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Assessment of the quality of the regulatory environment under the World Bank *'Doing Business'* system: The ease of doing business in Slovenia

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Summary

Doing Business assesses the practical aspect of the regulatory quality of institutional development – the transaction costs of the national business environment. Regulatory quality assessment is still at an early stage of development and there are quite a number of challenges ahead for many States. We are interested in how well Doing Business methods assess the quality of regulation of the national institutional business environment and the efficiency of public policies and institutions.

After the introduction, where we briefly touch on the EU good governance and better regulation agenda together with the development of regulatory quality indicators, the first two chapters present the basic characteristics of the Doing Business approach. In the third chapter we deal with the methodology relating to the ease of doing business. The fourth chapter describes ten models – indices of ease of doing business, the fifth chapter gives a short assessment of methodology and the sixth chapter illustrates the practical application of the 'ease of doing business' indices in the case of Slovenia in the year 2007.

To some extent, the concluding remarks for Slovenia are challenging, however options for the future are good. The first conclusion derived from the 'ease of doing business' indices is that the quality of business environment regulation in Slovenia is below the EU average. It can be inferred from the results that public policies in Slovenia still do not greatly favour limited liability companies, and creative reform for modern innovative public services in partnership with other development stakeholders is still under way. A second possible conclusion is that the results of public policies have not yet manifested themselves. In this case, we can expect better rankings next year, since the e-VEM 'one stop shop' for limited liability companies was introduced at the beginning of 2008. A third conclusion could be that the 'Doing Business' indicators do not capture regulatory quality correctly and that therefore the picture for Slovenia is somewhat distorted.

In conclusion, developing higher regulatory quality and regulatory impact assessment using regulatory quality indicators is inevitable for all our countries. However, national and EU policies are developing slowly in this respect. The 'Doing Business' indices do offer one idea of how to respond to the gap in relation to the demand for better regulatory policies, assessment of business regulations and property rights. We encourage you to form your own opinion and maybe offer your own input on better regulatory assessment.