protections were strengthened substantially, making Afghanistan one of the economies advancing most in this area. A new law on limited liability companies made noteworthy progress toward mitigating the risks of prejudicial conflicts of interest in companies and strengthening corporate governance structures. In addition, the Commercial Procedure Code was amended to grant greater powers to shareholders to challenge related-party transactions. Afghanistan also adopted a new insolvency legal framework in 2018.

The two economies with the largest populations, China and India, demonstrated impressive reform agendas. Both governments took a carefully designed approach to reform, aiming to improve the business regulatory environment over the course of several years. China is the only economy from East Asia and the Pacific to join the *Doing Business 2019* list of 10 top improvers. China focused its reform efforts in 2017/18 on increasing the efficiency of business processes. The utility distribution companies in both Beijing and Shanghai undertook several initiatives that significantly reduced the time to obtain a new electricity connection (figure 1.8). China digitalized new grid connection applications offering online payment while eliminating the external site visit from the utility in Beijing. During the first half of 2018, China introduced reform measures to streamline its construction permitting process by implementing unified platforms for all building review processes carried out before the approval of a building permit in both Beijing and Shanghai. The reforms also simplified documentation requirements, improved processing times, expanded public access to information and introduced a unified application for inspections carried out after the completion of construction. Similarly, the District Real Estate Registries of both Beijing and Shanghai implemented a new connected platform streamlining the registration process for new buildings. To facilitate cross-border trade, China implemented a national trade single window linking the customs and tax administration, port authorities, the Ministry of Commerce and other agencies involved in the export and import processes.

India also focused on streamlining business processes. Under its National Trade Facilitation Action Plan 2017-2020, India implemented several initiatives that improved the efficiency of cross-border trade, reducing border and documentary compliance time for both exports and imports (figure 1.9). Enhanced risk-based management now allows exporters to seal their containers electronically at their own facilities; as little as 5% of shipments must undergo physical inspections. India also invested in port equipment, strengthened management and improved electronic document flow. By implementing the Single Window Clearance System in Delhi and the Online Building Permit Approval System in Mumbai during the second half of 2017, India also continued to streamline and centralize its construction permitting process. Regarding getting electricity, newly-adopted regulations from the Delhi Electricity Regulatory Commission require that electrical connections be completed within 15 days of the application's acceptance. To comply with this regulation, Tata Power Delhi Distribution deployed more personnel as well as tracking tools and key performance indicators to monitor each commercial connection.

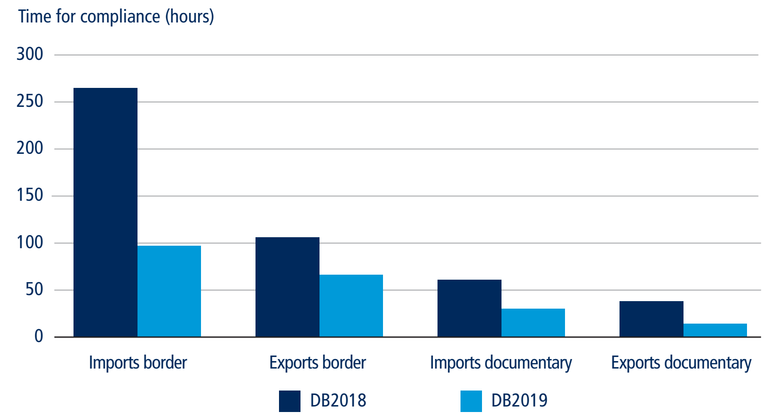
Djibouti and India are the only economies to make the list of 10 top improvers for the second consecutive year. Djibouti introduced a total of 11 business regulatory reforms in the past two editions of *Doing Business*, while India made 14 sizeable improvements during the same period. Djibouti, the only economy from the Middle East and North Africa region in the list of 10 top improvers this year, has targeted its reform agenda toward strengthening its legal framework. For example, Djibouti implemented strict deadlines for registering the property sale agreement with the Tax Authority and digitizing its land registry. The country also made substantial enhancements to the process of resolving commercial disputes by adopting a new civil

FIGURE 1.8 China significantly reduced the time to get a new electricity connection in 2017/18



Source: Doing Business database.

FIGURE 1.9 India decreased border and documentary compliance time for both exports and imports



Source: Doing Business database.

procedure code that regulates voluntary conciliation, mediation proceedings and case management techniques, including time standards for key court events. Enforcing contracts is easier following the creation of a dedicated division within the court of first instance to resolve commercial cases. With regards to resolving insolvency, Djibouti established equal treatment of creditors in reorganization proceedings and increased creditors' participation by granting them the right to approve the appointment of the insolvency representative and the sale of substantial assets of the debtor in the course of insolvency proceedings.

In Europe and Central Asia, Azerbaijan implemented eight reforms making it easier to do business in 2017/18, a record number among the 10 top improvers and globally, and Turkey implemented seven reforms. Several of these reforms involve institutional changes. Azerbaijan opened a single window at the Baku City Executive Office for dealing with construction permits, for example, reducing the time to obtain a building permit by 80 days and the cost by 12,563 manat (about $7,500). Another one-stop shop—the Asan Communal facility—streamlined the process of connecting to the electricity grid. To improve access to credit, Azerbaijan established a new credit bureau and a new unified collateral registry. In Turkey, the government's reform effort focused on improving the electronic processing of documents and providing more information on specific regulations. Istanbul and other municipalities across the country published on their websites all relevant regulations, fee schedules and pre-application requirements related to construction permits. The Ministry of Justice now publishes all judgments rendered by the Istanbul commercial courts, the civil courts of intellectual and industrial rights and the Istanbul Regional Court of Justice on legal disputes concerning commercial, intellectual and industrial rights since 2014. Furthermore, the Banks Association of Turkey Risk Center began sharing credit information from seven telecommunications companies.

