
Analysis on the New Changes of the World Bank's Business Environment Assessment Index System and Policy Suggestions for Yunnan Province

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Abstract: In February 2022, the World Bank released a new indicator system for business environment assessment (BEE for short), which made a significant adjustment to the original indicator system (Doing Business for short). The author carefully studied the content and changes of BEE, compared and analyzed the similarities and differences between the indicator system of Yunnan Province and BEE, and put forward policy recommendations on optimizing and improving the business environment of Yunnan Province.

Keywords: Policy suggestions; Business environment assessment indicators; World Bank

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1. Introduction to the Latest Indicator System of the World Bank

In 2003, the World Bank released the first report on the global business environment, which launched the assessment of the global business environment. After more than ten years, in February 2022, the World Bank announced that it would discontinue the business environment report and would propose a new evaluation index system in 2023. Compared with the old and new versions of the World Bank's business environment assessment indicator system, the main changes are reflected in two aspects.

(1) Concept level

Comparing the new and old indicator systems of the World Bank, it is found that from Doing Business to Business Enabling, the World Bank's evaluation of business environment is more practical and pragmatic, clarifies the misreading of "the least supervision is the best supervision" of business environment, strengthens the investigation of government public services, enterprise feelings and policy implementation, and highlights digital empowerment and sustainable development orientation. The government's digital transformation will be integrated into the entire evaluation index system, and the sustainable development policy formulation will be included in the evaluation.

(2) Indicator level

The new and old versions of the World Bank's busi-

ness environment assessment have similar frameworks. They also build an assessment index system around the full life cycle of enterprises to quantitatively assess the business environment of major global economies, so as to promote economic reform. BEE sets 10 evaluation indicators around the three stages of enterprise start-up, operation and exit. Among them, the start-up stage includes two indicators of business access and business premises, the operation stage includes seven indicators of municipal public facilities access, labor, financial services, international trade, taxation, dispute resolution and market competition, and the exit stage includes one indicator of enterprise bankruptcy^[1].

2. Five Changes in the World Bank's Business Environment Assessment

(1) The evaluation focuses on policy implementation rather than policy formulation

BEE will strengthen the evaluation of the implementation of policies and regulations, no longer based on the formulation of laws and regulations in various economies, but strengthen the research and judgment of the actual implementation of laws and regulations^[2]. Through obtaining data from enterprise research, reflect the actual implementation, reflect the feelings of the market subject, and compare with the legal requirements to improve the

accuracy of information.

(2) The assessment content takes into account the government's regulatory policies and public service supply

The content of BEE assessment will give consideration to the burden of government regulation on enterprises and the convenience of government public services on enterprises, take into account the advantages and disadvantages of the government's initiative in providing public services, and more comprehensively assess the regional business environment. BEE no longer overemphasizes the institutional cost of government policies on the operation of individual enterprises, but pays equal attention to the important role of government regulation and public services in the normal operation of the market, providing a more positive perspective on the role of the government in creating a favorable business environment.

The BEE assessment is mainly carried out around two major areas of government regulatory policy and public service supply, involving three aspects: First, the regulatory framework indicators, which mainly assess the regulatory and institutional conditions or the quality of the regulatory framework. The second is the public service index, which evaluates the effectiveness of the public service mode. Third, efficiency indicators, namely the results under the cross influence of the regulatory framework and the "two pillars" of public services, mainly assess the actual time consumption and cost in key businesses.

(3) Increase enterprise investigation and decrease hypothetical cases in evaluation methods

BEE added enterprise survey to 7 indicators in terms of evaluation methods, and only used hypothetical cases in part of the 3 indicators of market access, labor and tax to fill in the lack of real data in the original business environment evaluation, so as to better reflect the actual situation of the evaluation object. Although the standardized assumption case ensures the comparability of data of various economies to a certain extent, the data collected according to the case cannot represent the true level of the local business environment because the case assumption may not be the common practice in the local area.

(4) The assessment scope is no longer limited to the largest city in the economy

BEE will cover more sample cities in the assessment scope to make up for the lack of representativeness of the original business environment assessment results, so as to better reflect the regional differences within each economy. Among the 191 economies originally assessed for business environment, only the largest city of each economy was selected as the sample city, and 11 economies with a pop-

ulation of more than 100 million selected two large cities as the sample cities. BEE will strive to achieve a balance between "data comparability among economies" and "data representativeness of specific economies" by expanding the scope of sample cities and increasing enterprise research.

