A World Bank Group Flagship Report

Doing Business 2018

Determinantes de la Inversión

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Resumen de mi presentación

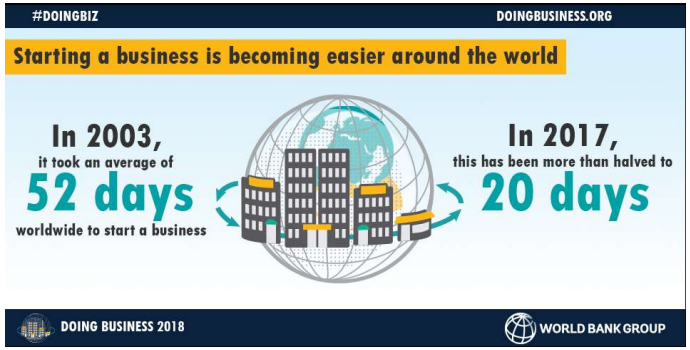
Uno de los determinantes de la inversión es la **regulación**. Las buenas prácticas regulatorias incluyen la calidad, transparencia y eficiencia.

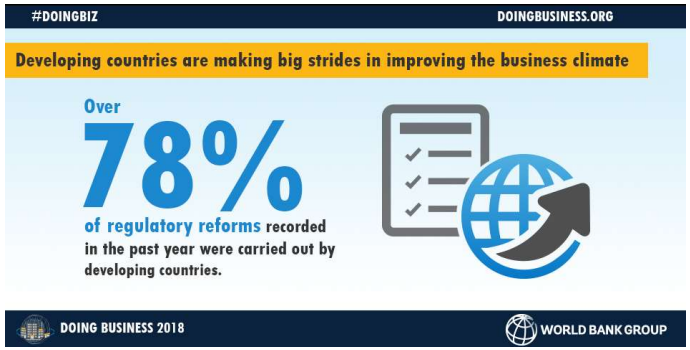
Los indicadores de regulación medidos en el reporte de Doing Business capturan estas buenas prácticas y las reformas que las economías realizan mejoran la facilidad de hacer negocios e influyen positivamente en la inversión.

Sin embargo, estas reformas no son balas de plata y un cuidadoso análisis de todas la variables relevantes para cada país debe ser realizado antes de tomar decisiones de política económica.

I. **Qué mide Doing Business**
II. Relevancia empírica
III. Evolución histórica
IV. Resultados para Guatemala

¿Qué mide *Doing Business*?





Los indicadores *Doing Business*:

- Se enfocan en las regulaciones relevantes en la vida de una pequeña y mediana empresa local.
- Se basan en escenarios estandarizados.
- Miden las ciudades comerciales mas importantes de cada economía, y la segunda ciudad mas grande en los países con mas de 100 millones de habitantes desde 2013.
- Se enfocan en el sector formal.

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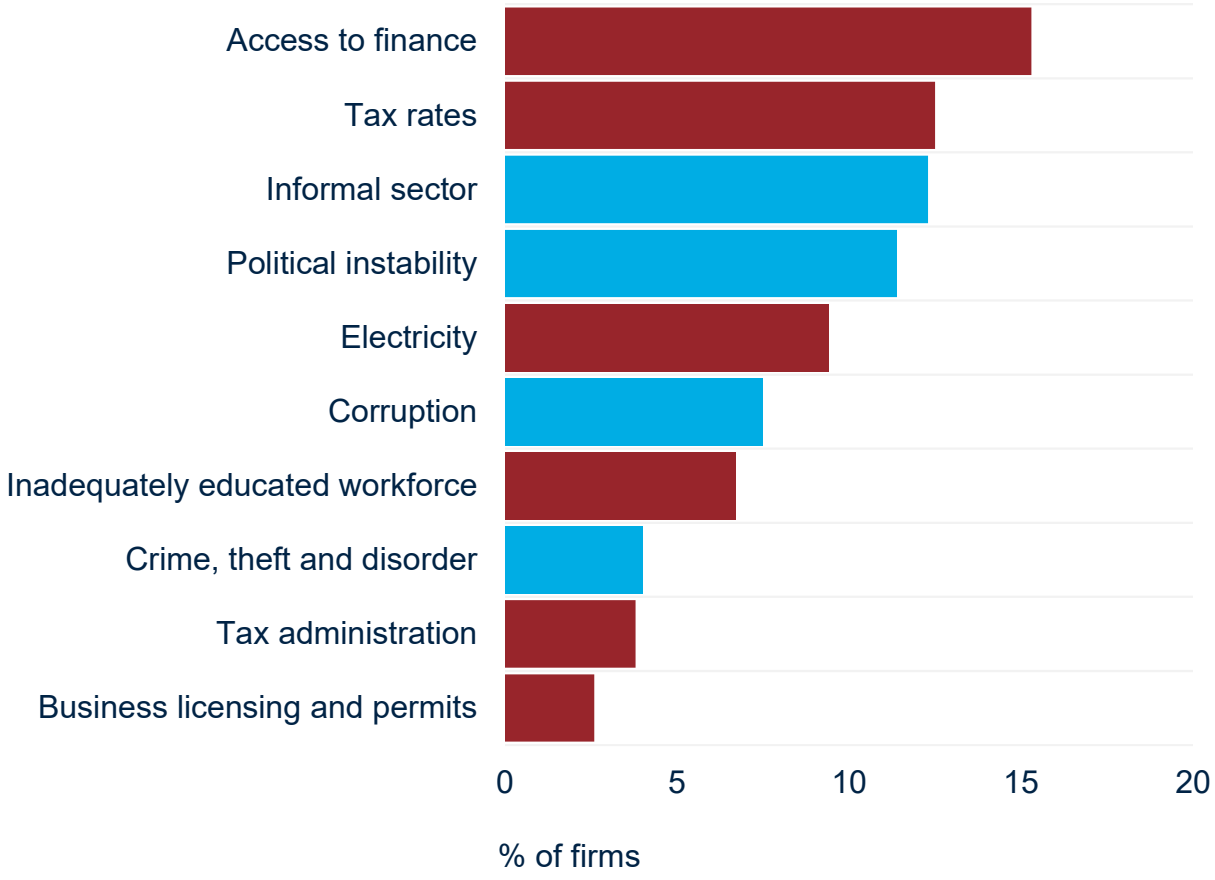
Cuáles son los obstáculos que enfrentan las empresas?

Top 10 Business Environment Constraints



Included in the *Doing Business*

Not included in the *Doing Business*

Source: Enterprise Surveys Database.

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Las 11 áreas de regulaciones empresariales que conforman *Doing Business* son las más relevantes en el ciclo de las empresas

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Las economías en los 10 primeros lugares en el ranking global

Top 10 en el mundo:		
1	86.55	Nueva Zelanda
2	84.57	Singapur
3	84.06	Dinamarca
4	83.92	Corea
5	83.44	Hong Kong SAR, China
6	82.54	Estados Unidos
7	82.22	Reino Unido
8	82.16	Noruega
9	82.04	Georgia
10	81.27	Suecia

- Las economías se clasifican del 1 al 190 en la facilidad para hacer negocios.
- Una clasificación elevada indica un entorno regulatorio más favorable para la creación y operación de una empresa local.
- La clasificación se determina al ordenar el agregado de las puntuaciones de distancia a la frontera en 10 áreas a las que se otorga el mismo valor, cada una consistiendo de varios indicadores.

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Calculo de la distancia a la frontera

TABLE 9.1 What is the frontier in regulatory practice?