With four economies—Côte d'Ivoire, Kenya, Rwanda and Togo—Sub-Saharan Africa is the most represented region in the *Doing Business 2019* list of 10 top improvers. Digitization was a common theme among the business regulatory reforms recorded by these four economies. Côte d'Ivoire and Togo introduced online systems for filing corporate income tax and value added tax returns, while Kenya simplified the process of providing value added tax information by enhancing its existing online system, iTax. Rwanda streamlined the process of starting a business by replacing its electronic billing machine system with new software that allows taxpayers to issue value added tax invoices. The free software, which is provided by the office of the Revenue Authority, allows taxpayers to issue value added tax invoices from any printer, eliminating the previous requirement to purchase and set up a special billing machine. Togo made it faster to check company name availability by fully operationalizing its online one-stop shop. Digital solutions were also implemented in the area of property registration. Togo developed an ambitious digitization project for modernizing its land administration system and, by February 2018, 97.2% of all land titles in Lomé had been scanned. In Kenya, the Ministry of Lands and Physical Planning implemented an online land rent financial management system on the eCitizen portal, enabling property owners to determine the amount owed in land rent, make an online payment and obtain the land rates clearance certificate digitally. Rwanda's Land Management and Use Authority launched a new website, which now includes statistics regarding the number of land disputes registered in 2017 for all judiciary districts. The National Agricultural Export Development Board of Rwanda also introduced an online system, allowing certificates of origin to be issued electronically.

Brazil, which recorded the largest score improvement in Latin America and the Caribbean in 2017/18, reformed in four areas measured by *Doing Business* as part of the country's ongoing effort to strengthen its business environment. Brazil introduced electronic certificates of origin in 2017, for example, following a pilot project that began in October 2016. After signing the Digital Certificates of Origin Act with Argentina under the framework of the Latin American

Integration Association, certificates of origin for auto parts imports from Argentina are now obtained electronically, reducing document preparation and compliance time for Brazilian importers. Brazil made starting a business easier by launching online systems for company registration, moving its score for starting a business (80.23) closer to the global average. Overall, the BRIC economies—Brazil, Russia, India and China—improved their average ease of doing business score by a combined total of almost 19 points across various areas of business regulation. All four economies improved in the area of getting electricity and passed reforms simplifying the process of trading across borders.

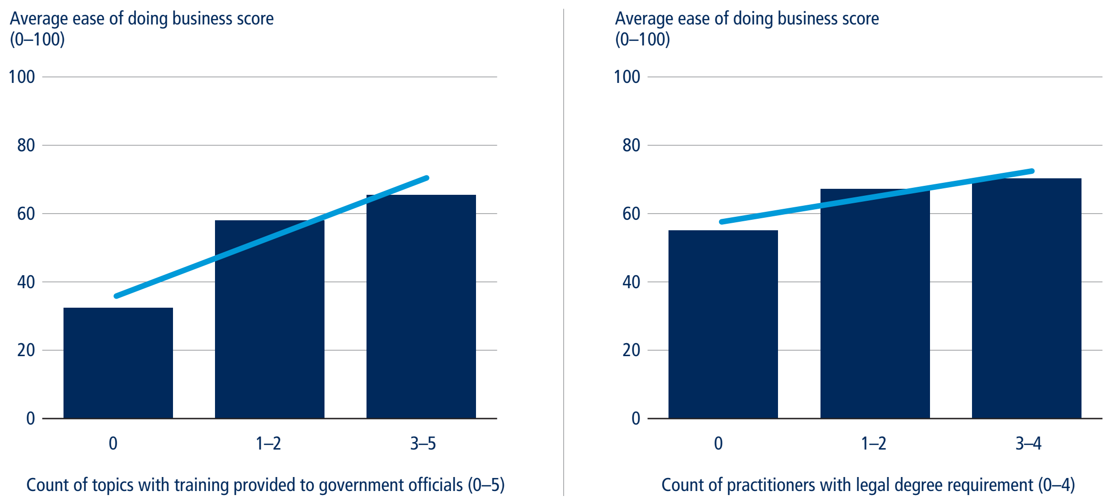
Among OECD high-income economies, Belgium recorded the largest improvement in *Doing Business 2019* by strengthening access to credit. It also introduced changes to its insolvency legal framework. Two laws relating to reorganization and liquidation were streamlined into one and integrated into the Code of Economic Law. The scope of application of the law, traditionally limited to merchants, was extended to include the liberal professions, "second chance" rules were strengthened and the Code was amended to provide for the digitalization of all insolvency proceedings into a solvency register.

DOES TRAINING CIVIL SERVANTS AND COMMUNICATING REGULATORY CHANGES AFFECT THE BUSINESS CLIMATE?

