

# Comparing Business Regulation for Domestic Firms in 190 Economies: Equal Opportunity for All?

Shambhavi Mohan

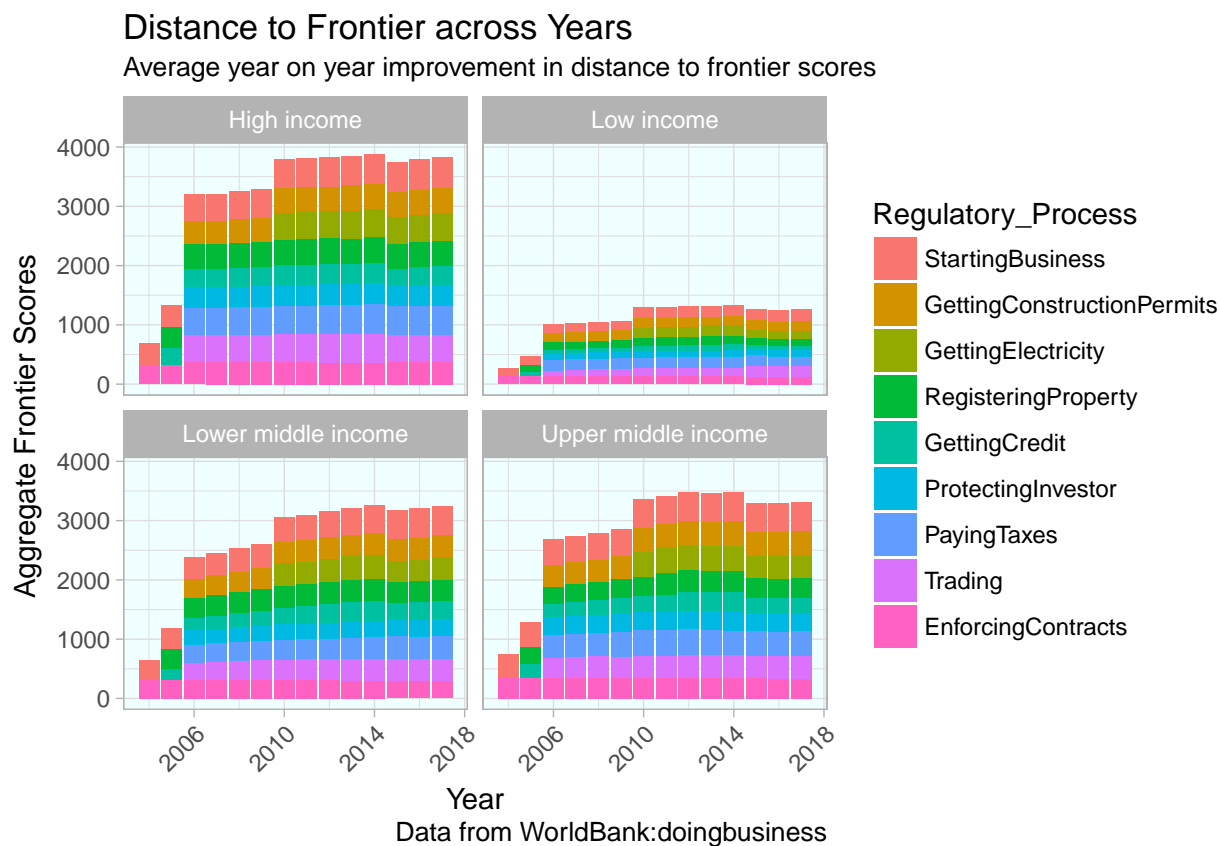
Due: October 15, 2017

## Background

The opportunity to find a job or ease of doing business can help people come out of poverty or prevent them from going in. I want to explore how the ease of doing business has improved across economies and how different lower income economies are as compared to high income ones.

*Important Definition:* An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. For example, a score of 75 in DB 2016 means an economy was 25 percentage points away from the frontier constructed from the best performances across all economies and across time.