Topic and indicator	Who set the frontier	Frontier	Worst performance
Starting a business			
Procedures (number)	New Zealand	1	18[a]
Time (days)	New Zealand	0.5	100[b]
Cost (% of income per capita)	Slovenia	0.0	200.0[b]
Minimum capital (% of income per capita)	Australia; Colombia[c]	0.0	400.0[b]
Dealing with construction permits			
Procedures (number)	No economy was at the frontier as of June 1, 2017.	5	30[a]
Time (days)	No economy was at the frontier as of June 1, 2017.	26	373[b]
Cost (% of warehouse value)	No economy was at the frontier as of June 1, 2017.	0.0	20.0[b]
Building quality control index (0–15)	Luxembourg; New Zealand; United Arab Emirates	15	0[d]
Getting electricity			
Procedures (number)	Germany; Republic of Korea[e]	3	9[a]
Time (days)	Republic of Korea; St. Kitts and Nevis; United Arab Emirates	18	248[b]
Cost (% of income per capita)	Japan	0.0	8,100.0[b]
Reliability of supply and transparency of tariffs index (0–8)	Belgium; Ireland; Malaysia[f]	8	0[d]
Registering property			
Procedures (number)	Georgia; Norway; Portugal; Sweden	1	13[a]
Time (days)	Georgia; New Zealand; Portugal	1	210[b]

¿Cual fue el desempeño de América Latina y el Caribe en 2016/2017?

Rank	Economía	Score	
49	Mexico	72.27	↑
58	Perú	69.45	↑
59	Colombia	69.41	
61	Costa Rica	69.13	↑
64	Puerto Rico (U.S.)	68.85	↑
70	Jamaica	67.27	↑
73	El Salvador	66.42	↑
79	Panamá	65.27	↑
91	St. Lucia	62.88	↑
94	Uruguay	61.99	↑
97	**Guatemala**	**61.18**	
98	Dominica	60.96	↑
99	Republica Dominicana	60.93	↑
102	Trinidad y Tobago	60.68	
107	Antigua y Barbuda	59.63	↑
108	Paraguay	59.18	↑

Rank	Economia	Score	
115	Honduras	58.46	
117	Argentina	58.11	↑
118	Ecuador	57.83	
119	Bahamas		↑
121	Belize	57.11	↑
125	Brazil	56.45	↑
126	Guyana	56.28	↑
129	St. Vincent and the Grenadines	55.72	↑
131	Nicaragua	55.39	↑
132	Barbados	55.20	
134	St. Kitts and Nevis	54.52	↑
142	Grenada	52.94	
152	Bolivia	50.18	↑
165	Suriname	46.87	↑
181	Haiti	38.24	↑
188	Venezuela, RB	30.87	

Source: *Doing Business 2018.*

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Measuring the impact of regulating firm entry on the formalization of small firms

Over the last decade, **reforms** making it easier to start a business had **big impact** on start-up regulations around the world

Reforms led to a global decrease in the average time to start a business from **50 to 30 days** between 2003 and 2012

These reforms resulted in **increases in formality rates**.
But these efforts alone are not sufficient to bring most of the **very small firms** into the formal sector

Formalization among firms that received an inspection increased by **22-27%**

Informality is higher among the **smallest firms**, with 1-2 employees

Around **98%** of informal firms in Sri Lanka, Bolivia and Brazil were **never fined**

Increased **enforcement of rules** can help promoting the formalization of microenterprises

Source: Bruhn and McKenzie (2013).

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Measuring the impact of regulation of firm entry on job creation: evidence from Portugal

Reform

In 2005, Portugal launched "*Empresa na Hora*", a one-stop shop offering reduced fees and faster, simplified business registration

Impact

The time to start a business decreased from many months to a few hours

The cost of business start-up decreased from €2,000 to less than €400

Results in the short run

17% more business *start-ups*

7 new jobs *per 100,000 people* ***= 21%*** *more jobs*

women & older *entrepreneurs benefited the most*

Source: Branstetter et al. (2010).

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Why does formal business registration matter?

For the company

- When firms formally register, they secure more **gains** in profits, **investments** and **productivity** (Motta, Oviedo and Santini, 2010; Klapper and Love, 2011)
- Informal entrepreneurs tend to employ **fewer workers** and have **less access to business financing** than their formal sector counterparts. (Amin, 2009)
- Employees can benefit from **protections** provided by the law (Rand and Torm, 2012)

For the rest of the economy

- Where formal entrepreneurship is higher, **job creation** and **economic growth** also tends to be **higher** (Fritsch and Noseleit, 2013)
- Informal firms may deprive governments of **potential revenue** through income and labor taxes (González and Lamanna, 2007; Lewis, 2004)
- Lower costs for business registration encourage **entrepreneurship** and enhance firm **productivity** (Klapper and Love 2011; Barseghyan 2008)

Why does dealing with construction permits matter?

No regulation

- If procedures are too complicated or costly, builders tend to proceed **without a permit**.
- An estimate of **60–80% building projects** in developing economies are undertaken without the proper permits and approvals.

Sound regulation of construction

- **Helps strengthen property rights**.
- **Protects the public from faulty building practices.**
- **Contributes to the process of capital formation**.

Why does it matter?

- Construction regulation is an important consideration for entrepreneurs when deciding **where to establish** their business.
- Construction costs are the **5th most important factor** determining the location of a start-up in the United States (according to the KPMG Competitive Alternatives data available at www.competitivealternatives.com)

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Why does registering property matter?

A reliable, transparent, complete and secure land registration system

Sound property registration system	Safe property registration system	Clear property boundaries and ownership
The higher the quality of the land administration system, the higher the chance of getting credit when using property as collateral → **increased incentives for investment**	Better assessment and more efficient collection of tax revenue → **associated with lower levels of inequality and corruption**	More security for people and more opportunities for governments to strategically plan the provision of services and infrastructure → **more social stability and social development**

Access to credit and economic growth for all

Real estate typically accounts for 50-75% of national wealth:

- ✓ In developing economies, only 30% of land is subject to a form of land registration.
- ✓ Just 10% of land in Sub-Saharan Africa is registered.

Unregistered property is dead capital:

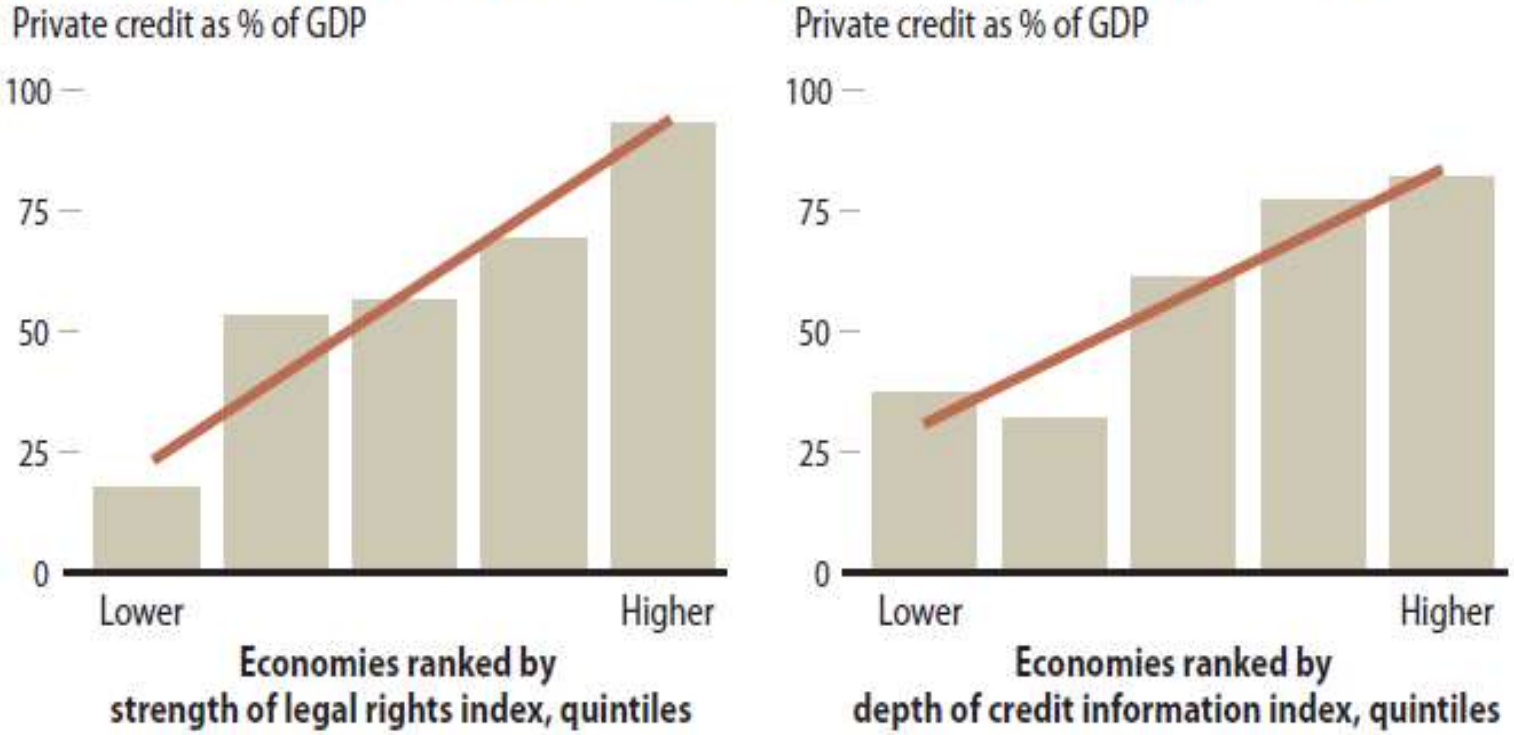
- ✓ Real estate holders will not risk investing on the property.
- ✓ Lenders will not risk lending.
- ✓ Government loses out on tax income.

Registered property enables increased financing and growth:

- ✓ Secure property rights lead to increased investment.
- ✓ Greater credit potential and less costly to obtain finance.
- ✓ Government: revenue increases & greater planning capacity.

Why does getting credit matter? (1/3)

Stronger legal rights and more credit information are associated with more credit



Note: Relationships are significant at the 5% level and remain significant when controlling for income per capita.
Source: Doing Business database; World Bank, World Development Indicators database (2008).

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Why goes getting credit matter? (2/3)
Why does credit reporting matter?

Reduced information asymmetries	• Borrowers know their financial abilities and investment opportunities better than lenders do. The inability of lenders to contributes to higher default rates and smaller loan portfolios **accurately assess the creditworthiness of borrowers** • Credit reporting systems offer one way to minimize the problems of asymmetric information since past behavior is considered a reliable predictor of future behavior. A good credit history—sometimes referred to as **reputational collateral**—minimizes the perception of risk and enable an individual or firm to gain access to financing.
Greater access to credit for small firms	• Lenders are also more likely to lend to larger firms, which may be more transparent as a result of more elaborate legal and accounting rules and regular publication of certified auditors' reports on financial transactions. • With better, cheaper and faster access to credit information, lending officers can use accurate and objective data to make unbiased decisions in offering loans. And when they can assess the risk of default, banks have more incentive to **lend to individuals and small firms**.
Better borrower discipline	• When lenders are known to share information about customers' credit records, borrowers know that defaults on loans from one lender may disrupt future access to credit from all other lenders. So borrowers have greater **incentive to repay**.
Support for bank supervision and credit risk monitoring	• Regulators often use information from credit bureaus and credit registries to assess whether **current provisioning** is adequate and to analyze **developments in credit markets and interest rates**. The results may guide changes in the legislation governing financial institutions. • As more credit information becomes available, **competition among banks and nonbank financial institutions** should increase.

Source: Doing Business database.

Why does getting credit matter? (3/3)
Why does legal rights matter?

SME's

- Affordable credit.
- Collateral.
- **Immovable property:** Most SMEs do not own real estate.
- **Movable property:** In developing countries movable property is not accepted due to a lack of legal framework.

Creditors – cost of credit

- The lender's cost of capital, transaction costs to make the loan, and risks the loan will not be repaid.
- **Impact:** smaller availability, shorter loans at higher interest rates.
- If creditors have priority over other creditors or more bargaining power to force repayment or take control of the firm, they will extend credit on more favorable terms.

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Measuring the impact of transit time on export value: evidence from Sub-Saharan Africa

An increase of 1 day in transit time…

Sub-Saharan Africa

(sample of 44 economies)

1 DAY

7 %

…leads to a decline of 7% in export values

Source: Freund and Rocha (2010).

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I. Qué mide Doing Business
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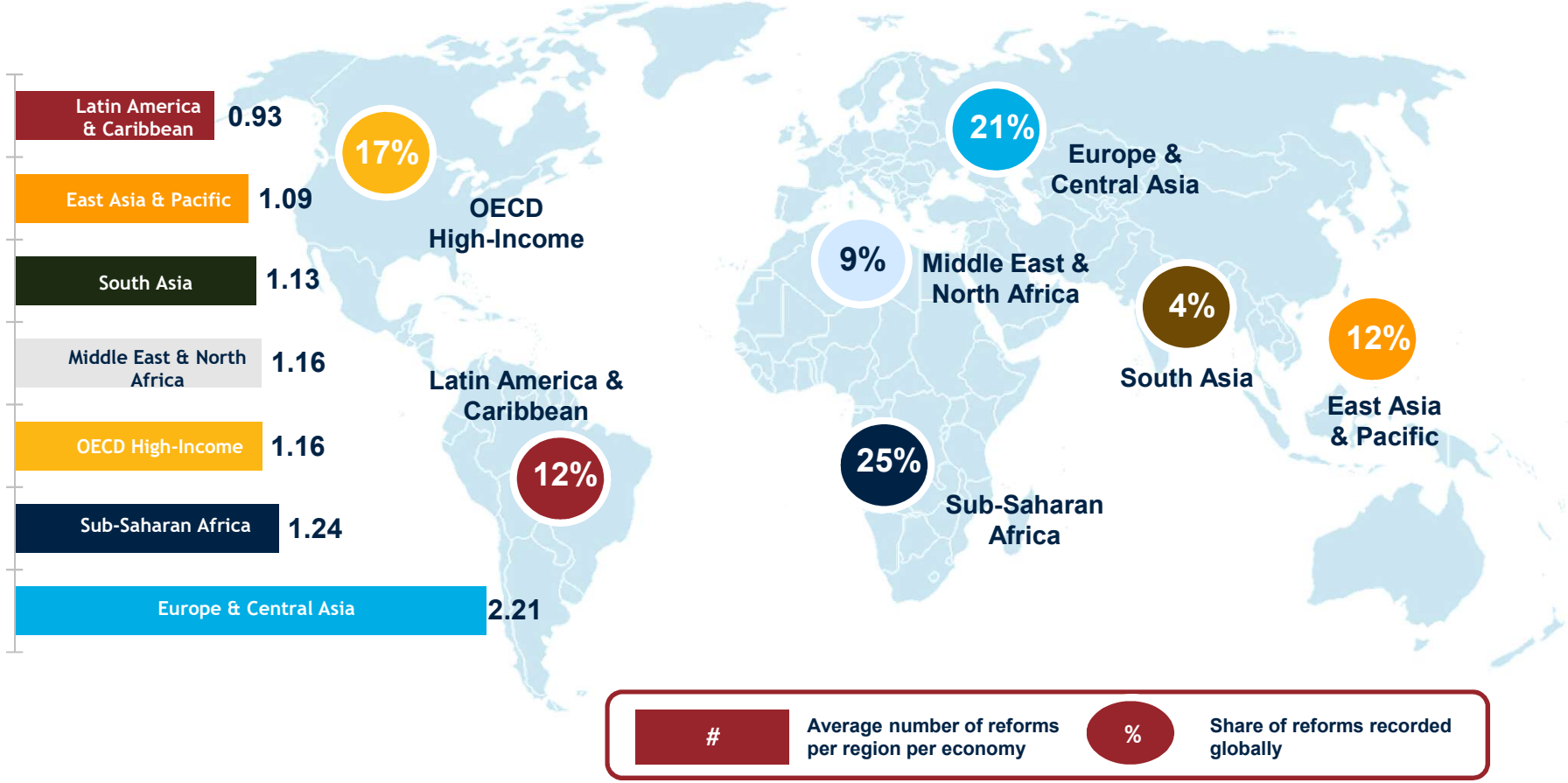
Since *Doing Business 2004*, 3,188 business reforms have been implemented

Total number and share of reforms recorded per region, from *Doing Business 2004* to *Doing Business 2018*



Source: Doing Business database.