Reform efforts will not always result in immediate improvements; indeed, some may have no impact at all. Efficient design and poor implementation are just two factors that explain why some reforms succeed while others fail. Once new regulation is enacted, it must be brought to practice—the role of dissemination should not be underestimated. The process of improving a business environment often spans several years. Naturally, every case is unique and a variety of factors influence each economic environment; business regulation is only one of those factors. Political stability, the level of economic development, natural resource endowment, cultural specifics, environmental risk and many other elements can each play a consequential role in the ability of an economy to implement regulatory change successfully. While some factors cannot be influenced, others lie within governments' direct control, for example the level of training provided to civil servants and the way in which regulatory change is communicated.

Doing Business data show that across economies there is a significant positive association between the availability of training programs for public officials and streamlined business regulation (figure 1.10). From the perspective of service providers—such as officers at land registries, judges, prosecutors or engineers—training serves as a platform to acquire new skills and keep existing knowledge up to date.[23] Such training improves experts' productivity and

FIGURE 1.10 More training opportunities for public officials are associated with a higher ease of doing business score



Source: Doing Business database.

Note: The count of *Doing Business* topics for which training is offered to public sector officials ranges from 0 to 5, where each topic with government-provided training counts as 1 (left-hand figure). The topics are as follows: starting a business (+1), registering property (+1), getting electricity (+1), paying taxes (+1) and trading across borders (+1). The relationship is significant at the 1% level after controlling for income per capita. The sample comprises 166 economies. The legal degree requirement count (right-hand figure) ranges from 0 to 4 where each type of legal practitioner required to hold an advanced degree counts as 1. The types of legal practitioner are as follows: practicing lawyers (+1), judges (+1), insolvency representatives (+1) and law clerks (+1). The relationship is significant at the 1% level after controlling for income per capita. The sample comprises 86 economies.

capacity to serve customers, who in turn become better informed about new regulatory requirements or processes. Those with a better understanding of business regulatory processes are likely to comply more often with the required rules and procedures. Improved understanding, clarity and trust in regulatory requirements are associated with more efficiency in the regulatory framework.[24]

In the area of judicial performance, those economies that make the training of judges mandatory are more likely to enjoy higher resolution rates and better judicial decisions. Indeed, the training of judges is imperative for increased judicial efficiency and productivity.[25, 26] Evidence from Pakistan indicates that reforms which provided judges with training are accompanied by positive effects on judicial efficiency and, consequently, entrepreneurship.[27]

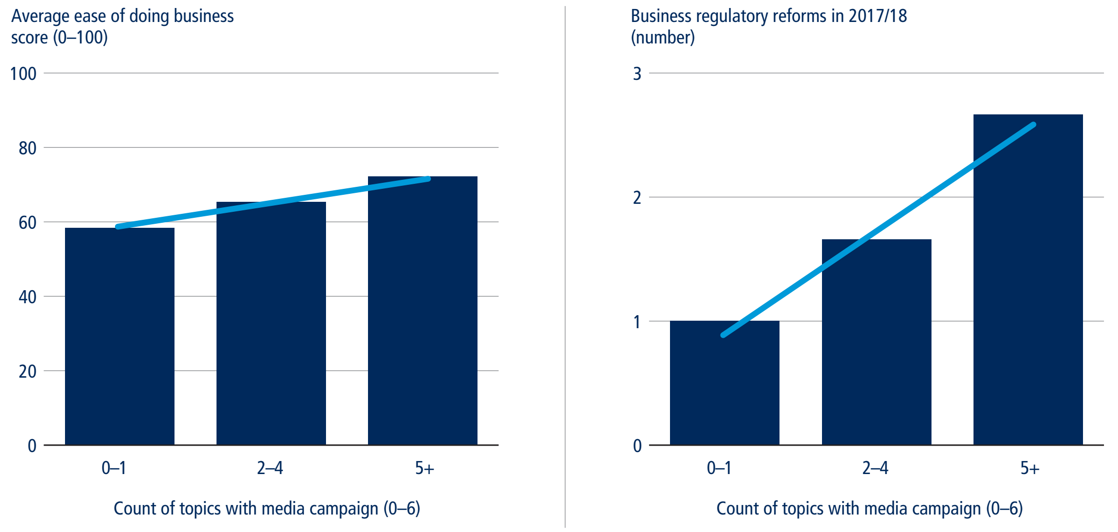
Beyond training, governments have other options to enhance the implementation of business regulatory reform. Economies in which governments effectively communicate changes to legislative processes tend to be associated with better business regulation and more reforms. While these results cannot be interpreted as causal, they do signal to policy makers that public-private dialogue is a powerful tool for increasing the number of reforms and improving business regulatory efficiency (figure 1.11).

Effective public communication of business regulatory reform not only constitutes good practice—it also improves compliance from the private sector and holds the public sector accountable for regulatory violations.[28] Specifically, regulators who conduct workshops with the public or interested stakeholders are more likely to have better efficiency and quality of business legislation in their constituencies. Not surprisingly, economies where governments communicate regulatory changes through media—such as broadcast advertisements and announcements, social media, and mobile applications—are likely to have a higher ease of doing business score. Governments that make changes to laws or procedures publicly available through regulatory websites are also likely to perform better on the *Doing Business* indicators.

WHAT IS NEW IN THIS YEAR'S REPORT?

