

# Youth Perceptions on Ease of Doing Business (EoDB): A Comparative Study of College and University Students

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## Abstract

*This study investigates the perceptions of youth towards various aspects of Ease of Doing Business (EoDB) in India, specifically comparing the views of college and university students. The study aims to explore how government support, taxation systems, licensing, capital collection, and the single window system impact youth entrepreneurship. The results suggest a generally positive view on the issues, with some differences in the areas of taxation, capital collection, and the single window system. This paper offers insights into the opportunities and challenges that youth face in starting new businesses, with recommendations for policy improvements.*

**Key words:** entrepreneurship, youth, Ease of Doing Business, north-east India

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## Introduction

India's impressive improvement in the Ease of Doing Business (EoDB) ranking, as reported by the World Bank, underscores the country's commitment to fostering a more conducive environment for entrepreneurs and businesses. This low ranking, India ranked 143<sup>rd</sup> in the year 2014, highlighted the obstacles faced by businesses in India, particularly in starting new ventures, obtaining permits, paying taxes, and enforcing contracts. However, recent progress has seen India rise to 63<sup>rd</sup> place, signaling a reduction in regulatory burdens and making it easier for businesses to grow and create jobs. This remarkable leap of over 80 positions is particularly beneficial for the youth of the nation. The positive link between business-friendly reforms and job creation is evident in sectors like manufacturing, retail, and IT, contributing to a decline in the unemployment rate.

Youth entrepreneurship plays a vital role in economic development, innovation, and job creation. In India, the government has implemented various initiatives to support young people, particularly students, in launching new businesses. These initiatives include grants, mentorship programs, and a single window system to ease administrative processes. However, despite these efforts, the ease of doing business for the youth remains a topic of debate, with barriers such as taxation systems, capital access, and bureaucratic hurdles often cited as challenges. This paper examines the perceptions of college and university students on the Ease of Doing Business (EoDB) and explores the effectiveness of government measures to support youth entrepreneurship.

## Literature Review

The concept of "Ease of Doing Business" (EoDB) has become a key metric for evaluating the business environment of any country. The World Bank's annual Ease of Doing Business report offers a comparative analysis of business regulations and their enforcement across various economies, aiming to provide governments with guidance on improving the business climate. According to the World Bank's "Doing Business" reports, regulatory reforms are essential to creating a more business-friendly environment, particularly for young

entrepreneurs. Studies also show that youth often face barriers such as high taxation, complex licensing procedures, and difficulties in accessing financing, which hinder their ability to start new ventures (Chowdhury, 2020; Sharma, 2019). Butt (2014) focused on the EoDB indicator for India and other South Asian countries, particularly highlighting the challenges related to tax payments. He pointed out that India lags behind many of its South Asian neighbors, including Bhutan, Nepal, Afghanistan, and the Maldives, in terms of tax payment efficiency. Bhargava (2019) noted that India improved its ranking from 100th in 2017 to 77th in 2019, reflecting a 23-rank improvement due to the government's enhanced policies. It is hoped that with continued government support, India will advance into the top 50 in terms of ease of doing business. Saikia (2001) emphasized that entrepreneurs frequently encounter challenges, particularly financial difficulties, in managing their businesses. In contrast, Kabui and Maalu (2012) observed that youths with self-employed parents or guardians were less inclined to pursue entrepreneurship, as they were often disinterested in continuing the family business.

However, there is limited research comparing the perceptions of youth from different educational institutions regarding EoDB. Understanding how these perceptions differ can provide valuable insights for policymakers to design more effective initiatives targeted at the youth demographic.

## Research Objectives

This study aims:

- i. To analyze the perceptions of college and university students regarding Ease of Doing Business (Government Support, Taxation system, Licensing and permission, raising capital and single window system);
- ii. To determine if there are significant differences between college and university students' perceptions regarding Ease of Doing Business.

## Research Methodology

A survey has been conducted with 500 students, consisting of 390 college students and 110 university students from north-east India. The survey contained five perception-based statements related to EoDB, including government support, taxation, licensing, capital collection, and the single window system. The responses are analyzed using a Likert scale, ranging from "Strongly Disagree" to "Strongly Agree." The Kruskal-Wallis test has been run to determine if there are statistically significant differences in the perceptions between college and university students.

## Data Analysis and Results

This data (Exhibit-1) reflects the perceptions of youth regarding various aspects of Ease of Doing Business (EoDB). The data collected revealed several key insights into youth perceptions of EoDB as follows:

**Government Support:** A majority of respondents (39.8%) believe the government supports youth and students in starting new businesses. However, there is still a significant portion (17%) who disagrees, indicating room for improvement in this area.

**Taxation Systems:** For the case of taxation etc. a majority of respondents (46.2%) believe that the taxation system does not create significant barriers. However, 23.2% disagree, suggesting that the taxation system is still perceived as a potential obstacle for some youth entrepreneurs.