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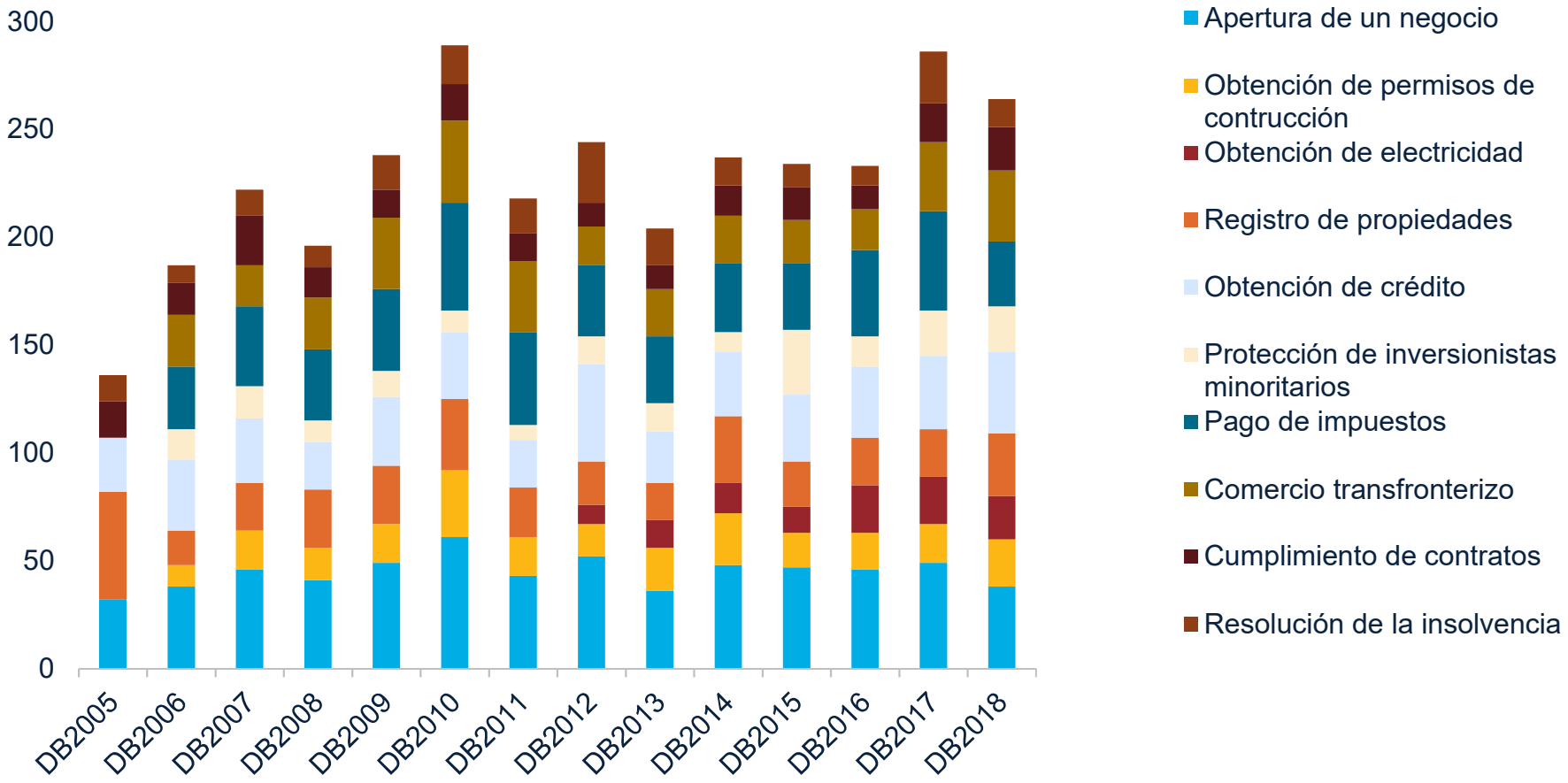
Apertura de un negocio es el indicador con el mayor número de reformas

Número total de reformas por indicador en *Doing Business, por año*



Source: Doing Business database.

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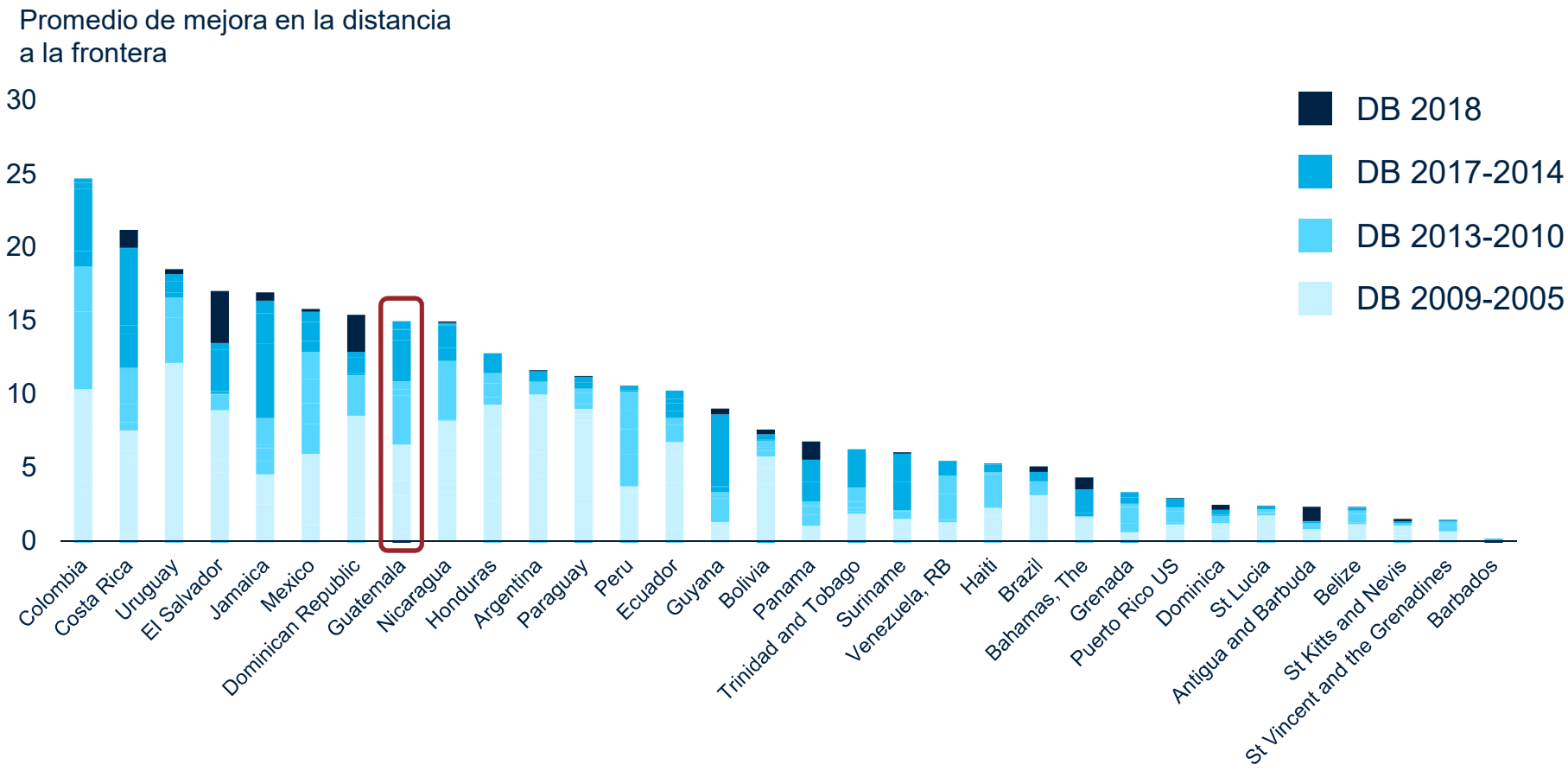
América Latina y el Caribe han efectuado diversas reformas en los últimos 15 años.