To further explore the links between training and the successful implementation of business regulation, *Doing Business 2019* presents four case studies with a specific focus on training opportunities for public officials and communication of regulatory changes. The case study on starting a business and registering property analyzes new data on training opportunities available to public officials at the business and land registries. It finds that the provision of mandatory training for business registry officers is associated with higher registry efficiency. Similarly, holding annual training for land registry officers is associated with more effective registration procedures. Communicating changes at the business

FIGURE 1.11 Communication of regulatory changes through media campaigns is associated with better business regulation and more reforms



Source: Doing Business database.
Note: The count of topics with media campaign ranges from 0 to 6 where each topic with a media campaign launched to announce changes to regulation counts as 1. The topics are as follows: starting a business (+1), dealing with construction permits (+1), registering property (+1), getting credit (+1), protecting minority investors (+1) or paying taxes (+1). Both the left-hand and right-hand relationships are significant at the 1% level after controlling for income per capita; both samples comprise 76 economies.

and land registries—through, for example, providing workshops for registry officers or information campaigns for system users—is associated with a lower time to complete transactions.

The case study on getting electricity highlights the benefits of comprehensive wiring regulation. To adequately mitigate safety risks, accreditation systems for electricians are essential, as are inspections of wiring installations and liability regimes. *Doing Business* data show that where electrical connection processes are efficient, there also tend to be robust quality control standards. Similarly, the case study on trading across borders draws on newly collected data to illustrate that the use of regular training to educate customs clearance officials and customs brokers is positively associated with lower border and documentary compliance times.

The case study on enforcing contracts and resolving insolvency explores the education and training that judges receive worldwide. It features examples of two judicial systems—Indonesia and the United Arab Emirates—each with adequate education and training frameworks in commercial and insolvency matters. The annex presents data analysis for the labor market regulation topic, including general trends and the relationship with firm performance.

NOTES

1. Entrepreneurship Database (http://www.doingbusiness.org/data/exploretopics/entrepreneurship), World Bank Group.
2. Aghion, Fally and Scarpetta 2007; Herrendorf and Teixeira 2011.
3. Paunov 2016.
4. Demenet, Razafindrakoto and Roubaud 2016.
5. Sutherland 2011.
6. Agyeman, Abeka and Assiamah 2016.
7. Abeberese 2016.
8. Andersen and Dalgaard 2013.
9. Aragón 2015; Christiansen, Schindler and Tressel 2013.
10. Berkowitz, Lin and Ma 2015; Mitton 2016.
11. Djankov, La Porta and others 2008.
12. Durnev, Errunza and Molchanov 2009.
13. Gutiérrez 2003.
14. Chaurey 2015.
15. Carluccio 2015.
16. For more information on the research on the effects of business regulation published in *Doing Business 2014*, see http://www.doingbusiness.org/en/reports/global-reports/doing-business-2014.
17. For more information on the legal research findings on business regulations and the law published in *Doing Business 2016*, see http://www.doingbusiness.org/en/reports/global-reports/doing-business-2016.
18. These areas include: starting a business (DB2019, DB2018, DB2015, DB2009, DB2008), dealing with construction permits (DB2018, DB2016, DB2008), registering property (DB2019, DB2018, DB2017, DB2013, DB2010, DB2009, DB2008), getting credit (DB2014, DB2013, DB2010, DB2009, DB2007, DB2006), protecting minority investors (DB2019), paying taxes (DB2019, DB2008), trading across borders (DB2019, DB2018, DB2010, DB2008, DB2006), enforcing contracts (DB2015, DB2014, DB2011, DB2010), resolving insolvency (DB2014, DB2010, D2008). Substantial changes were observed in labor market regulation in DB2010.
19. Since 2005 a total of five reforms have been captured in Mauritius in the area of starting a business, but four reforms contributed to the reduction in time for business incorporation.
20. The extent of disclosure index ranges from 0 to 10, with higher values indicating greater disclosure.
21. Djankov, Georgieva and Ramalho 2018.
22. Twenty-three changes making it more burdensome for businesses to operate were recorded in *Doing Business 2019*.
23. DeVaro, Maxwell and Morita 2017.
24. Dabla-Norris, Gradstein and Inchauste 2008.
25. Hadfield 2008.
26. Ichino, Polo and Rettore 2003.
27. Chemin 2009.
28. Macchiavello 2008.

TABLE 1A.1 Who reduced regulatory complexity and cost or strengthened legal institutions in 2017/18—and what did they do?