**Licensing and permission processes:** This statement, licensing and permission processes, has a relatively high level of neutrality (35.8%), indicating uncertainty or mixed opinions. About 38.2% agree that licensing and permissions are no longer a barrier, while 25.4% disagree, signaling that some still perceive these as challenges.

**Capital Collection:** 43.2% of respondents feel that capital collection is not a barrier, but 26.2% disagree, indicating that access to capital is still seen as a significant issue for some youth when starting new businesses.

**Single Window System:** A strong majority (49.4%) believes that the single window system serves as a mentor for new startups, showing that this initiative is largely viewed positively. However, a fair portion remains neutral (32.6%) or disagrees (17.8%), suggesting that the system's effectiveness may vary or is not fully understood by all respondents.

**Exhibit-1: Perception of youth towards Ease of Doing Business (EoDB)**

	The Government supports the youth/student for starting new businesses		GST and other taxation system do not create problems for starting new business		Licensing and permission are not barriers for starting new businesses now-a- days		Collection of capital is not a barrier for starting a new venture		Single window system serves as a mentor for a new starting	
	N	%	N	%	N	%	N	%	N	%
SD	45	9.0	42	8.4	57	11.4	62	12.4	46	9.2
D	40	8.0	74	14.8	70	14.0	69	13.8	44	8.8
N	141	28.2	153	30.6	179	35.8	153	30.6	163	32.6
A	158	31.6	146	29.2	137	27.4	167	33.4	144	28.8
SA	116	23.2	85	17.0	57	11.4	49	9.8	103	20.6
	500	100.0	500	100.0	500	100.0	500	100.0	500	100.0

SD= Strongly Disagree; D= Disagree; N= Neither agree nor disagree; A= Agree; Strongly Agree

Source: Author's compilation, using SPSS, from Primary Data (2024)

This suggests that while there is positive feedback, there are still areas where the youth feel challenges persist, especially in terms of taxation, capital access, and certain procedural barriers.

Exhibit-2 displays the Mean Rank of youths, colleges and universities students, perception towards Ease of Doing Business (EoDB). The college students have a higher mean rank for the cases of (i) Government Support (ii) Taxation system (iii) Licensing and permission, indicating they generally perceive more government support, friendly taxation system and easier Licensing and permission for youth entrepreneurship compared to university students. The gap suggests university students may feel less supported or less confident in for business startups.

**Exhibit-2: Mean Rank of youths perception towards Ease of Doing Business (EoDB)**

Perception Statements	HE Institutions	No of Students	Mean Rank
1. The Government supports the youth/student for starting new businesses	College	390	<b>255.32</b>
	University	110	233.40
2. GST and other taxation system do not create problems for starting new business	College	390	<b>251.69</b>
	University	110	246.27
3. Licensing and permission are not barriers for starting new businesses now-a- days	College	390	<b>256.47</b>
	University	110	229.32
4. Collection of capital is not a barrier for starting a new venture	College	390	249.78
	University	110	<b>253.06</b>
5. Single window system serves as a mentor for a new starting	College	390	245.80
	University	110	<b>267.17</b>

Source: Author's compilation, using SPSS, from Primary Data (2024)

However, university students have a slightly higher mean rank, indicating they perceive less difficulty in (iv) raising capital for new businesses and (v) single window system as more effective or beneficial as a mentor for

new business compared to college students. This suggests that university students may feel more confident or have better access to capital-raising resources and more understanding about the system of single window.

The Kruskal-Wallis test (Exhibit-3) is used to determine whether there are statistically significant differences between the ranks of groups (in this case, college vs. university students' perceptions). The test statistics provided here for each perception statement help assess whether the difference in perceptions across the groups is statistically significant.

**Exhibit-3: Test statistics of Kruskal Wallis Test**

	<b>Government supports</b>	<b>GST and other taxation system</b>	<b>Licensing and permission</b>	<b>Collection of capital</b>	<b>Single window system</b>
Chi-Square	2.120	.129	3.267	.048	2.015
df	1	1	1	1	1
Asymp. Sig.	.145	.719	.071	.827	.156

**Source:** Author's compilation, using SPSS, from Primary Data (2024)

The Kruskal-Wallis test results indicate no statistically significant differences between college and university students on any of the five perception statements, as all the p-values are greater than the 0.05 threshold. This suggests that both groups, in general, have similar views on various aspects of Ease of Doing Business (EoDB), with only marginal differences in case of licensing and permissions as the value is close to 0.05.

## Conclusion

This research provides valuable insights into youth perceptions of Ease of Doing Business (EoDB). Although highest percentage of college and university students perceive the considered issues positively, but areas like taxation, capital collection, and licensing still pose challenges. The marginal differences between the two groups suggest that educational institutions may play a role in shaping students' views on entrepreneurship. Both college and university should focus on entrepreneurial training and provide greater exposure to the benefits of government support programs. The government should also continue to simplify taxation and licensing processes and improve access to capital for young entrepreneurs. Further research could explore the reasons behind these differences and how educational systems and governmental policies can better support youth entrepreneurship.

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