Source: *Doing Business* database.
Note: The measure is normalized to range from 0 to 100, with 100 representing the frontier. Because of changes over the years in methodology and in the economies and indicators included, the improvements are measured year on year using pairs of consecutive years with comparable data.

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These reforms reduced the time of doing business across regions

Starting a Business

Democratic Republic of Congo

2004: 166 days

2017: 7 days

Paying Taxes

China

2007: 832 hours

2017: 207 hours

Registering Property

Belarus

2006: 230 days

2017: 3 days

Dealing with Construction Permits

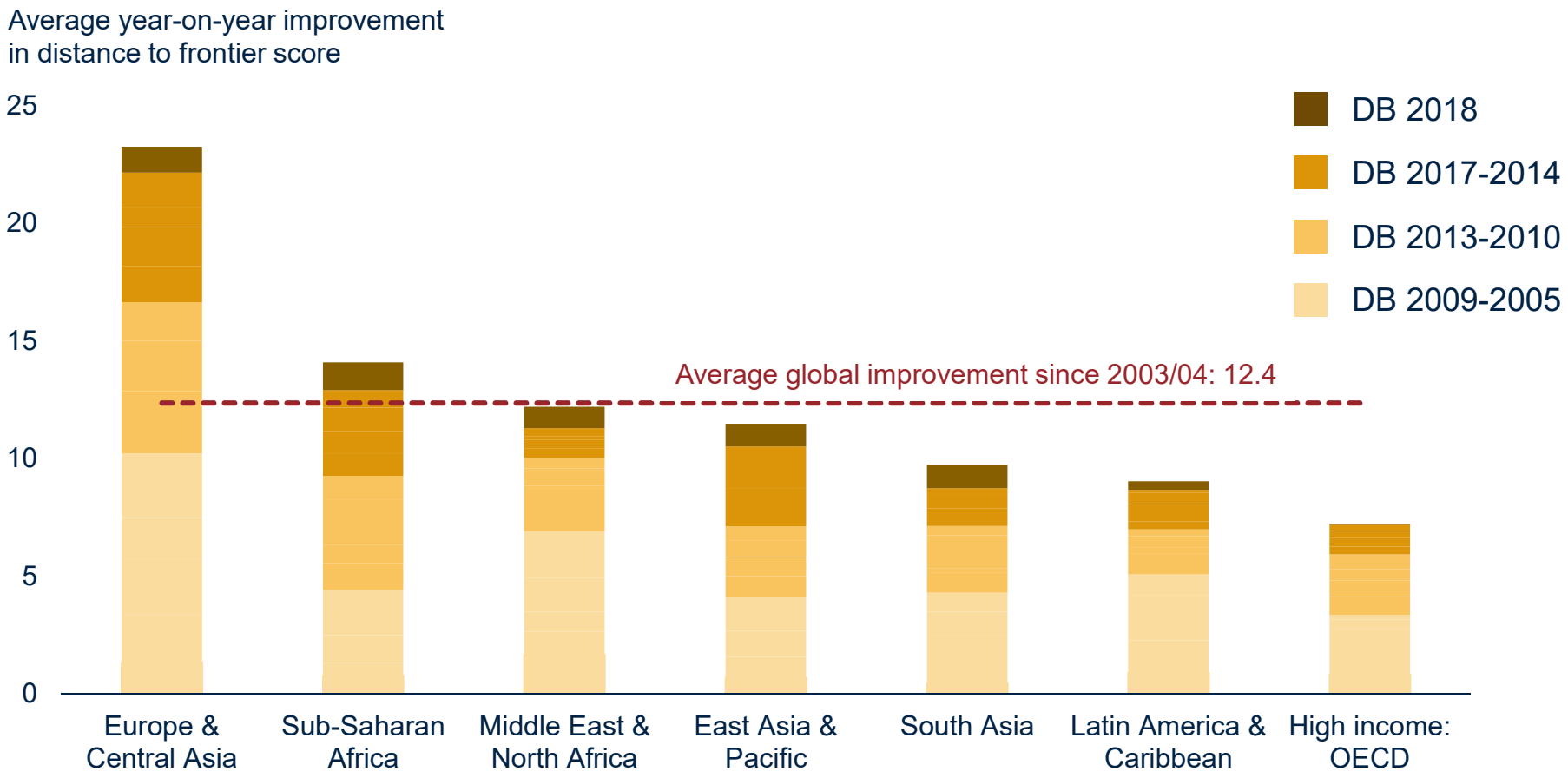
Mexico

2006: 165 days

2017: 82 days

Source: Doing Business database.

Europe and Central Asia has made a substantially bigger improvement in business regulation over time than any other region



Source: *Doing Business* database.
Note: The measure is normalized to range from 0 to 100, with 100 representing the frontier. Because of changes over the years in methodology and in the economies and indicators included, the improvements are measured year on year using pairs of consecutive years with comparable data.