Feature	Economies	Some highlights
Making it easier to start a business		
Simplified preregistration and registration formalities (publication, notarization, inspection, and other requirements)	Afghanistan; Argentina; Bolivia; Brazil; Brunei Darussalam; Burundi; Côte d'Ivoire; Ethiopia; Guatemala; India; Mauritania; Morocco; Myanmar; New Zealand; Nigeria; Pakistan; Qatar; South Africa; Sudan; Thailand; Togo; Turkey; Vietnam	Argentina made starting a business easier by introducing an expedited process for limited liability companies that includes company incorporation, book legalization and tax and social security registration. India made starting a business easier by fully integrating multiple application forms into a general incorporation form.
Abolished or reduced minimum capital requirement	Central African Republic; Guatemala; Kuwait; Timor-Leste; Togo	Kuwait made starting a business easier by eliminating the paid-in minimum capital requirement.
Cut or simplified postregistration procedures (tax registration, social security registration, licensing)	Armenia; Belarus; Brunei Darussalam; Chile; Georgia; India; Indonesia; Kazakhstan; Mauritius; Peru; Philippines; Rwanda; Singapore; Zimbabwe	Indonesia made starting a business easier by combining different social security registrations. Mauritius made starting a business easier by linking the database of the business registry with the database of the social security office. Singapore made starting a business easier by abolishing corporate seals.
Introduced or improved online procedures	Bolivia; China; Guatemala; Malaysia; Nigeria; Tanzania; Togo; United Arab Emirates; Vietnam	Nigeria made starting a business easier by introducing an online platform to pay stamp duties. Tanzania made starting a business easier by launching online company registrations. Vietnam made starting a business easier by publishing the notice of incorporation online.
Introduced or improved one-stop shop	Cameroon; Chad; Djibouti; Egypt, Arab. Rep; Gabon; Guinea; Moldova; Togo; Tunisia	Moldova made starting a business easier by removing the requirement to separately file for registration with the National Bureau of Statistics. Tunisia made starting a business easier by combining different registrations at the one-stop shop.
Making it easier to deal with construction permits		
Reduced time for processing permit applications	Azerbaijan; Botswana; China; El Salvador; Ethiopia; Greece; Guinea; India; Kosovo; Malaysia; Malta; Russian Federation; Serbia; Sri Lanka; Taiwan, China; Zimbabwe	Sri Lanka made dealing with construction permits easier by reducing the processing times to issue several building certificates.
Streamlined procedures	Azerbaijan; Botswana; China; El Salvador; Greece; India; Kosovo; Malaysia; Malta; Serbia; Sri Lanka	Kosovo made dealing with construction permits easier by streamlining the inspection system through the use of an in-house engineer.
Adopted new building regulations	China; Côte d'Ivoire; Gabon; Ghana; Madagascar; Peru; Philippines; Togo	Ghana and Peru strengthened construction quality control by imposing stricter qualification requirements for professionals in charge of technical inspections. The Philippines made the construction sector safer by improving its risk management practices; latent defect liability insurance is now commonly obtained by industry players.
Improved transparency	Burundi; China (Beijing); India; Mauritania; Sri Lanka; Turkey; Uruguay	Burundi increased the transparency of dealing with construction permits by publishing regulations related to construction online free of charge. Uruguay improved the quality of its building regulations by creating an online portal that provides information on the requirements and fees to obtain a building permit.
Reduced fees	Azerbaijan; Cambodia; China; Gabon; Greece; Guinea; India; Macedonia, FYR; Madagascar; Niger; Togo	Macedonia, FYR made the construction permitting process less costly by reducing the land development fees.
Introduced or improved one-stop shop	Azerbaijan; Belarus; China; India; Sri Lanka; Taiwan, China; Zimbabwe	Taiwan, China, made dealing with construction permits less time-consuming by improving the efficiency of its single window counter in the Taipei City Construction Management Office. Zimbabwe made dealing with construction permits faster by adopting a one-stop shop for building plan approvals.
Introduced or improved electronic platforms or online services	China; India; Russian Federation; Serbia; Sri Lanka; Taiwan, China; Uruguay	Serbia reduced the time needed to obtain a construction permit by introducing an electronic application system.
Making it easier to get electricity		
Facilitated more reliable power supply and transparency of tariff information	Angola; Azerbaijan; Brazil (São Paulo); Gabon; Mozambique; Myanmar; Paraguay; Papua New Guinea; Rwanda; Saudi Arabia; South Africa; Togo; Thailand	Gabon improved the regulatory framework of the electricity sector; the national regulator now monitors the utility's performance on reliability of supply. Papua New Guinea improved the reliability of supply by expanding electricity generation capacities. Paraguay rolled out a Supervisory Control and Data Acquisition (SCADA) system to monitor power outages.
Improved process efficiency	Algeria; Armenia; Azerbaijan; Hong Kong SAR, China; India (Delhi); Mozambique; Niger; Russian Federation; Rwanda; United Kingdom	Niger made the process for getting an electricity connection faster by increasing the stock of material the utility carries and by allowing the internal wiring certificate of conformity to be obtained at the same time as the external connection works.
Streamlined approval process	Brunei Darussalam; China; France; Malaysia; Nigeria; Russian Federation; Thailand	Thailand streamlined procedures by setting up a dedicated task force at the utility that coordinates the external works, meter installation and electricity turn-on without the need for customer interaction.
Reduced connection costs	Azerbaijan; China; India (Delhi); Russian Federation; Togo; United Arab Emirates	India (Delhi) issued a regulation prescribing new electricity charges. The United Arab Emirates made getting electricity easier by eliminating all costs for commercial and industrial connections of up to 150 kVA.

TABLE 1A.1 Who reduced regulatory complexity and cost or strengthened legal institutions in 2017/18—and what did they do?

