**Doing Business mucks up**

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The Board of Directors at the World Bank announced the discontinuation of the “Doing Business” rankings on September 16, 2021. This came on the heels of an investigation into data irregularities and ethical issues posed by the Bank’s top brass. The breach was investigated by WilmerHale, which presented a comprehensive report to the executive directors of the Bank. The Doing Business index was calculated using forty one indicators covered under ten topics. The premise was to determine how easily a firm can be created and continue to exist in an economy’s private sector. The Bank also ranked economies against each other.

So, why discontinue the ranking? The investigative report makes for an interesting read. It was compiled using five million documents, eighty thousand of which were reviewed keeping in mind the relevance; the investigators also interviewed three dozen former and current employees of the Bank to reach their conclusions. It is also a tell tale of an organisation that is deeply flawed, far from transparent, and—to use a phrase from the report itself—toxic. The short answers to the question of why are: grossly unethical behaviour by the Bank’s President Kim, CEO Georgieva and a high ranking official Djankov; pressure from China and Saudi Arabia, and the total unfounded disbelief of those in a position of power at the Bank at the robust performance of Azerbaijan and Jordan.

[Lay's Pakistan makes Guinness world record by making longest sharing chain](https://nation.com.pk/23-Sep-2021/lay-s-pakistan-makes-guinness-world-record-by-making-longest-sharing-chain)

In 2017, the Bank was going through a capital increase campaign which would directly affect ownership shares as a result of the changing financial commitments. As such, the Bank could not afford for China to pull back on financial commitments. This, coupled with pressure from Chinese government officials that the rankings did not really take into account the reforms enacted by China led the president and CEO of the Bank to meddle in the calculation of the ranking. From wild ideas like including Hong Kong, SAR to recalculate China’s DB ranking to taking data from either Shanghai or Beijing (rather than a weighted average of the two, as was standard)—no idea was a bad idea. All ideas were presented to the CEO. The problem with China’s sluggish climb up the ranking was not that China was performing poorly, but that other countries in the same ranking neighbourhood had performed exceedingly well. Yet, on account of pressure from the senior leadership of the Bank, technical changes were made on three metrics which improved China’s ranking by a whopping seven positions—from 85th to 78th.

[PM Khan congratulates Saudi leadership on National Day](https://nation.com.pk/23-Sep-2021/pm-khan-congratulates-saudi-leadership-on-national-day)

Bolstering Saudi Arabia’s ranking and ensuring that it featured as the best Top Improver rather than Jordan, was again a consideration of the organisation’s internal politics. The Bank chose to reward KSA and tinkered with the score allotment because the Bank had completed several Reimbursable Advisory Services (RAS) there. RAS are paid advisory services provided by the Bank to rich(er) countries to help improve the performance on economic indicators which would result in an improved DB ranking. The Bank had to engineer a self-fulfilling prophecy—you pay us to help you climb the ranking. The Bank had to avoid an unnecessarily embarrassing situation. Additionally, recognising Jordan as the highest-ranking Top Improver was seen to undermine the credibility of the rankings themselves. Similarly, three Azeri reforms were to be explicitly ignored, on the directive of Djankov just because he, in the face of irrefutable evidence, refused to believe that Azerbaijan could, in fact, be improving. The absurdity of such stances and bias can only attest to the growing inequality in the economic stability of different countries. The silver lining is that the DB ranking has been shelved. But it will, in time, be replaced by another ranking. This newer ranking will avoid the faux pas of the former, but it will likely have other methodological issues. The fact that the Bank operates in an opaque manner is nothing new—yet it is considered almost infallible by successive governments across different countries. It is almost as if these countries are children who need the approval of a charismatic bully. Let us never forget that the Bank is, at the end of the day, a bank.

[Pakistan reports 2,357 COVID cases in one day](https://nation.com.pk/23-Sep-2021/pakistan-reports-2-357-covid-cases-in-one-day)

The lesson to be learned is that it is important to critically engage with each other. Moreover, there is a dire need for the champions of transparency and reform to look inward. This should also be a moment of reflection for negotiators in Pakistan: if you do your homework and are good at what you do, you can navigate the conversation in your favour rather than believing everything that comes from IFIs simply because they are IFIs. Alternatively, and perhaps simpler is for Pakistan to improve its lobbying efforts. There won’t be any need for actual structural change then. That would also suit us just fine.