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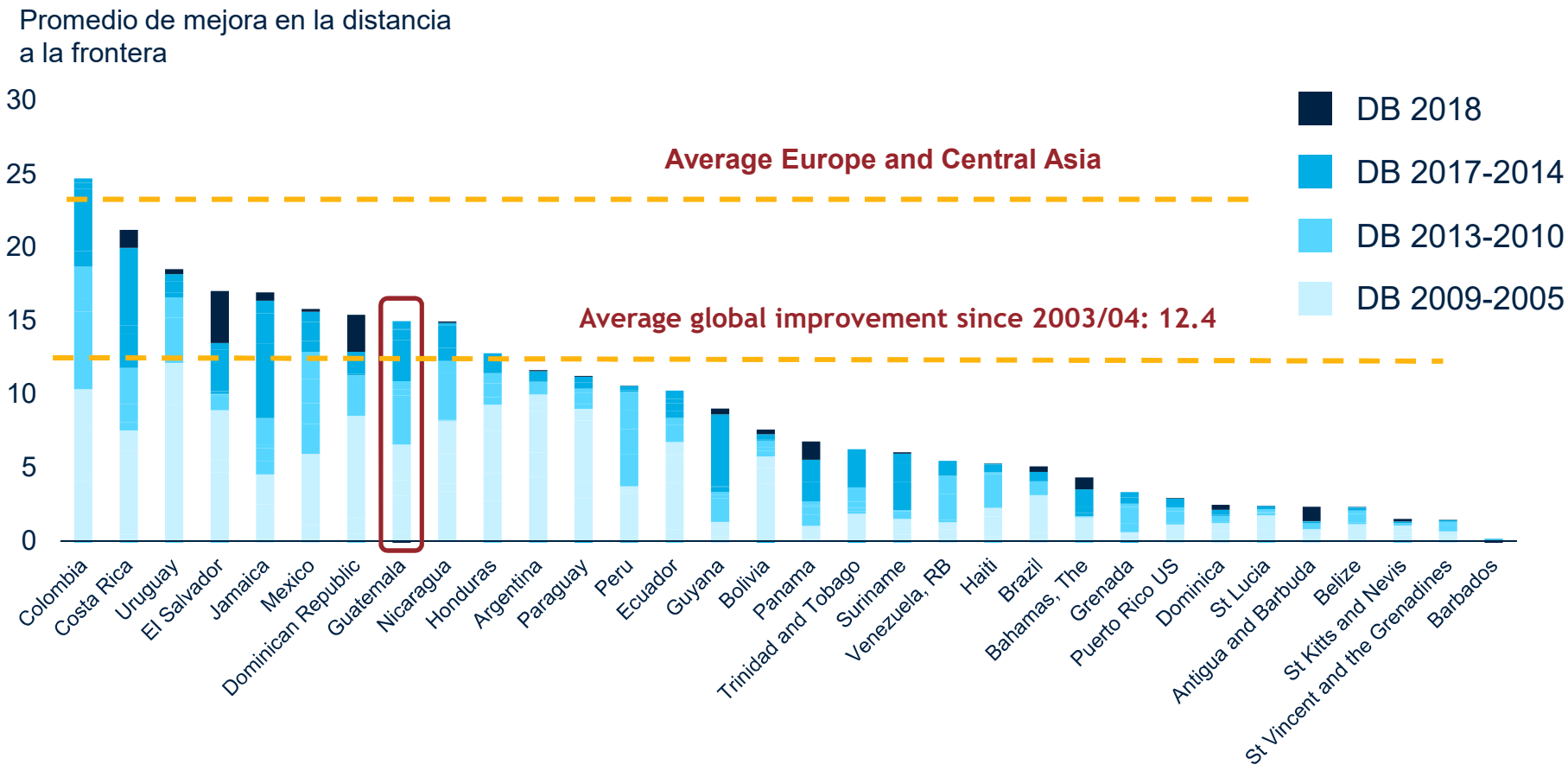

Source: *Doing Business* database.
Note: The measure is normalized to range from 0 to 100, with 100 representing the frontier. Because of changes over the years in methodology and in the economies and indicators included, the improvements are measured year on year using pairs of consecutive years with comparable data.

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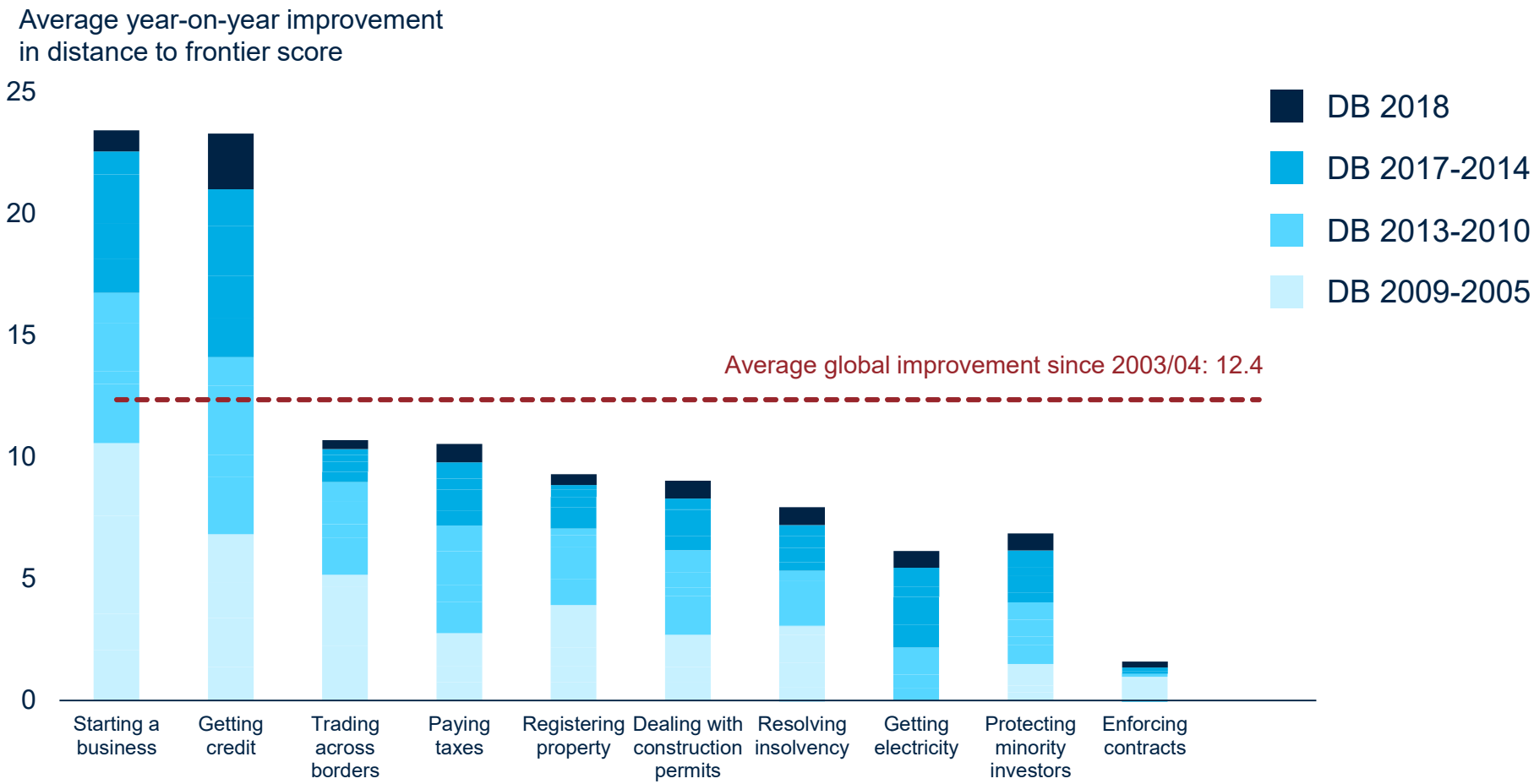
Indeed, economies have improved regulatory processes the most in the area of starting a business



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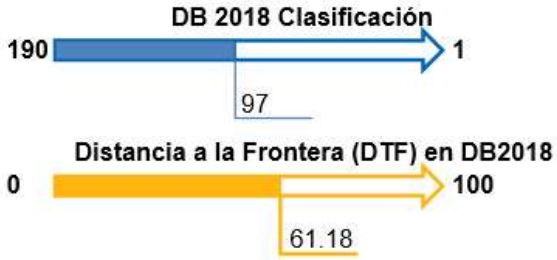
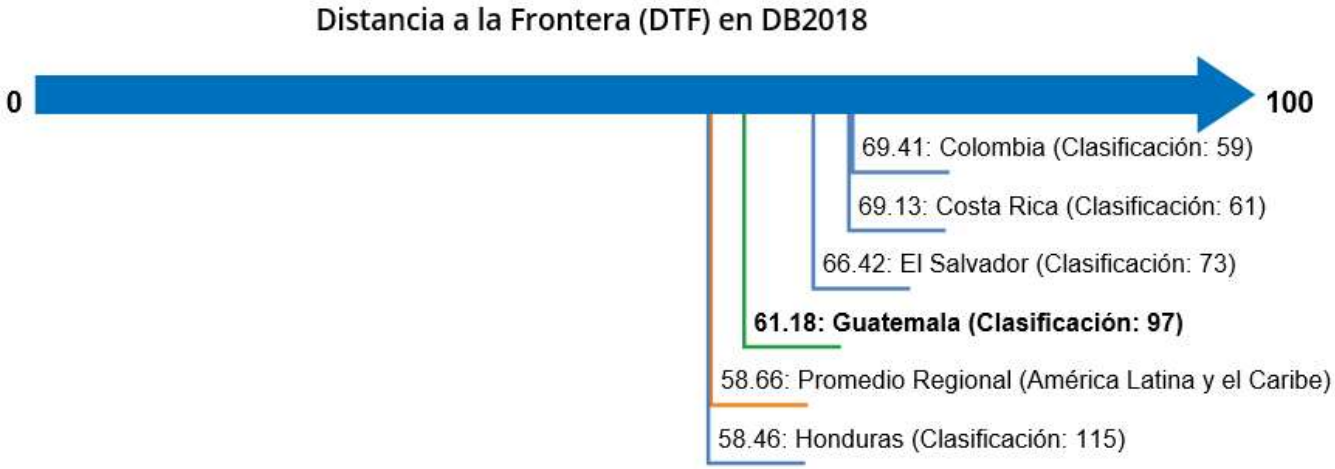
Doing Business 2018: Resultados de Guatemala