Feature	Economies	Some highlights
Making it easier to register property		
Increased reliability of infrastructure	Croatia; Djibouti; Pakistan; Sri Lanka; Togo	Croatia became fully digitized, increasing the efficiency and transparency of services provided by the Land Registry and Cadaster. Sri Lanka worked toward implementing a fully digital Land Registry and Survey Department by rolling out a geographic information system and creating a Single Window Counter for the issuance of certificates.
Increased transparency of information	Azerbaijan; Croatia; Eswatini; Gabon; Indonesia; Israel; Mauritius; Pakistan; Papua New Guinea; Rwanda; Togo; Tunisia; United Arab Emirates; West Bank and Gaza	Gabon and Israel upgraded their official websites to include relevant information to the public at large regarding land registry services. Pakistan and West Bank and Gaza began publishing online official statistics tracking the number of transactions at the immovable property registration agency.
Reduced taxes or fees	Chad; Congo, Dem. Rep.; Congo, Rep.; Djibouti; Guinea; Togo	Congo, Dem. Rep. reduced the cost of securing land and property titles. Guinea reduced the fees to transfer property from 2% to 1.2% of the property value.
Reduced time for registering property	China; Djibouti; France; Kenya; Malawi; Malaysia; Morocco; Sri Lanka; Togo; West Bank and Gaza	Malawi made property transfer faster by decentralizing the consent to transfer property to local government authorities.
Increased administrative efficiency	China; Djibouti; Indonesia; Israel; Kenya; Morocco; Niger; Pakistan; Senegal; Sri Lanka; Togo	Niger improved communication between the taxation department and the registration department by merging procedures, making reviewing and approving property transfers significantly faster. Senegal further streamlined the interactions between different departments at the Property Registry (Conservation Foncière).
Strengthening legal rights of borrowers and lenders		
Created a unified and/or modern collateral registry for movable property	Azerbaijan; Belgium; Kenya; Nicaragua; United Arab Emirates	United Arab Emirates established a modern and unified collateral registry.
Introduced a functional and secured transactions system	Azerbaijan; Kenya	Kenya strengthened access to credit by implementing a functional secured transactions system. The new law regulates functional equivalents to loans secured with movable property, such as financial leases and fiduciary transfer of title.
Allowed for general description of assets that can be used as collateral	Djibouti	Djibouti allowed the general description of debts and obligations.
Expanded range of movable assets that can be used as collateral	Azerbaijan; Belgium, Djibouti; Egypt, Arab. Rep.; Turkey; United Arab Emirates	Egypt, Arab Rep. introduced a new law that broadens the scope of assets which can be used as collateral to secure a loan.
Granted absolute priority to secured creditors or allowed out-of-court enforcement	Afghanistan; Belgium; Djibouti; Egypt, Arab. Rep.; India; Sudan; Turkey; United Arab Emirates	Afghanistan introduced a new law that grants secured creditors absolute priority over other claims within insolvency proceedings.
Granted exemptions to secured creditors from automatic stay in insolvency proceedings	Azerbaijan; Rwanda; Sudan	Rwanda adopted a new law on insolvency that contemplates protections for secured creditors during an automatic stay in reorganization proceedings.
Improving the sharing of credit information		
Established a new credit bureau or registry	Azerbaijan; Benin; Haiti; Ireland; San Marino	San Marino improved access to credit information by launching a new credit registry.
Improved regulatory framework for credit reporting	Antigua and Barbuda; Bahamas, The; Grenada; Madagascar	Madagascar improved access to credit information by adopting a law that creates a new credit information system.
Expanded scope of information collected and reported by credit bureau or registry	Brazil; Côte d'Ivoire; Indonesia; Jamaica; Jordan; Turkey	In Indonesia, one public utility began submitting positive and negative information on consumer accounts to the credit bureau.
Introduced bureau or registry credit scores as a value-added service	Brunei Darussalam; Zimbabwe	In Brunei Darussalam, the credit registry began offering credit scores to banks and other financial institutions to better inform their lending decisions.
Guaranteed by law borrowers' right to inspect data	Mauritania; Qatar	Qatar adopted the Consumer Credit Act 2016 guaranteeing borrowers' right to inspect their own data.
Expanded borrower coverage by credit bureau or registry	Côte d'Ivoire; Zimbabwe	Zimbabwe expanded the number of borrowers listed by its credit registry with information on their borrowing history from the past five years to more than 5% of the adult population.

TABLE 1A.1 Who reduced regulatory complexity and cost or strengthened legal institutions in 2017/18—and what did they do?

