

# **Doing Business 2.0**

## **A Better Guide for Policy Makers**

**By**

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# Doing Business 2.0

## A Better Guide for Policy Makers<sup>1</sup>

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*In its two decades of existence, the annual Doing Business report became a flagship publication of the World Bank and one of the primary data references in the area of improving the business environment. The decision of World Bank management to discontinue the Doing Business report has presented a challenge for countless research organizations that depend on the report's data for ongoing research projects. It also poses a challenge to policy makers, as these data are one of the helpful aids in understanding and reforming business regulation. This paper proposes how an independent, academic institution could feasibly carry on the Doing Business project in a way that improves the process and the product.*

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### Introduction

Markets exhibit failures ranging from monopoly power to externalities (Pigou 1938). Governments counter these failures through regulation. However, there are significant differences in the regulation of business activity across countries according to the level of income, the legal origin and the proclivity of government towards economic freedom (La Porta et al 1998, 1999). Academic studies cover a wide spectrum of regulation, ranging from regulation on securities markets, to business entry and operations, corporate taxation, and property registration. Income per capita tends to enter these sets of analyses negatively and significantly: poorer countries regulate more. The direction of causation is unclear, however. Countries may be poor precisely because regulation is hostile to economic freedom.

The economic cycle also affects how governments regulate business activity. In his treatise *The Road to Serfdom* Friedrich Hayek argues that the abandonment of individualism and classical liberalism inevitably leads to a loss of freedom, the creation of an oppressive society, and in some cases the tyranny of a dictator, and the serfdom of the individual (Caldwell 2020). In times of economic crises societies naturally demand new protections from their governments. These protections aim to enhance security at the expense of freedom. The history of previous crises teaches us that such protections tend to remain in place long after the original purpose of regulation or state intervention has abated and sometimes lead to the path Hayek predicted.

Enter the *Doing Business* project, which measures globally the efficiency in which governments regulate economic life (Djankov et al 2003). The importance of this project lies in the analyses of determinants of freedom. As the analyses are performed both over time and across many countries, also using consistent methodology, they contribute to our understanding of the factors that prevent

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the loss of economic freedom and in fact extend such freedom both for individuals – in this case entrepreneurs – and businesses at large. These freedoms are in turn viewed from the perspective of classical liberalism as underlying the path to prosperity.

The interplay between freedom and prosperity has preoccupied practitioners and scholars throughout history. The matter was the subject of intense discussion in the post-World War II period, which witnessed a sharp increase in the number of democracies in the world – from 38 in 1970 to 99 in 2019 - as well as a rapid and steady increase in global income per capita.

The three-quarters of a century after the end of World War II have been a golden age in terms of one narrow but key measure of prosperity, real per capita income (or gross domestic product, GDP) growth. This measure of global prosperity multiplied by over 425% between 1950 and 2019, before the Covid pandemic struck.

Global trade flourished after World War II: Free and open maritime trade routes stretched around the world; the US dollar's status as the world's reserve currency has provided unprecedented stability to the global economy; and international bodies like the United Nations and the World Trade Organization have served as international forums to moderate and resolve disputes that otherwise may have devolved into conflict.

The benefits of this system have been impressive. The proportion of the world's population in extreme poverty has declined rapidly. Consistent data are available on a world scale only from the early 1980s but since then, estimates using the World Bank global poverty line of \$1.90 (in purchasing power parity) per person per day show that the fraction of world population in poverty in 2019 was less than a fifth of what it was in 1981—eight percent compared to forty-two percent.

Other prosperity indicators have improved dramatically as well. Primary school completion rates have risen globally from seventy percent in 1970 to ninety-four percent in 2019. Maternal mortality has fallen fourfold, from 600 to 140 per 100,000 live births over the past roughly 50 years. Infant mortality is now a fifth of what it was in 1970 (25 compared to 120, per 1,000 live births). These improvements in mortality have contributed to improving life expectancy, up from fifty-two years in 1970 to seventy-three years in 2019, an increase of 21 years on average.

This progress can in part be explained by the advance of human freedom overall and economic freedom, often using objective indicators to motivate reform (Vásquez et al 2021 and Gwartney et al 2021). The World Bank has done an admirable job investing in the development of the *Doing Business* methodology and collecting the data for twenty years. The project will be a significant undertaking for any academic institution or group of likeminded institutions. Such institutions will however have at their disposal all the materials and lessons learned in the initial two decades of the project. These provide for a flying restart.

