



Foreword

Now in its 14th edition, the *Doing Business* report demonstrates the power of a simple idea: measure and report the actual effect of a government policy.

In the summer of 1983, a group of researchers working with Hernando de Soto got all the permits required to open a small garment business on the outskirts of Lima, Peru. Their goal was to measure how long this took. I read de Soto's book, *The Other Path*, decades ago, but I was so astonished by the answer it reported that I remember it today: 289 days.

De Soto's conjecture, which turned out to be right, was that measuring and reporting would create pressure for improvements in the efficiency of government. In the foreword to the revised edition of his book that he wrote in 2002, de Soto reports that because of changes to regulations and procedures, the same business could get all the required permits in a single day.

In a letter published in the Winter 2006 issue of the *Journal of Economic Perspectives*, Simeon Djankov describes how de Soto's idea grew into this report. When Joseph Stiglitz was the World Bank Chief Economist, he selected the topic and picked the team for *The World Development Report 2002: Building Institutions for Markets*. Djankov, who was a member of this team, reached out to Andrei Shleifer, a professor at Harvard, who had done research on the effects that different legal systems had on market development. Shleifer and co-authors agreed to work on some background papers for the *World*

Development Report that would examine new data on such processes as getting the permits to start a new business that could be compared across countries. In 2003, this data collection effort yielded the first *Doing Business* report, which presented five indicators for 133 countries.

The *Doing Business* report has had the same effect on policy in many economies that de Soto's initial effort had in Peru. In 2005, it was possible to get the permits to start a business in less than 20 days in only 41 economies. In 2016, this is possible in 130 economies. This history should give us the optimism and impatience to keep launching new ideas and to keep striving for better results. The progress to date should give us optimism. The large amount that remains to be done should make us impatient.

Doing Business 2017 highlights the large disparities between high- and low-income economies and the higher barriers that women face to starting a business or getting a job compared to men. In 155 economies women do not have the same legal rights as men, much less the supporting environment that is vital to promote entrepreneurship.¹ *Doing Business 2017* gives prominence to these issues, expanding three indicators—starting a business, registering property and enforcing contracts—to account for gender discriminatory practices. But why the gender focus?

Research shows that gender gaps exist in women's access to economic opportunities. While women represent 49.6% of the world's population, they account