

'Gujarat No 1 state in economic freedom'

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As Gujarat readies itself to hold an event to showcase its business-friendly environment, there is some good news for the state. A report released today shows it replaced Tamil Nadu in terms of freest state in 2011.

The report, co-published by the Cato Institute, Academic Foundation, Indicus Analytics and the Friedrich Naumann Foundation, says on a scale of 0 to 1 points, Gujarat scored 0.64 points, followed by Tamil Nadu at 0.56. Tamil Nadu was the freest state in 2009.

Gujarat Chief Minister Narendra Modi today inaugurated the Gujarat Global Trade Show as part of the sixth edition of Vibrant Gujarat Summit to woo investors. Bihar was at the bottom of the list. West Bengal and Jharkhand were the other two worst performers. From 2009 to 2011, the median score of economic freedom has gone up from 0.36 to 0.41.

Madhya Pradesh registered the greatest improvement in the economic freedom score, rising from the sixth to third position, and Jharkhand registered the greatest drop, falling from eighth to 19th over two years.

The index takes into account three parameters — size of the government, security of property rights and the regulatory framework.

Having relatively lower government interference in the economy, Haryana ranked the highest in the size of the government parameter in 2011. Uttar Pradesh was the worst performer.

Madhya Pradesh also ranked the highest in the legal structure and the security of property parameter, while Bihar bottomed the list.

In terms of having a better regulatory framework, Gujarat was the best performer and Punjab bottomed the list. Even though the outrage against corruption is at its peak today, the average performance of states in this parameter has gone up. The growth of public spending on education and health was the highest in Haryana (28.4 per cent a year), and the lowest in West Bengal (5.1 per cent).

In terms of the ease of doing business among Indian cities, Ludhiana ranked the highest, and Calcutta was the worst performer.

The average time taken to register one's property is the lowest in Jaipur (24 days) and the highest in Bhubaneswar (126 days).