Feature	Economies	Some highlights
Strengthening minority investor protections		
Expanded shareholders' role in company management	Afghanistan; Armenia; Azerbaijan; Bahrain; China; Cyprus; Djibouti; Dominican Republic; Egypt, Arab Rep.; Jordan; Kenya; Kuwait; Kyrgyz Republic; Lithuania; Mauritius; Papua New Guinea; Philippines; Saudi Arabia; Sudan; Taiwan, China; Tunisia; Uzbekistan	The Philippines issued new rules for companies listed on its stock exchange. Shareholders can now approve the appointment and dismissal of the auditor and companies must establish an audit committee composed exclusively of board members.
Increased disclosure requirements for related-party transactions	Afghanistan; Armenia; Bahrain; Cyprus; Djibouti; Kenya; Kuwait; Tunisia; Ukraine	In Tunisia, an amendment to capital market rules requires that companies promptly make public information on interested party transactions and conflicts of interest.
Enhanced access to information in shareholder actions	Afghanistan; Bahrain; China; Djibouti; Jordan; Sudan	Djibouti introduced major changes to its Code of Commerce. Among the changes, any information relevant to the subject matter of the claim must now be made available to shareholders when they bring a lawsuit.
Increased director liability	Djibouti; Kenya; Saudi Arabia	Kenya enacted the Companies Amendment Act 2017, which holds directors liable for transactions with interested parties valued at 10% or more of a company's assets and that cause damages to the company. Directors involved in prejudicial transactions are now required to pay damages, disgorge profits and may be disqualified from holding similar office for up to five years.
Making it easier to pay taxes		
Introduced or enhanced electronic systems	Azerbaijan; Bahamas, The; Bhutan; China; Côte d'Ivoire; Cyprus; Finland; Iran, Islamic Rep.; Jordan; Kenya; Mauritius; Panama; Sri Lanka; Thailand; Togo; Turkey	The Bahamas implemented an online system for filing and payment of value added tax.
Reduced profit tax rate, allowed for more tax-deductible expenses and made changes to tax depreciation rules	Ecuador; France; Georgia; Hungary; India; Russian Federation; Togo	Ecuador introduced a Tax Incentive Law in 2017 allowing businesses to deduct an additional 100% on amounts paid to cover private medical insurance or prepaid health care for its employees.
Reduced labor taxes and mandatory contributions, or taxes other than profit and labor	China (Beijing); Cyprus; Finland; France; Hungary; India; Uzbekistan; Vietnam	Vietnam reduced the employer's contribution to the labor fund from 1% to 0.5%.
Introduced new or significantly revised tax law or tax code	Georgia; India	India introduced the Maharashtra Goods and Services Tax Act 2017 and the Delhi Goods and Services Tax Act 2017, which unified all sales taxes into one new tax called the Goods and Services Tax (GST).
Simplified tax compliance processes or decreased number of tax filings or payments	Afghanistan; Armenia; Azerbaijan; China; Georgia; India; Kenya; Kosovo; Lithuania; Vietnam	Armenia improved the quality of the local accounting software (Arm accounting) for corporate income tax and labor taxes in 2017 by incorporating a wider range of tax calculations. This allowed for the integration of the local accounting software with the tax authority's secure data transmission and storage system.
Merged or eliminated taxes	China; Cyprus; Ecuador; India; Kenya; Lithuania; Tunisia; Vietnam	Cyprus abolished the immovable property tax and did not extend the levy of the Special Contribution for Employees, Pensioners and Self-Employed individuals in 2017.
Improved VAT refund process	Egypt, Arab Rep.; Iran, Islamic Rep.; Kosovo; Mauritius; Mozambique	Mauritius introduced an expedited processing system for the repayment of value added tax refunds and upgraded its online platform to allow for the online submission of invoices and amended corporate tax returns.
Improved tax audit processes and correction of corporate income tax processes	Afghanistan; Iran, Islamic Rep.; Kosovo; Mauritius	In 2017 Afghanistan introduced a new tax administration and law manual with clear rules and guidelines on tax audit and automated the submission of tax returns.

TABLE 1A.1 Who reduced regulatory complexity and cost or strengthened legal institutions in 2017/18—and what did they do?

Feature	Economies	Some highlights
Making it easier to trade across borders		
Introduced or improved electronic submission and processing of documents for exports	Angola; Azerbaijan; China; Congo, Dem. Rep.; India; Iran, Islamic Rep.; Kazakhstan; Kosovo; Lesotho; Lithuania; Malaysia; Morocco; Mozambique; Nigeria; Russian Federation; Rwanda; Saudi Arabia; Thailand; Turkey; Uganda; Uzbekistan	Kazakhstan made trading across borders easier by introducing an electronic customs declaration system, ASTANA-1 IS, and reducing customs administrative fees. Uganda fully implemented the Centralized Document Processing Centre, an electronic processing platform that centralizes all documentary checks. Traders in Uganda also began using the Uganda Electronic Single Window, which allows for electronic submission of documents as well as for the exchange of information between trade agencies.
Introduced or improved electronic submission and processing of documents for imports	Angola; Azerbaijan; Bahrain; Brazil; China; Congo, Dem. Rep.; Ghana; India; Iran, Islamic Rep.; Lesotho; Malaysia; Morocco; Mozambique; Nigeria; Paraguay; Russian Federation; Saudi Arabia; Turkey; Uganda	Lesotho made importing faster by implementing the Automated System for Customs Data (ASYCUDA), reducing documentary compliance time for imports by two hours. In January 2017, Paraguay introduced the legal validity of the electronic signature for trade operations.
Strengthened border infrastructure for exports	China; El Salvador; India; Malaysia; Morocco; Rwanda; Uganda	El Salvador made exporting easier by introducing an intermediate customs post in Santa Ana, reducing congestion at the Anguiatú border crossing. Rwanda reduced border compliance time by having staff from the Rwanda Revenue Authority and the Tanzania Revenue Authority at the Rusomo one-stop border post, the result of the implementation of the Single Customs Territory.
Strengthened border infrastructure for imports	Bahrain; China; India; Malaysia; Morocco; Mozambique; Nigeria; Rwanda; Saudi Arabia; Uganda	Malaysia strengthened infrastructure at Port Klang by opening a second gate with additional scanners, upgrading the management system, expanding two terminals and decreasing the cut-off time.
Enhanced customs administration and inspections for exports and imports	Algeria; Azerbaijan; China; Ghana; Guinea; India; Iran, Islamic Rep.; Kazakhstan; Kosovo; Kyrgyz Republic; Lao PDR; Malaysia; Mauritius; Nigeria; Russian Federation; Rwanda; Tajikistan; Turkey; Ukraine	Mauritius made exporting easier by introducing a risk-based management system which reduced border compliance time by 14 hours. Ukraine made trading across borders easier by eliminating the verification requirement on auto-parts. Kosovo also introduced simplified controls at the border with Albania, reducing the number of physical examinations during customs clearance.
Making it easier to enforce contracts		
Introduced significant changes to the applicable civil procedure or enforcement rules	Albania; Armenia; Djibouti; Kyrgyz Republic; Malawi; Mongolia; Niger; Nigeria (Lagos); Rwanda; São Tomé and Príncipe; Saudi Arabia; Slovenia; Sri Lanka; Ukraine	Kyrgyz Republic, Slovenia, Sri Lanka and Ukraine amended the civil procedure rules to introduce a pre-trial conference as part of the case management techniques used in court. Albania, Armenia, Niger, Nigeria (Lagos) and Ukraine issued new rules of procedure for small claims.
Expanded court automation by introducing electronic payment, electronic service of process, automatic assignment of cases to judges or by publishing judgments	Canada; Georgia; Jordan; Kazakhstan; Madagascar; Poland; Puerto Rico (U.S.); Slovak Republic; Turkey; Vietnam; Zambia; Zimbabwe	Canada, Jordan and Puerto Rico (U.S.) implemented a platform to pay fees electronically. Georgia, Madagascar and Poland introduced random and automatic assignment of cases to judges throughout the courts. Slovak Republic implemented electronic service of process. Kazakhstan, Turkey, Vietnam and Zimbabwe made decisions rendered in commercial cases publicly available.
Introduced or expanded the electronic case management system	Denmark; Kazakhstan; Madagascar; Namibia; Puerto Rico (U.S.)	Denmark, Madagascar and Puerto Rico (U.S.) introduced an electronic case management system. Kazakhstan and Namibia introduced the possibility of generating performance measurement reports.
Introduced electronic filing	Canada; Chile; Denmark; Puerto Rico (U.S.); Saudi Arabia	Canada, Chile, Denmark, Puerto Rico (U.S.) and Saudi Arabia introduced an electronic filing system for commercial cases, allowing attorneys to submit the initial summons online.
Introduced or expanded specialized commercial court	Djibouti; Ethiopia	Djibouti and Ethiopia introduced dedicated benches to resolve commercial disputes.
Expanded the alternative dispute resolution framework	Benin; Burkina Faso; Cameroon; Central African Republic; Chad; Comoros; Congo, Dem. Rep.; Congo, Rep.; Côte d'Ivoire; Djibouti; Equatorial Guinea; Gabon; Guinea; Guinea-Bissau; Ireland; Kyrgyz Republic; Mali; Niger; Senegal; Singapore; Sudan; Togo; Turkey	Djibouti, Ireland and Kyrgyz Republic adopted laws that regulate all aspects of mediation as an alternative dispute resolution mechanism. Sudan recognized voluntary conciliation and mediation as ways of resolving commercial disputes. Turkey introduced financial incentives for mediation.