In its two decades of existence, 2001-2020, the *Doing Business* project became one of the primary data references in the area of improving the business environment, along with Fraser Institute's *Economic Freedom of the World*, the Heritage Foundation's *Index of Economic Freedom*, and the World Economic Forum's *Global Competitiveness Index*. Its first annual report was published in 2003, with the data and survey respondents made available online for immediate use by researchers

(Djankov 2016). Among global indicators of the business environment, it has been estimated to hold a substantial market share.<sup>2</sup>

The *Doing Business* report was first published with five sets of indicators for 133 economies and by 2020 was covering eleven sets of indicators for 190 economies. The team that created *Doing Business* had been formed in 2001, during the writing of the *World Development Report 2002: Building Institutions for Markets* (World Bank 2001). The focus on the importance of institutions in development was chosen by Nobel Prize Laureate Joseph Stiglitz, who at the time was the World Bank's Chief Economist.

The inspiration behind the project was two-fold. First, some of the authors had previously researched the experience of centrally planned economies and documented the waste of entrepreneurial talent and resources due to overregulation. Second, in his book *The Other Path*, Hernando de Soto (1989) showed that the prohibitively high cost of establishing a business in Peru denied economic opportunity to the poor. This pattern of regulatory suppression of formal businesses was apparent in many developing economies beyond Peru.

The decision of World Bank management to discontinue the collection of *Doing Business* data has presented a challenge for policy makers, as these data are one of the helpful aids in understanding and reforming business regulation. There had been previous attempts at moving *Doing Business* outside the multinational institution once the project matures. This opportunity is now possible, should a reputable academic institution show commitment to restart the data collection and analysis, perhaps in cooperation with entities that have presence in multiple developing economies.

Twenty data projects or indices have used *Doing Business* as one of its sources of data: the Cato and Fraser Institutes' Human Freedom Index (HFI); Fraser Institute's Economic Freedom of the World (EFW); The Heritage Foundation's Index of Economic Freedom (IEF); The World Economic Forum's Global Competitiveness Index (GCI); Networked Readiness Index (NRI, jointly with INSEAD); Enabling Trade Index (ETI); Travel and Tourism Competitiveness Index (TTCI); INSEAD's Global Talent Competitiveness Index (GTCI); Global Innovation Index (GII, jointly with Cornell University and the World Intellectual Property Organization); KPMG's Change Readiness Index (CRI); Citi and Imperial College London's Digital Money Index; International Institute for Management Development's World Competitiveness Yearbook; DHL's Global Connectedness Index (GCI); PricewaterhouseCoopers' Paying Taxes 2021: The Global Picture; Legatum Institute's Legatum Prosperity Index; The Millennium Challenge Corporation's Open Data Catalog; International Civil Service Effectiveness (InCiSE) Index of Oxford University, Blavatnik School of Government and The Institute for Government. Two ratings agencies: Moody's and S&P, have used indicators from *Doing Business* in their institutional development or crisis resilience scores.<sup>3</sup>

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<sup>2</sup> Sixty-five percent share in citations in media and public fora according to the Harvard Berkman Center, "Media Cloud Database," 2017.

<sup>3</sup> Most of these projects or institutions use indicator level data. The indicator set most widely used is starting a business, followed by labor market regulation and paying taxes. These indexes typically combine *Doing Business* data with data from other sources to assess an economy along a dimension such as resilience, institutional development, competitiveness or innovation.

*Doing Business* has also informed a substantial share of the World Bank Group’s projects providing financing, advice or technical assistance to client countries on the business environment. This portfolio consisted of 676 projects representing \$15.5 billion in commitments during the 2010-2020 period. In the same period, *Doing Business* tracked nearly three thousand country-level business regulatory reforms across 184 economies (of 190 measured). These results prompted some recognition: “The Ease of Doing Business indicators are one of the World Bank’s most important contributions to research and public policy” (Morck and Shou 2018, 3).<sup>4</sup>

Academic researchers are another set of users. *Doing Business 2019* reported that there have been “more than 3,400 research articles discussing how regulation in the areas measured by Doing Business influence economic outcomes” published in peer-reviewed academic journals, 1,360 of those published in the top 100 journals and another 9,450 “published as working papers, books, reports, dissertations or research notes.” (World Bank 2018, 32). The background research papers that constitute the methodology have several thousand citations each, adding to the tally of academic use of the data. For instance, the inaugural “Regulation of Entry” paper has 5,450 citations in Google Scholar.<sup>5</sup>

A 2021 report by a panel of distinguished academics suggests ways to improve the *Doing Business* methodology. The goal of this report was stated as: “The *Doing Business* project is a unique source of comparable global data, relevant for researchers, businesses, and policymakers, and potentially of great value to inform decisions by governments and firms. However, to unleash that potential the current methodology should be significantly modified, implying a major overhaul of the project.”<sup>6</sup> The findings in this report, alongside the findings of the previous reviews of *Doing Business*, are used in this paper to propose features of an improved product.

Section 2 elaborates on the main ingredients of a *Doing Business 2.0* product. In Section 3 proposes recommendations for improving the methodology, with implementation plans for each. The possible architecture of an improved product is outlined in Section 4. Section 5 lists additional sets of indicators requested by previous stakeholders. Section 6 concludes.

