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PRESS RELEASE

Employers worldwide welcome World Bank efforts to support growth and development at the 2008 *Doing Business* launch

26 September 2007 – The International Organisation of Employers¹ (IOE) welcomed the launch of the 2008 *Doing Business* report on behalf of employers worldwide at an event organized today in New York by IOE member the United States Council for International Business.

“Employers congratulate the World Bank and the *Doing Business* team for creating a reform movement that has already begun to increase development and improve people’s lives,” said IOE President Abraham Katz. “The *Doing Business* reports identify the areas where reform is needed and – most importantly – provide the incentives for governments to act.”

Employers’ in many countries struggle under inefficient business regulations that create real barriers to growth and job creation and thus hurt economic development. Perversely, the worst business regulations can be found in many of the countries with the lowest levels of development and the worst conditions for their people. The power of the *Doing Business* report is that it uses objective indicators to compare how easy or hard countries make it to do business by showing, for example, that it takes 300 days to register a business in one country, while it takes a mere 15 minutes in another. As this year’s *Doing Business* report demonstrates it is often vulnerable groups such as women which are affected the most by inefficient regulations.

The *Doing Business* report does not promote deregulation but rather more efficient regulation. In many areas, the World Bank is actually calling for additional regulations where none exist, including registering property, protecting investors and enforcing contracts.

This is also true for the indicators related to employment, where *Doing Business* measures the flexibility of employment regulations and does not call for wholesale deregulation, as some have claimed. Indeed, the *Doing Business* indicators on employment are fully consistent with the ILO’s fundamental labour principles and rights at work and cover issues addressed in only four of the ILO’s 187 labour conventions. For example, Georgia, the top rated country on the Ease of Employing Workers, has ratified all eight ILO conventions that constitute fundamental worker rights. While the World Bank rightly notes that every government must seek to balance labour market flexibility and job security, it also notes that many countries with slow growth have enacted very rigid labour laws.

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“The World Bank should be commended for its work in the *Doing Business* programme,” says IOE President Abraham Katz. “The countries with the greatest need for growth and development have erected huge barriers for private sector growth, and the *Doing Business* reports have played a critical role in pushing for the reforms that are needed to remove these barriers.”

“It is exactly these kinds of reforms that will lead to increased job growth and higher incomes in many countries in desperate need of both,” added Mr. Katz.

The IOE and the World Bank remain important allies in creating better regulated national environments conducive to enterprise creation and development. In the coming months the IOE and its members will be working closely with the World Bank in promoting national launches of the *Doing Business* reports around the world.

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¹The IOE is an international member-based organization founded in 1920 representing the business community in all areas of social and labour policy. Its membership numbers 145 national employer federations in 138 countries.

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