



Youth Perception Towards Ease of Doing Business: A Study from the viewpoint of North-East India

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ABSTRACT :

India has been emerged as the third-largest startup ecosystem in the world. To boost entrepreneurship, the Government of India (GoI) has taken a number of initiatives. A favorable business environment is a fundamental requirement for set up and running an enterprise with an objective of profit and wealth maximization. With the government's continuous efforts to improve the business environment, understanding how young people view these changes becomes a subject matter of research. This study explores the perceptions of youth, belongs to North-East India, towards the ease of doing business (EoDB) in the region. This research aims to provide insights into the challenges and opportunities they see, along with how these perceptions can influence entrepreneurship and the growth of businesses in North-East India.

Key words: *Youth, Ease of Doing Business, North-East India, entrepreneurship*

Introduction:

India's remarkable improvement in the Ease of Doing Business (EoDB) ranking, published by World Bank, reflects its commitment to creating a more favorable environment for entrepreneurs and business organizations. In 2014, India ranked 143rd globally in the World Bank's EoDB index, signaling significant barriers in areas such as regulatory processes, infrastructure, and access to finance. This low ranking highlighted the challenges faced by business enterprises in India, particularly in terms of starting new ventures, dealing with permits, paying taxes, and enforcing contracts. However, in recent time the country has scored well and ranked 63rd which indicates a reduction in regulatory burdens and made it easier for businesses to expand and create jobs. This jump of over 80 positions becomes a favorable factor for the youth of the nation. The positive correlation between business-friendly reforms and employment generation is evident across sectors like manufacturing, retail, and IT, contributing to the reduction in the unemployment rate.

North-East India is rich in resources, culture, and potential, yet its business landscape has historically faced challenges due to geographical, infrastructural, and administrative factors. Over recent years, the government has made significant strides toward improving the ease of doing business, including regulatory reforms, improved infrastructure, and financial support for start-ups. This study investigates how the youth of North-East India perceive these efforts and their impact on entrepreneurship in the region.

Review of literature :

The concept of "Ease of Doing Business" (EoDB) has become a critical indicator for assessing the business climate in any country. The World Bank's annual Ease of Doing Business report provides a comparative measure of business regulations and their enforcement across different economies, aiming to guide governments in improving the environment for businesses. Bhatt (2015) focuses on the Ease of Doing Business indicator for India and a few other South Asian nations that is tied to paying taxes. He drew attention to the fact that, when it comes to tax payment, India lags well behind many of its South Asian neighbors, including Bhutan, Nepal, Afghanistan, and the Maldives. Bhargava (2019) highlighted that India rose to the 100th position in 2017 and the 77th position in 2019, a 23-rank improvement as a result of the government's improved policies. It is hoped that with the government's support, India will be able to move up into the top 50 in terms of ease of doing business.

Entrepreneurship offers significant opportunities for both individuals and economies by decreasing the number of job seekers (Atef & Balushi, 2015). Covin and Slevin (1990) identified three key traits of entrepreneurship: innovativeness, risk-taking, and proactivity. Miller et al. (2013) argue that entrepreneurs face complex decision-making processes when building their businesses, which are not straightforward and depend on a wide range of factors. By applying creative ideas and human capital to new ventures, entrepreneurship serves as a means of fostering innovation and introducing fresh, untested concepts. Saikia (2001) highlighted that entrepreneurs often face several challenges, particularly financial difficulties, when managing their businesses. While Obembe et al. (2014) found that students' perceptions of entrepreneurship are not influenced by gender; there is no significant relationship between entrepreneurship and gender. Kabui and Maalu (2012) observed that youths with parents or guardians in self-employment were less motivated to pursue entrepreneurship, as they were not inclined to continue the family business.

Different studies have been conducted globally and locally to examine the factors influencing young people's intentions to start their own businesses. However, there is a gap in research concerning students' perception towards ease of doing business in connection with entrepreneurship. This study seeks to explore the *youth perception towards Ease of Doing Business (EoDB) from the viewpoint of North-East India*.

Objectives of the Study:

1. To understand the perception of youth in North-East India regarding the Ease of Doing Business (EoDB).
2. To assess how government initiatives such as the single-window system, GST implementation, and ease of capital collection are perceived by young entrepreneurs.

Research methodology :

To achieve the specific objectives, primary data was collected through a questionnaire from 500 selected respondents from the states of Assam and Tripura, representing various educational backgrounds studying in Degree College and universities. Descriptive statistics has been applied for analyzing the data.

Data analysis and findings :

Youth Perception towards "Ease of Doing Business" (EoDB) is somewhat more positive in Assam than in Tripura.

Government's support: The (Crosstabulation-1) study reveals, 54.8% of respondents (31.6% + 23.2%) express a positive view in regard of perception towards Government's support for starting Entrepreneurial activity, while 17% (9.0% + 8.0%) express negative views (strongly disagree or disagree), with a considerable neutral group (28.2%). This also suggests that Tripura has a lower overall perception of government support for entrepreneurship compared to Assam, with only 19% of respondents.

Crosstabulation-1: Perception towards Government's support for starting Entrepreneurial activity

State	Observation	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Assam	Count	14	14	93	104	75	300
	% of Total	2.8%	2.8%	18.6%	20.8%	15.0%	60.0%
Tripura	Count	31	26	48	54	41	200
	% of Total	6.2%	5.2%	9.6%	10.8%	8.2%	40.0%
Total	Count	45	40	141	158	116	500
	% of Total	9.0%	8.0%	28.2%	31.6%	23.2%	100.0%

Source: Author's calculation from Primary Data (2024)

The general trend across both the states indicates a mixed or moderate perception, with a significant number of respondents neutral or unsure about the level of government support for entrepreneurship.