(5) The evaluation perspective is shifted from local SMEs to the whole private economy

The BEE assessment perspective will change from the convenience of a single local SME to the assessment of the entire private economic development environment, including foreign funded enterprises, to increase the attention to market players of different natures and sizes, and advocate more equal market participation opportunities^[3]. BEE hopes to balance the interest relationship between individual enterprises and the whole society, promote a more beneficial business environment, encourage the establishment of new companies, help the development of existing enterprises, create good employment opportunities, and ultimately promote more equal opportunities for market participants to further ensure the long-term sustainability of the economy.

3. Deficiencies in the Current Indicator System of Yunnan Province

Compared with BEE, the indicator system of Yunnan Province has its own characteristics: the indicator content is more abundant, and the assessment contents of "government service", "credit environment", "rule of law environment" and "comprehensive environment" are added. Pay more attention to the construction of financial environment, and emphasize the improvement of financial service ability and financing convenience in terms of "access to credit". Attach great importance to the protection of intellectual property rights, and set up a special "intellectual property" level indicator. However, the indicator system of Yunnan Province is also insufficient.

(1) Imperfect public service evaluation indicators

The indicator system of Yunnan Province lacks inspection indicators for public services in many fields. For example, in the field of international trade, there is a lack of indicators such as information sharing, service coordination, risk management, internal and external cooperation, and trade infrastructure construction. In the field of enterprise bankruptcy, there is a lack of indicators to examine the specialization of bankruptcy court and bankruptcy judge, and the interactivity of bankruptcy procedure services.

(2) Policy quality and supervision quality were not examined

The indicator system of Yunnan Province focuses on

the inspection of enterprise supervision and service efficiency, but does not inspect the quality of laws, regulations, policies and supervision. For example, the quality of laws, regulations and policies in international trade in goods, e-commerce, taxation and other fields has not been investigated. The supervision quality of enterprise access, public utility services, financial services and other fields was not investigated.

(3) Gaps in evaluation of green development support policies

In terms of green development, the indicator system of Yunnan Province only investigated the subdivisions of green travel, but lacked the investigation of green development policies such as green tax and green finance. For example, it lacked the evaluation of green tax institutional arrangements and their implementation effects, and did not investigate the practical effects of green finance such as green credit, green bonds and green funds.

4. Policy Suggestions on Optimizing and Improving Business Environment

(1) Build Yunnan Business Environment Version 2.0

The introduction of BEE by the World Bank marks a new stage of business environment assessment, which will certainly have a profound impact on the optimization and improvement of business environment in our province^[4]. In order to achieve the goal of building a first-class business environment by 2024, our province needs to carry out forward-looking research as soon as possible, actively connect with BEE, learn from domestic advanced experience and practices, and pay close attention to the research and development of a new indicator system for business environment assessment in combination with Yunnan's actual situation, so as to build Yunnan's business environment version 2.0.

(2) Establish a whole process policy management mechanism

Pay more attention to the implementation of policies, carry out a dynamic evaluation of the effects of business environment policies based on the enterprise's feelings, optimize and adjust in time according to the implementation of policies and the feedback of market entities, establish a full process management mechanism of "formulation implementation supervision improvement" business

environment policies, and orderly promote the update iteration of business environment policies.

(3) Accelerate digital empowerment of business environment

Vigorously promote the digital transformation of business environment, take the construction of "Digital Yunnan" as the traction, promote the coordinated development of digital government and business environment, deepen the application of big data and blockchain in the government data resource system, improve the regulatory system and standard specifications that adapt to and support the digital business environment, and realize the transformation of business environment optimization and reform from "technology application" to "digital empowerment".

(4) Exploring the "in plain English" reform of service enterprises

Transform the business environment, optimize and improve the working discourse system, transform from the government perspective to the enterprise perspective, explore the reform of policy services "in plain English", transform administrative terms and professional terms into common and understandable daily language in terms of policy interpretation, government information disclosure, service enterprise terminology, etc., so as to facilitate enterprises to read, understand and do things, and get through the "last mile" of policy implementation.

5. Conclusions

Yunnan should take greater efforts and more concrete measures to optimize the business environment, so as to continuously enhance the creativity and competitiveness of regional development.

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