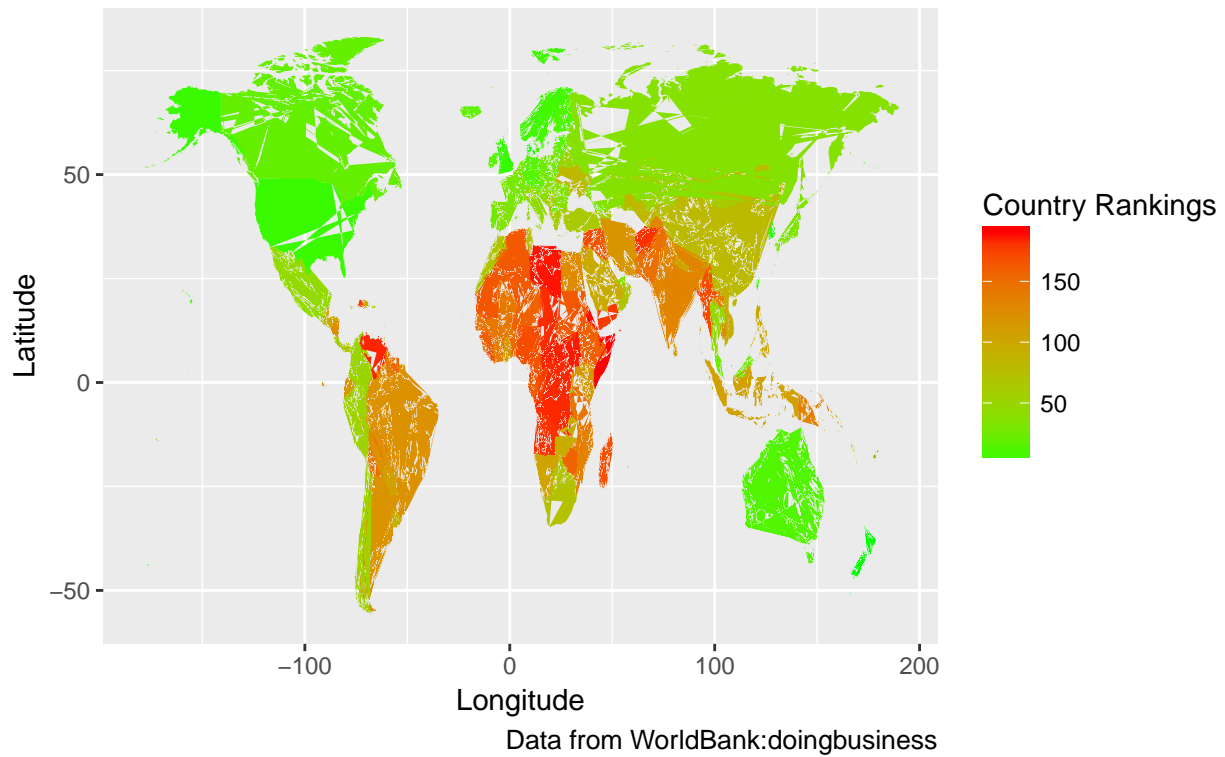
**Graph 1** Unsurprisingly, the frontier scores are lowest for low income countries. We can see that there is a drop across frontier scores for all 4 - High Income, Upper Middle Income, Lower Middle Income and Low Income countries. We can observe that this is mostly due to Getting Electricity. I would like to explore that further - where is the maximum drop across countries



**Graph 2** As we can see, the worst performing countries belong to the developing world. Amongst them I would like to see which ones have improved the most.

## Ease of Doing Business, 2016

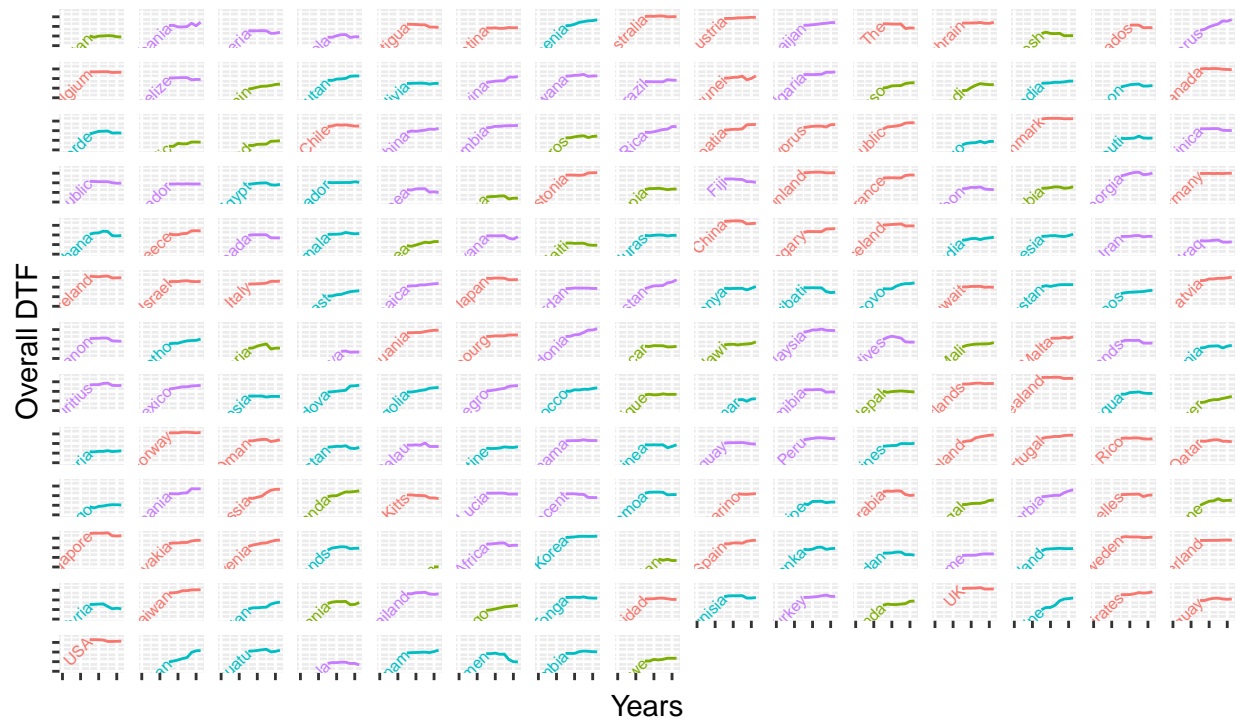
Worst Ranked countries are African, South Americas and South Asian



