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## World Bank report highlights female discrimination

Women do not have same legal rights as men in 155 countries, researchers find



OCTOBER 25, 2016 by: **Shawn Donnan** in Washington

The World Bank has since 2002 documented bureaucratic barriers to business around the world from licensing requirements to predatory tax regimes.

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But in its latest [Doing Business](#) report, the bank offers what for many countries — and half their population — is an important question: why is it so much harder for women to do business than men?

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For the first time, economists at the World Bank this year sought to measure the regulatory environment for female entrepreneurs in starting a business, property rights and enforcing contracts. Those findings were used as part of the ranking of the 190 countries covered by the report.

“In 155 economies women do not have the same legal rights as men, much less the supporting environment that is vital to promote entrepreneurship,” said Paul Romer, the World Bank’s new chief economist.

The growing consensus among economists and policymakers is those sorts of obstacles matter economically.

According to the World Bank, about a third of small and medium-size enterprises in emerging markets have at least one female owner. But their average growth rate is significantly lower than male-owned businesses because they lack ready access to credit and face other forms of discrimination.

In the Middle East and north Africa the gender gap in entrepreneurship results in an income loss of almost 30 per cent, according to the bank, with even Europe seeing a 10 per cent loss in income.

The bank’s researchers found 23 economies where women faced a different process to set up a limited liability company, 16 where women did not have the same property rights as men and 17 where if a woman did not have the same legal standing as a man in court.

They found the most restrictive laws in the Middle East and Africa. In the Democratic Republic of Congo, for example, married women need their husband’s permission to set up a business. In Benin, women need to present a marriage certificate to get the identification documents needed to eventually register a business.

The World Bank also collected data on whether countries had requirements for women to serve on corporate boards and found nine economies where that was the case including France, Germany, Italy, Norway and India. But the bank decided not to include laws requiring female board members as part of its scoring because the evidence on the value of such laws remains mixed.

According to the bank, for the first time in a decade the world's best place to do business was somewhere other than Singapore, with New Zealand topping the rankings and the Asian island state falling to second place. Somalia, which was included for the first time this year, was last among the 190 economies ranked.

This year's rankings also include disappointing news for other big economies.

India, where the government of Narendra Modi has put its Doing Business ranking at the heart of reform efforts, did not budge in the rankings, coming in 130th and improving its score only marginally.

China, which has [sought to eliminate the rankings](#) in the past, moved up six places to 78th place but remained below developing economies such as Azerbaijan, Jamaica and Mongolia.

Augusto Lopez-Claros, director of the World Bank's Global Indicators Group, said researchers this year had documented a record 283 reforms in 137 of the 190 countries covered. Encouragingly, he said, 80 of those reforms had come in countries in sub-Saharan Africa.

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# THE WALL STREET JOURNAL.

REAL TIME ECONOMICS | WORLD BANK

## The Best and Worst Places to Do Business Around the World

The World Bank's rankings can be a badge of honor or humiliation



Venezuelan President Nicolas Maduro waves to crowds in Caracas. The country, whose economy is in the midst of a severe and deadly recession, has consistently ranked as one of the worst places in the world to do business. PHOTO: FEDERICO PARRA, AFP/GETTY IMAGES



By **IAN TALLEY**

Oct 25, 2016 2:07 pm ET

5 COMMENTS

The global growth slump has at least one silver lining: It is forcing economic overhauls in some of the worst places in the world to do business.

“In times of crisis, you can actually see an acceleration in the pace of some kinds of reforms,” says **Augusto Lopez-Claros**, who oversees the [World Bank’s flagship report, “Doing Business.”](#)

The rankings of the 190 economies can be a badge of honor or humiliation to countries around the world seeking to attract more investment. They are based on a slew of indicators gauging the business climate, including paying taxes, registering property, permitting and contract enforcement.

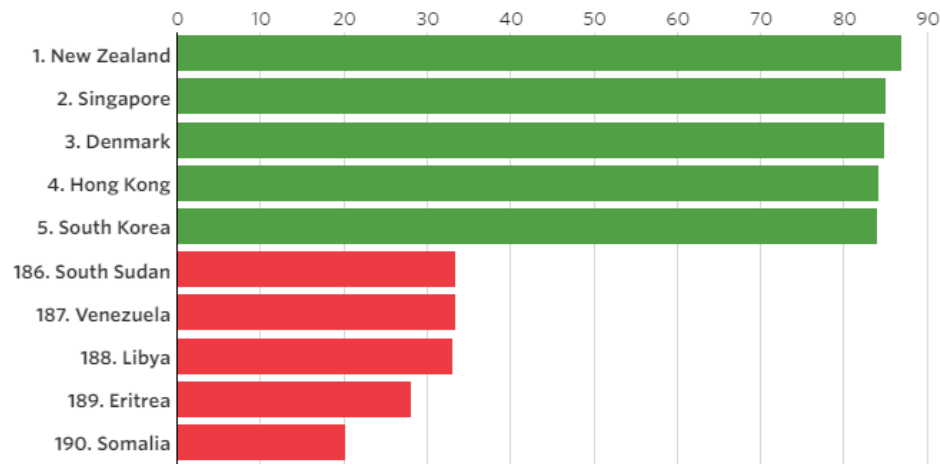
Although many nations in sub-Saharan Africa are still counted as the hardest places to start and run businesses, the region has seen some of the strongest improvements over the last several years.

“That gap has narrowed in a very significant way,” Mr. Lopez-Claros said.

Countries such as Lesotho, Kenya, Malawi, Niger and The Gambia recorded some of the biggest gains in their rankings as they inched toward creating better business environments.

### Red Light, Green Light

The best and worst places to do business, based on the World Bank’s “distance to frontier” index that measures the how far a country is from the best practice on a range of indicators.



(100=Best Practice)  
Source: World Bank

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“Governments are very interested in reforming in this area, either to attract [foreign direct investment] or because of the commodity prices,” said **Rita Ramalho**, lead author of the report.

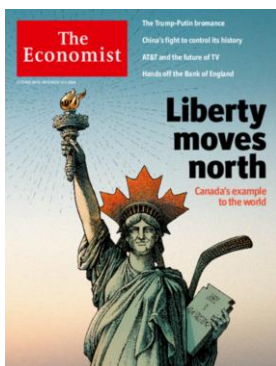
[China’s slowdown](#) and the [associated commodities-price plunge](#) hit developing countries the hardest, many of which rely on exports and commodity sales to the Asian giant.

Beyond sub-Saharan Africa, Kazakhstan, Vietnam and Indonesia have also made strong gains in the coveted Doing Business ranking as their economies have been rocked by headwinds from abroad.

“We have had 137 countries out of a total of 190 implementing 283 reforms and this is an all-time high,” Mr. Lopez-Claros said.

Over the past several years, the bank has been updating its metrics, including trying to better measure the quality of regulations.

This year, the report scores the extent to which countries are keeping women out of the economy. In dozens of countries—including many guided by Islam’s Sharia law—women face much higher hurdles to start businesses than men. Their voices might not be given the same weight in courts. They may not have the same property rights. Countries such as Iran, Pakistan, Saudi Arabia, Haiti and Egypt were docked for their [economic discrimination against women](#).



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