TABLE 1A.1 Who reduced regulatory complexity and cost or strengthened legal institutions in 2017/18—and what did they do?

Feature	Economies	Some highlights
Making it easier to resolve insolvency		
Improved the likelihood of successful reorganization	Afghanistan; Djibouti; Egypt, Arab. Rep.; Kenya; Morocco; Pakistan; Rwanda; Turkey	Morocco established the possibility for the debtor to receive new financing after the commencement of insolvency proceedings and introduced corresponding priority rules.
Introduced a new restructuring procedure	Afghanistan; Egypt, Arab. Rep.; Malaysia; Pakistan	Pakistan introduced the option of reorganization for commercial entities as an alternative to previously available option of liquidation.
Strengthened creditors' rights	Afghanistan; Djibouti; Kenya; Kyrgyz Republic; Morocco; Rwanda; Sudan; Turkey	Kyrgyz Republic granted an individual creditor the right to access information about the debtor's business and financial affairs.
Improved provisions on treatment of contracts during insolvency	Afghanistan; Azerbaijan; Kenya; Kyrgyz Republic; Pakistan; Sudan	Kenya allowed for the continuation of contracts supplying essential goods and services to the debtor, giving the administrator the power to continue or disclaim contracts of the debtor.
Streamlined insolvency procedures	Belgium; Burundi	Belgium unified its insolvency legal framework and streamlined provisions related to liquidation and reorganization procedures.
Changing labor legislation		
Altered hiring rules and probationary period	Benin; Nepal	Benin increased the maximum length of fixed-term contracts. Nepal allowed fixed-term contracts for permanent tasks and reduced probationary periods.
Amended regulation of working hours	Brazil; Canada; Haiti; India (Mumbai); Israel; Lithuania; Nepal; Norway; South Sudan	India (Mumbai) eliminated restrictions on weekly holiday work and introduced a 100% wage premium for work on the weekly rest day.
Changed redundancy rules and cost	Azerbaijan; Brazil; Costa Rica; France; Lithuania; Nepal; South Sudan	France increased severance payments. Lithuania decreased the notice period and severance payments in case of redundancy. Nepal eliminated the third-party approval requirement in case of redundancy.
Reformed legislation regulating worker protection and social benefits	Bulgaria; Canada; Costa Rica; Israel; Luxembourg; Malaysia; Mali; Mozambique; Nepal; South Sudan; United States (New York)	Canada introduced two days of paid sick leave. Israel, Luxembourg, Nepal and South Sudan increased the duration of paid maternity leave.

Source: Doing Business database.

Note: Reforms affecting the labor market regulation indicators are included here but do not affect the ranking on the ease of doing business.