

# Taking rankings seriously

C. Raj Kumar, AUG 25 2018



The Centre has celebrated the fact that India has jumped 30 points ahead in the World Bank's Ease of Doing Business Rankings 2018. Yet, India will not be able to create the necessary ecosystem to promote a viable environment that will help us achieve social and economic development through business until we take other global rankings seriously, such as the Human Development Index of the United Nations Development Programme (UNDP), Transparency International's Corruption Perceptions Index and Global University Rankings by the Times Higher Education and QS.

The top 10 societies in ease of doing business are: New Zealand, Singapore, Denmark, Korea, Hong Kong SAR, USA, UK, Norway, Georgia, and Sweden. As far as the BRICS countries are concerned, the rankings are: Brazil-125; Russia: 35; India-100; China-78; and South Africa-82.

We need to develop a holistic understanding of rankings and take into account the relationship between many of these rankings and how they have a cumulative impact on the ability to promote a viable educational, social and economic ecosystem in India based on the effective functioning of democratic institutions. The nature of business activity is such that it is based on three equally important set of factors to flourish: the availability of educated and skilled people, and the innovation and research ecosystem in a country; the state of human development reflected by social and economic indicators; and, the level of transparency and accountability in governance.

It has been recognised widely by many global rankings that Indian universities rarely reflect the research and innovation ecosystem needed to build a world-class higher education system. A viable business environment demands that the country has a university system that contributes to excellence in education, research and innovation.

For example, the recently published QS World University Rankings 2019 demonstrates that among the top 10 universities in the world, five are in the US (MIT, Harvard, Stanford, Caltech and Chicago), four are in the UK (Oxford, Cambridge, Imperial College and University College London) and one in Switzerland. There is an urgent need to build a world-class higher education system through reforms in the regulation of higher education in India.

Universities in India are over-regulated and under-governed. While there have been some reforms in higher education, including the granting of autonomy to 52 universities, the benefit of these reforms will not be seen until the state governments and the wider set of regulatory bodies that govern higher education are involved in the granting of autonomy.

The UNDP's Human Development Index reflects not just in assessing the state of the economy, but also the state of the well-being of its people. This approach recognises the need for expanding the richness of human life, as opposed to merely assessing the development of the economy measured by GDP. The focus is on people and their choices, opportunities and their overall well-being. It is deeply and profoundly recognised that people ought to be the centre of all thinking about development.

India is ranked 131 among the 188 countries ranked in the UNDP's Human Development Report 2016. The top 10 countries are Norway, Australia, Switzerland, Germany, Denmark, Singapore, The Netherlands, Ireland, Iceland, and Canada. There is a need to recognise the importance of doing well on the HDI to develop a successful economy and society. While there is more to development than what the HDI captures, nevertheless it needs to be recognised that many dimensions of India's aspirations to achieve economic development and success in the ease of doing business rankings cannot be achieved without a robust framework and plan of action to improve our HDI.

One of the most important aspects of ease of doing business ought to be corruption-free governance. Corruption in India is not just a law enforcement issue, but a systemic form of human rights violation. Corruption in India violates human rights, affects human development and exacerbates human suffering while undermining democracy and the rule of law.

### **Fight for transparency**

We cannot achieve a higher status in the ease of doing business rankings until we address the institutionalised forms of corruption that are deeply embedded in all forms of exercise of power in the country. The global corruption watchdog,

Transparency International's Corruption Perceptions Index 2017 (CPI) puts India at rank 81 out of 180 countries. The top 10 countries on the index are: New Zealand, Denmark, Finland, Norway, Switzerland, Singapore, Sweden, Canada, Luxembourg and The Netherlands.

There is an urgent need to develop independent institutions to fight corruption in the country. The last decade has seen the growth and development of the right to information, transparency in governance, civil society activism and the efforts by the judiciary to seek accountability. However, for corruption-free governance to become a part of the social, political and civic consciousness will require a greater degree of empowerment of our democratic institutions and the emergence of a much wider political consensus.

This will also require the development of a national integrity system as opposed to piecemeal approaches, kneejerk reactions, myopic and ad hoc institutional mechanisms, poorly drafted legal provisions and myopic reform initiatives.

The fight against corruption is about strengthening democracy and building the rule of law, a society in which people have faith in the ability of our institutions to deliver justice. This element of justice is as important for people as it is for businesses. We cannot develop an ecosystem for good business without a robust mechanism that promotes transparency in governance while working towards building a world-class higher education system and a meaningful approach to achieve human development.

Rankings by their very nature may not capture the complexity of public policy and governance in a society. Nevertheless, it will be a big mistake if we selectively choose to focus on certain rankings, while neglecting other equally important rankings.

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