Región	América Latina y el Caribe
Categoria de renta	Ingreso bajo medio
Población	16,582,469
Renta nacional bruta (US $)	3,790





La puntuación de distancia a la frontera (DTF) muestra la distancia de cada economía a la "frontera", que representa el mejor desempeño observado en cada uno de los indicadores en todas las economías de la muestra de Doing Business desde 2005. La distancia a la frontera de una economía se refleja en una escala de 0 a 100, donde 0 representa el rendimiento más bajo y 100 representa la frontera. La clasificación de la facilidad para hacer negocios oscila entre 1 y 190.

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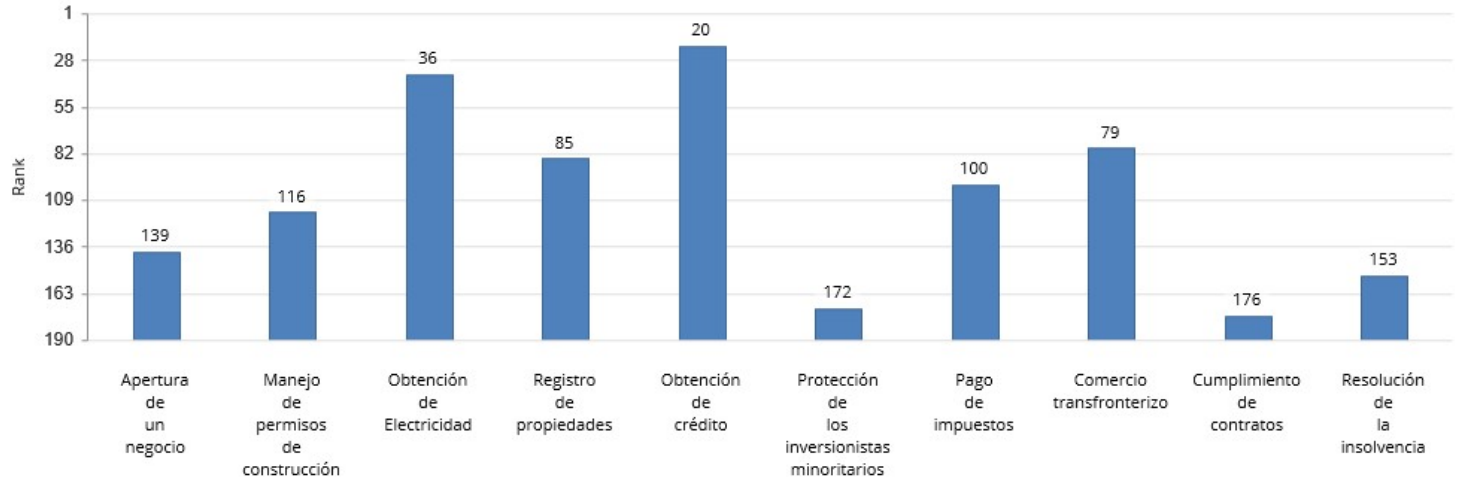
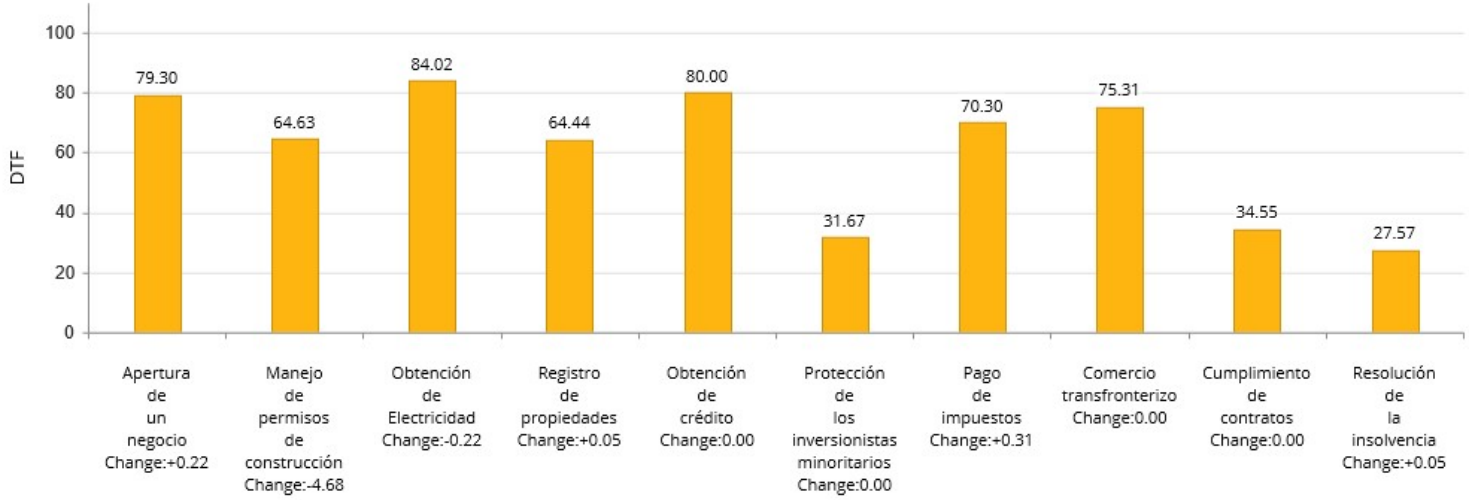
Doing Business 2018: Resultados de Guatemala por indicador

