



# Business Ready (B-READY) Report 2024

[Source: BS](#)

## Why in News?

Recently, the [World Bank](#) launched the **Business Ready (B-READY) report 2024** to replace the [Ease of Doing Business report](#).

- The **Ease of Doing Business** report was paused in 2020 due to [data manipulation](#) issues and **concerns over the integrity** of certain rankings, leading to an independent review and methodology changes.

## What is Meant by Business Ready?

- **Benchmarking Tool:** B-READY evaluates the global business climate to promote **inclusive private sector growth**.
- **Ten Core Topics:** B-READY is organized around key topics for private sector development, covering the stages of a firm's life cycle, including market entry, operation (or expansion), and closure (or reorganization).
  - Ten Core topics covers **Business Entry, Business Location, Utility Services, Labor, Financial Services, International Trade, Taxation, Dispute Resolution, Market Competition, and Business Insolvency**.
- **Pillars of B-READY:** For each topic, B-READY considers three pillars.
  - **Pillar I: Regulatory Framework** - Focuses on the **rules and regulations firms must follow during their life cycle**, highlighting those that support clarity, fairness, and business sustainability, and those that hinder [entrepreneurship](#).
  - **Pillar II: Public Services** - Covers **government-provided services** and infrastructure that support regulatory compliance and business activities, with an emphasis on [digitalization, interoperability, and transparency](#).
  - **Pillar III: Operational Efficiency** - Measures **how easily firms can comply with regulations** and utilize public services relevant to their operations.
- **Indicators:** B-READY analyzes **1,200 indicators** to identify policy reform opportunities, using data from primary sources to highlight key aspects of each topic.
- **Three Themes:** B-READY assesses **three key themes** across 10 topics.
  - **Digital Adoption:** Evaluates **digital integration** by governments and businesses in the business environment.
  - **Environmental Sustainability:** Analyzes regulatory provisions affecting business operations with a focus on [sustainability](#).
  - **Gender:** Examines the collection of gender-disaggregated data and the implementation of [gender-sensitive regulations](#) and programs.
- **Scoring:** B-READY generates **two sets of scores** for each economy.
  - **Topic Scores:** Averaged from scores across the three pillars, based on indicators that reflect firm flexibility and social benefits.
  - **Pillar Scores:** Averaged from **scores across 10 topics**, standardised to range from **0 to 100**.
- **Data Collection:** B-READY collects data through **expert questionnaires** for regulatory and public service aspects, and through **World Bank Enterprise Surveys** for operational efficiency,

with updates to expert data annually and firm-level data every three years.

- **Global Expansion:** Covers **50 economies** in 2024, with plans to reach 180 by 2026.
- **Focus on Reform:** B-READY shifts focus to **inclusivity, sustainability, and efficiency** in evaluating business environments.

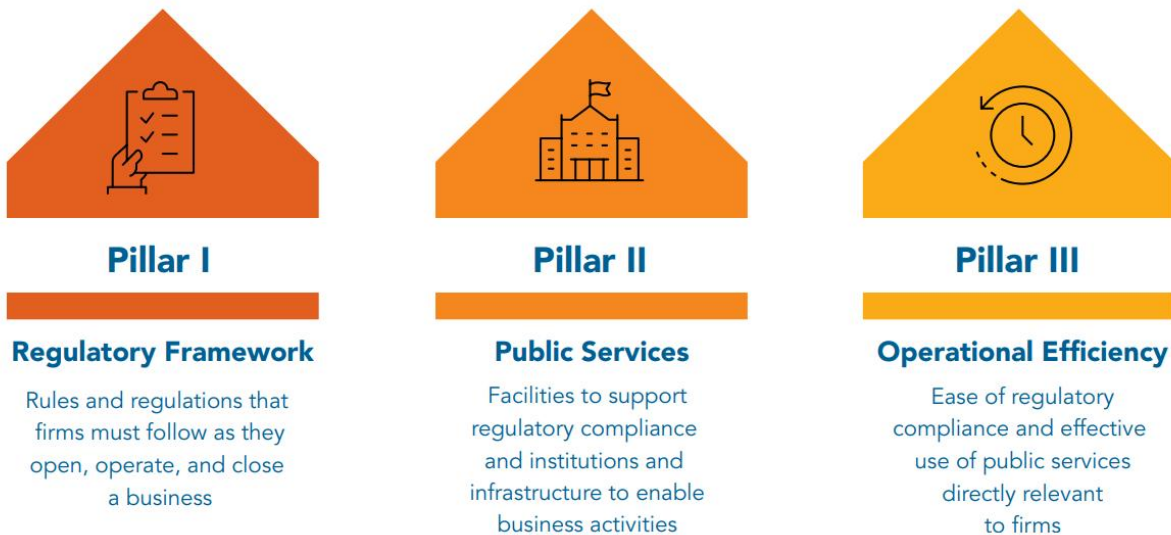
//

**B-READY topics correspond to various stages of the life cycle of a firm and examine three cross-cutting themes**



Source: B-READY project.

