Corruption major constraint for businesses: NCAER survey

NEW DELHI: **Corruption** is the biggest constraint being faced by businessmen across states in the country, says a survey of economic think tank NCAER.

"The results (of the survey) indicate that corruption emerged as the biggest problem," it said adding that business enterprises have consistently ranked corruption as the major obstacle for growth.

The NCAER State Investment Potential Index also observed that the World Bank's enterprises survey 2014 had also ranked corruption as the top-most difficulty faced by business enterprises.

It said that 79 per cent of the respondents rated corruption as the biggest constraint facing businesses followed by obtaining approvals for starting business and getting environmental clearances.

The other constraints being faced by them include quality of skilled labour, industry related policies, tax policy and access to finance.

Out of the 22 constraints being listed by the survey, the least ones include availability of unskilled labour, water and labour relations.

The businesses also do not regard availability of raw material, net connectivity and labour laws as major constraints as these factors are mentioned low in the list.

The survey is based on responses from 1,011 units across 40 districts in 21 states.

Senior Fellow at NCAER Indira Iyer said: "The findings of the survey reinforce the perception that corruption is the most significant impediment to business, followed by difficulties in getting approvals. Contrary to the popular perception, labour laws are not as important as the availability and quality of skilled labour."

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