Clasificación en los indicadores de Doing Business - Guatemala

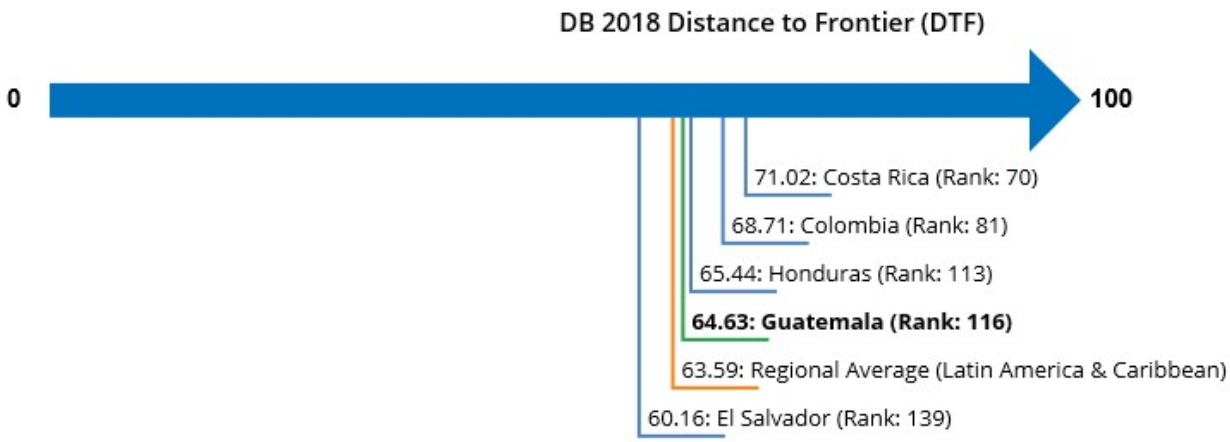


Distancia a la Frontera (DTF) en los indicadores de Doing Business - Guatemala



Manejo de permisos de construcción

Manejo de Permisos de Construcción en Guatemala



Indicador	Guatemala	América Latina y el Caribe	OCDE ingreso alto	Mejor Clasificación Global
Procedimientos (número)	12	15.7	12.5	7.00 (Dinamarca)
Tiempo (días)	205	191.8	154.6	27.5 (Corea, República de)
Costo (% de ingreso per cápita)	7.0	3.2	1.6	0.10 (5 Economias)
Índice de control de calidad de la construcción (0-15)	11.0	8.8	11.4	15.00 (3 Economias)

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¿Dónde el manejo de permisos de construcción es más fácil y qué tienen estas economías en común?

- Nueva Zelandia
- Australia
- Taiwán, China
- Emiratos Árabes Unidos
- Hong Kong, RAE China
- Dinamarca
- Luxemburgo
- Georgia
- Estonia
- Singapur

Buenas prácticas globales

- Sistemas basados en riesgo. Construcción rigurosa pero diferenciada permitiendo procesos de tratamiento de edificios según su nivel de riesgo y ubicación.
- Códigos de Construcción. Reglas de ajuste, un conjunto coherente de reglas que define lo que se requiere de los constructores, y su aplicación uniforme.
- Ventanillas únicas. Mejoras en la organización del proceso de revisión - mediante una mejor coordinación de los esfuerzos de diferentes organismos.

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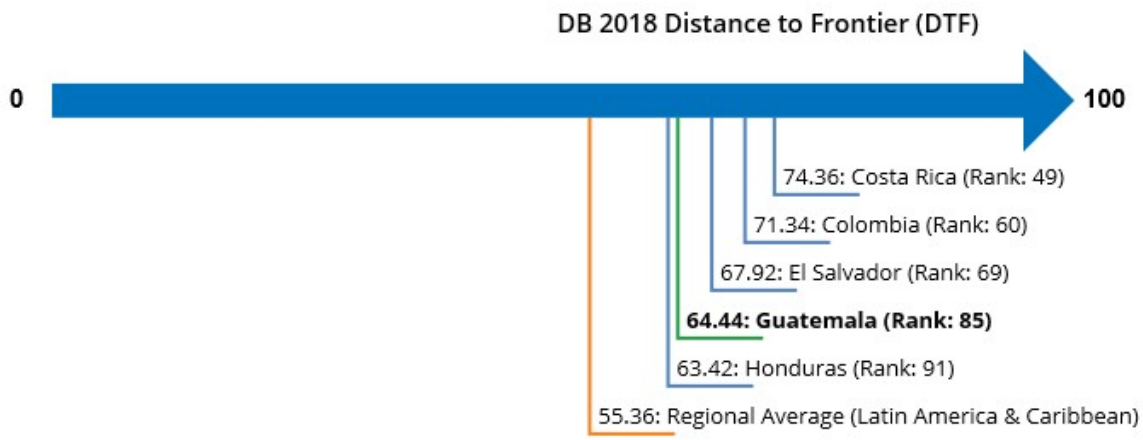
Registro de propiedades

Registro de propiedad en Guatemala



Indicador	Guatemala	América Latina y el Caribe	OCDE ingreso alto	Mejor Clasificación Global
Procedimientos (número)	7	7.2	4.6	1.00 (4 Economias)
Tiempo (días)	24	63.3	22.3	1.00 (3 Economias)
Costo (% del valor de la propiedad)	3.7	5.8	4.2	0.00 (5 Economias)
Índice de calidad del sistema de administración de tierras (0-30)	13.0	12.0	22.7	29.00 (Singapur)

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¿En dónde Registrar Propiedad fue más fácil en 2016/17?

Top rendimiento en Registro de Propiedades

1. Nueva Zelanda
2. Ruanda
3. Lituania
4. Georgia
5. Bielorrusia
6. Estonia
7. República Eslovaca
8. República Kirguisa
9. Federación Rusa
10. Emiratos Árabes Unidos

Mejores prácticas mundiales

- ✓ Registros computarizados;
- ✓ Publicar información y procedimientos online;
- ✓ Ofrecer procedimientos acelerados;
- ✓ Reducir costes de transferencia;
- ✓ Establecer tasas de registro fijas;
- ✓ Establecer plazos efectivos.

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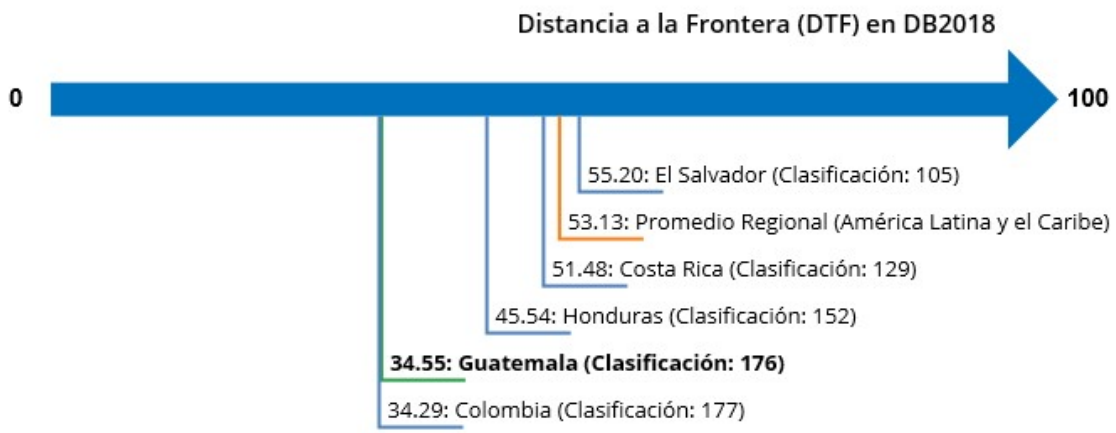
Cumplimiento de contratos

Cumplimiento de Contratos en Guatemala



Indicador	Guatemala	América Latina y el Caribe	OCDE ingreso alto	Mejor Clasificación Global
Tiempo (días)	1402	767.1	577.8	164.00 (Singapur)
Costo (% de cantidad demandada)	26.5	31.4	21.5	9.00 (Islandia)
Índice de calidad de los procesos judiciales (0-18)	6.0	8.4	11.0	15.50 (Australia)

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¿Cuáles son los principales hallazgos?

Las 10 mejores desempeños	Rango
	Corea
	Singapur
	Australia
	Noruega
	China
	Lituania
	Croacia
	Hungría
	Kazajstán
	Austria

Características comunes de los 10 mejores desempeños

- ✓ Tribunal comercial especializado
- ✓ Tribunal o procedimiento expedito para casos de menor cuantía
- ✓ Automatización de los tribunales
- ✓ Modernización de reglas de procedimiento civil
- ✓ Regulación comprensiva de mecanismos de RAC
- ✓ Presentación de la demanda de forma electrónica

THANK YOU!

www.doingbusiness.org

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