**B-READY pillars define the scope of the project**



## Comparison of Ease of Doing Business and the B-READY Index

Aspect	Ease of Doing Business (EoDB)	B-READY Index
<b>Objective</b>	Focused on evaluating the regulatory environment for <b>SMEs</b> .	Holistic evaluation of private sector development, <b>including SMEs, workers, and consumers</b> .
<b>Scope</b>	Primarily regulatory burden.	Covers regulatory burden, <b>quality of regulations, and public services</b> .
<b>Topics Covered</b>	Limited to a few key topics like starting a business, getting credit, and paying taxes.	Comprehensive: Covers 10 topics spanning a <b>firm's lifecycle, including business entry, utility services, labor, and market competition</b> .
<b>Framework</b>	Focused mainly on <b>ease of</b>	Includes firm flexibility ( <b>ease</b>

	<b>doing</b> business for firms.	<b>of business) and social benefits (impact on society).</b>
<b>Data Collection</b>	Relied on expert consultations and case studies.	Combines expert consultations and firm-level surveys for a <b>balanced de jure and de facto perspective.</b>
<b>Indicators</b>	Used around <b>11 questionnaires</b> covering a limited number of indicators.	Uses <b>21 questionnaires and nearly 1,200 indicators</b> for detailed insights.
<b>Scoring and Ranking</b>	Produced aggregate rankings and scores, often criticized for <b>oversimplification.</b>	Provides disaggregated scores by topic and pillar, <b>encouraging targeted reforms rather than overall rankings.</b>
<b>Geographic Coverage</b>	Covered the <b>main business city in 191 economies.</b>	Plans to expand to <b>180 economies by 2026</b> , with a focus on national and local regulations.
<b>Public Services</b>	Limited attention to public services.	Explicitly evaluates public services and their operational efficiency.
<b>Cross-Cutting Themes</b>	Did not include specific themes.	Focuses on <b>digital adoption, environmental sustainability, and gender equality.</b>
<b>Use of Results</b>	Primarily for regulatory benchmarking and reform motivation.	Provides actionable insights for reforms, transparency, and data reproducibility.
<b>Methodology Updates</b>	Static methodology with minor updates over time.	Dynamic methodology that evolves based on feedback and lessons from rollouts.

## What are the Global Findings of B-READY Report 2024?

- **Public Services Gap:** Economies often enact strong regulations but falter in providing the public services needed for their effective implementation, creating a significant “**public services gap.**”
- **Inclusivity Across Income Levels:** High-performing economies like **Rwanda, Georgia, and Colombia** prove that robust regulatory frameworks and operational efficiency are achievable across income levels.
- **Digital and Environmental Practices:** Economies that **integrate digital tools** and prioritize green initiatives achieve higher scores, reflecting the importance of modern practices.
- **Balanced Development Needed:** Even high-income economies like **Estonia and Singapore** show **scope for improvement in areas like taxation** and dispute resolution, emphasizing the universal need for reforms.



## India Specific Observations of think tank Global Trade Research Initiative (GTRI)

- **India did not participate in the 2024 B-READY Report.** However, there are some India-specific observations by the think tank GTRI.
  - **Moderate Score in Business Entry:** India's business registration system is **time-consuming** and lacks complete **digital integration**.
    - Countries like **Singapore** achieve one-day online registration with minimal costs, setting a global benchmark.
  - **Challenges in Labor Regulations:** Despite introducing **four labor codes**, India faces slow and uneven implementation across states, affecting **labor market flexibility** and compliance ease.
  - **Trade Inefficiencies:** India's customs processes are marred by delays, inconsistent enforcement, and high logistics costs, unlike Germany and Singapore, which excel in **trade facilitation**.
  - **Low Score in Business Location:** Regulatory inconsistencies and approval delays hinder the establishment of business facilities, affecting investment decisions.
  - **Positive Aspects:** India is expected to perform well in the three core pillars of B-READY, highlighting strengths in **operational and regulatory areas**.

## What are the Recommendations in the Business Ready (B-READY) Report 2024?

- **Streamline Business Operations:** Simplify and digitize **business registration, regulatory approvals, and customs processes** to reduce delays, lower costs, and enhance efficiency, inspired by models like Singapore's single-day registration system.
- **Strengthen Public Services and Digital Transformation:** Invest in **key public services** such as tax portals, utility access, and dispute resolution mechanisms while promoting **digital tools** to improve compliance and operational efficiency.
- **Promote Sustainability and Inclusivity:** Develop policies that encourage **environmentally sustainable business practices** and enforce **gender-sensitive regulations** to foster inclusivity and align with global climate goals.
- **Facilitate Peer Learning and Collaboration:** Encourage economies to share knowledge and learn from **best-performing countries** like Singapore, Rwanda, and Estonia to adopt innovative practices in regulatory and operational frameworks.
- **Adopt Tailored Reforms:** Design **customized policy frameworks** that address unique local challenges while adhering to global standards for inclusive and balanced economic growth.

### **Drishti Mains Question**

What is the significance of the Business Ready (B-READY) report 2024, and how does it differ from the previous Ease of Doing Business report in assessing the global business climate?

## **UPSC Civil Services Examination, Previous Year Questions (PYQs)**

### **Prelims:**

Q. India's ranking in the 'Ease of Doing Business Index' is sometimes seen in the news. Which of the following has declared that ranking? (2016)

- (a) Organization for Economic Cooperation and Development (OECD)
- (b) World Economic Forum
- (c) World Bank
- (d) World Trade Organization (WTO)

**Ans: (c)**