GST and other taxation systems: The Crosstabulation-2 analyzes the perceptions of individuals in Assam and Tripura regarding the Goods and Services Tax (GST) and other taxation systems have made the business environment more favorable and easier to navigate. Overall, 46.2% of respondents perceive a positive impact of GST and other taxation systems on the business environment, while 23.2% hold negative views.

Crosstabulation-2: The perception of GST and other taxation systems has made the business environment more favorable and easier to navigate

State	Observation	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Assam	Count	19	35	85	109	52	300
	% of Total	3.8%	7.0%	17.0%	21.8%	10.4%	60.0%
Tripura	Count	23	39	68	37	33	200
	% of Total	4.6%	7.8%	13.6%	7.4%	6.6%	40.0%
Total	Count	42	74	153	146	85	500
	% of Total	8.4%	14.8%	30.6%	29.2%	17.0%	100.0%

Source: Author's calculation from Primary Data (2024)

Across both states, a majority of respondents (46.2%) have a positive view of GST and taxation systems in terms of improving the business environment, but a significant portion remains neutral (30.6%), and a notable minority (23.2%) disagrees or strongly disagrees. This suggests that while there is optimism about the impact of taxation systems, a large number of respondents are either unsure or dissatisfied.

Licensing and permissions: The Crosstabulation-3 evaluates perceptions towards licensing and permissions in relation to their role as barriers to starting new businesses. 38.8% of respondents believe that licensing and permissions are no longer significant barriers. However, a large percentage (35.8%) remains neutral, and 25.4% still consider the system as obstacles.

Crosstabulation-3: The perception towards licensing and permissions has evolved, and they are no longer seen as barriers to starting new businesses

State	Observation	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Assam	Count	30	35	97	101	37	300
	% of Total	6.0%	7.0%	19.4%	20.2%	7.4%	60.0%
Tripura	Count	27	35	82	36	20	200
	% of Total	5.4%	7.0%	16.4%	7.2%	4.0%	40.0%
Total	Count	57	70	179	137	57	500
	% of Total	11.4%	14.0%	35.8%	27.4%	11.4%	100.0%

Source: Author's calculation from Primary Data (2024)

While there is some positive sentiment regarding the evolution of licensing and permissions, a substantial portion of respondents remains uncertain, and 25.4% still see them as significant obstacles. This suggests that while there has been some improvement, barriers related to licensing and permissions are still a concern for many.

Availability of Capital: The Crosstabulation-4: examines perceptions towards capital collection and whether it is still seen as a barrier to starting a new venture. 43.2% of respondents feel that capital collection is no longer a significant barrier to starting a business. However, 26.2% still view it as a barrier, and 30.6% remain neutral.

Crosstabulation-4: The perception towards capital collection has shifted, and it is no longer considered a barrier to starting a new venture

State	Observation	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Assam	Count	25	31	87	119	38	300
	% of Total	5.0%	6.2%	17.4%	23.8%	7.6%	60.0%
Tripura	Count	37	38	66	48	11	200
	% of Total	7.4%	7.6%	13.2%	9.6%	2.2%	40.0%
Total	Count	62	69	153	167	49	500
	% of Total	12.4%	13.8%	30.6%	33.4%	9.8%	100.0%

Source: Author's calculation from Primary Data (2024)

While there is a positive perception that capital collection is no longer a major barrier, a significant portion continues to see it as an obstacle, and many respondents remain unsure. This indicates that capital collection remains a challenge for many, but there is some optimism about improvements.

Single-window system: The Crosstabulation-5 evaluates perceptions towards the single-window system and its effectiveness as a valuable mentor and counselor, making it easier to start a new business. Overall, 49.4% of respondents have a positive view of the single-window system's role as a mentor and counselor, while 18.0% hold negative views. A notable 32.6% are neutral, indicating indecision or uncertainty.

Crosstabulation-5: The perception towards the single-window system serves as a valuable mentor and counselor, making it easier to start a new business

State	Observation	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total
Assam	Count	21	17	94	105	63	300
	% of Total	4.2%	3.4%	18.8%	21.0%	12.6%	60.0%
Tripura	Count	25	27	69	39	40	200
	% of Total	5.0%	5.4%	13.8%	7.8%	8.0%	40.0%
Total	Count	46	44	163	144	103	500
	% of Total	9.2%	8.8%	32.6%	28.8%	20.6%	100.0%

Source: Author's calculation from Primary Data (2024)

While nearly half of respondents believe the single-window system helps as a mentor and counselor, a significant portion is unsure, and 18.0% still see it as ineffective. This suggests that while there is positive sentiment, the perception of the system's effectiveness remains mixed, with many respondents uncertain or dissatisfied.

Conclusion :

The literature suggests a robust relationship between the Ease of Doing Business and macroeconomic variables in India. The reforms aimed at improving EoDB have led to higher economic growth, better infrastructure, increased foreign investment, and a more competitive market environment. The study finds that overall a good number of respondents have a positive view towards Ease of Doing Business (EoDB) -Government's support, GST and other taxation systems, Licensing and permissions, Availability of Capital and single-window system's- while some hold negative views where as a good number of youth are neutral, indicating indecision or uncertainty. This, *negative perceptions* and *neutral stances* suggest that *uncertainty* remains about the true effectiveness and accessibility of these policies. The study suggests that the issue might be addressed these concerns through *better communication, inclusive policy design, and greater focus on the real-time impacts of reforms* on small businesses and startups.

Funding :

The work has been supported by a financial grant, F.NO. 02/ 7/2022-23/ICSSR/RP/MN/GEN; dated 04-05-2023, from the Indian Council of Social Science Research (ICSSR). The author gratefully acknowledges ICSSR for financial support during the research work.

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