**Graph 3** It is very interesting to observe all 190 countries in the same graph. We can see that almost all high income countries (red in graph) have been stable in terms of overall distance to the frontier, ie not much change in terms of regulations towards ease of business. A surprising exception to this is Singapore. It is surprising to see that many of the upper middle income countries (purple in graph) have improved in their performance towards ease of business, The low income countries have had more fluctuations in terms of performance, with few notable improvements being - India, Kenya, Rwanda and Uganda. These are few of the countries I will explore in the next few graphs.

### Change in countries performances 2004–17

Here colors represent the income group, with red for the highest income and green for the least income



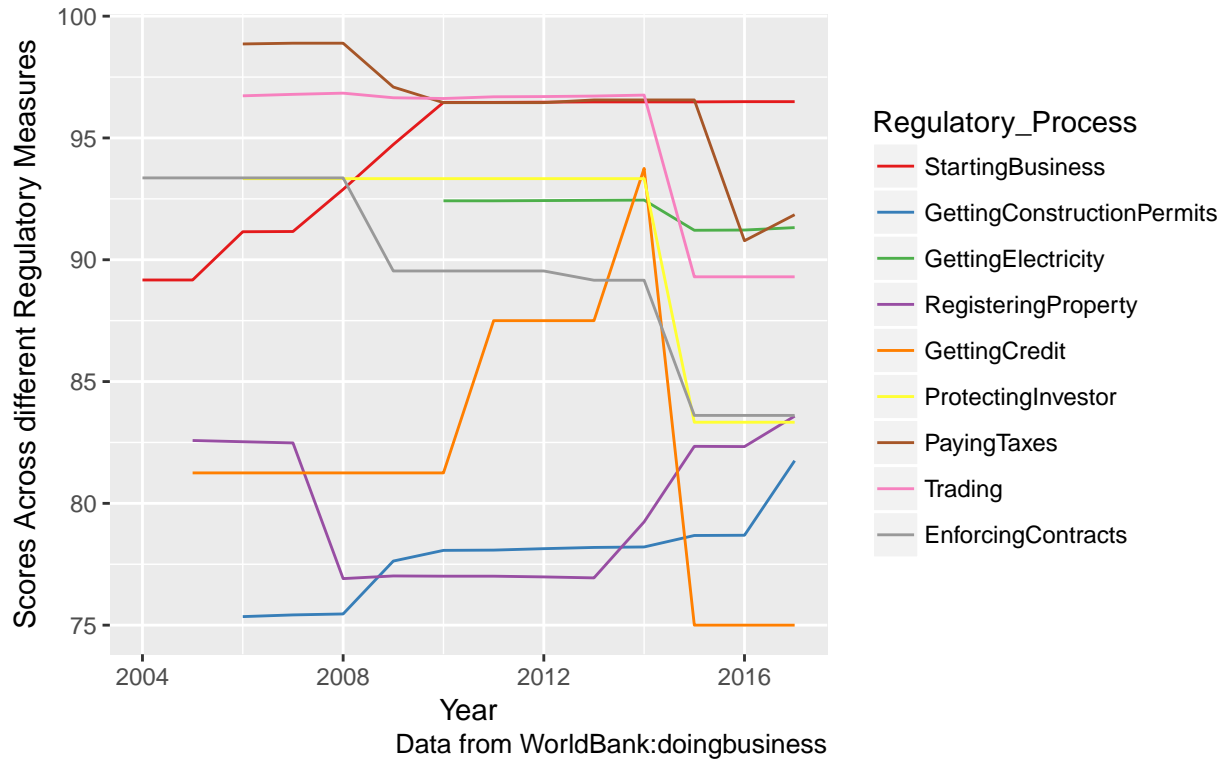
Data from WorldBank:doingbusiness

#### Graph 4

On further inspection of Singapore, we can see that, there has a steep drop in the performance of Singapore, especially in getting credit. we will use *getting credit* to further explore other countries too.

#### Performace drop by Singapore 2004–17

There has been a steep drop in Sgp's performance. However, it is still ranked 7 overall



**Graph 5**

From this graph we can see that though the performance of Uganda and Rwanda has improved, whereas Singapore and India has worsened. Surprisingly, Rwanda's final performance is better than that of Sgp (current rank 7). I would like to explore this trend of increase in *ease of getting credit* in the two sub saharan countries to the other sub saharan countries

### Comparative performance between 2014 and 2016

All countries of interest perform better than the mean