## **2. Three Main Ingredients of Doing Business 2.0**

There have been periodic attempts at spinning off *Doing Business* as the project matures. By creating and developing the project the World Bank has provided a valuable public service, while recognizing that further research of the data may be better performed at an academic institution. The discussions about the possible spin-off have highlighted three main challenges in doing so: the ability of another institution to collect data globally; the ability to remain independent under pressure from governments and funding sources; and the ability of doing research and disseminating the findings in a way that benefits policy makers in developing countries. *Doing*

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<sup>4</sup> Morck, Randall, and James Chenxing Shou. 2018. “On the Integrity of the ‘Ease of Doing Business’ Indicators: Final Report.” World Bank, Washington, DC.

<sup>5</sup> The tally of references is [here](#). Last accessed June 20, 2022.

<sup>6</sup> [Doing Business: External Panel Review](#) (September 1, 2021).

*Business 2.0* has to address these three challenges to constitute an improvement over the initial product.

As regards the *first challenge*, an academic institution (university) with an established track record of research and policy analysis on regulatory reform would provide an improvement over a multilateral bank with priorities in operational lending projects. The data collection and analytical work at this university can be complemented by a partner with global network of think-tanks operating in the areas of legal and economic. The experts in these think-tanks have local knowledge of regulatory reform and the contacts to approach other local professionals in the respective fields of analysis.

A secondary question is how to recruit local partners in some of the 190 countries *Doing Business* operated, countries where the think-tank community is small and where university research may be still in its infancy. This gap can be addressed by expanding the reach of the current network of think-tanks. There is some experience in newly-created think-tanks conducting the annual business leaders' opinion survey underlying the World Economic Forum's *Global Competitiveness Rankings*. This experience can be studied to keep the initial coverage of the project, in particular in fragile and conflict-affected countries. For the analysis to be of service to policy makers and researchers, the dataset has to keep its global coverage.

The *second challenge* is to maintain independence from governments and financial sponsors. At the World Bank, there were allegations of pressure from governments to influence the data, for example in the case of Azerbaijan by "training" respondents on how to answer survey questions. Having top universities spearhead the project addresses this challenge, as universities have diversified sources of funding and apply strict ethical guidelines to the work in their research centers. The same high level of independence and scrutiny will emanate should a global network of think-tanks be involved too.

The *third challenge* for a successful start of *Doing Business 2.0* is to develop academic research capabilities as the regulatory environment evolves and the methodology needs to change. This is the area where the original product experienced the most difficulty, as few methodology changes were based on solid research. A university setting would be more amenable to the link between rigorous research and the evolution in the methodology. We return to this issue later in the paper.

A single institution is unlikely to meet all three challenges on its own. Basing the project at a university is already an improvement over the original (and thought to be temporary) setting. The researchers and data analysts at the university would benefit from the help of experts at like-minded entities who may collect data locally and participate in the improvement of the methodology.

### 3. Methodology Changes

In this section we propose several features of an improved *Doing Business* product. These features can be implemented at the restart of the project, or over the course of several years, in order to increase the credibility of the analysis.

#### *3.1 Revise assumptions about “steps” and “documents”*

The growth of online government services has aged the relevance of methodology assumptions on the number of obligatory steps, as well as the associated need for documents and time spent fulfilling these obligations. The indicators are based on some working assumptions about online services, for example counting online steps as taking half a day in starting a business.

An additional check using administrative data needs to ascertain that such services are used by the majority of businesses. Administrative data on actual usage will bridge the gap between *de jure* availability and *de facto* implementation of online business services. In some countries, this gap may be due to factors outside the functioning of the specific government authority. One example is frequent electricity shortages or internet stoppage, which limit the use of government online services.

This methodology improvement will highlight the link between technology and regulation.

#### *3.2 Include a hypothetical case of a majority foreign-owned firm*

One frequent request for expanding the methodology is to include a case study of a foreign-owned firm. This request can be accommodated by first making uniform across indicators the firm-specific assumptions and second by adding a case of a majority-owned (say at 75%) firm. Comparing the baseline case of a domestically-owned company with the secondary case of a majority foreign-owned company will illustrate the different treatment of foreign owners in the laws of the respective country. A similar extension – to a female majority owner – has resulted in substantial academic and research interest and has spawned off another World Bank annual publication, *Women Business and the Law* (Hyland et al 2020).

This addition will present the opportunity to carefully go over the case study assumptions and make them truly uniform across the twelve indicator groups. A large degree of uniformity already exists. As the methodology has developed over the 2000-2010 period, however, a fresh look is needed.

#### *3.3 Restore the Employing Workers indicator*

In 2010 the World Bank Board decided to eliminate the Employing Workers indicator from the *Doing Business* ranking, where it featured in the first seven years of the product’s development.<sup>7</sup> Yet the Employing Workers indicator has a sound research basis, with the initial Botero et al.

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<sup>7</sup> Kang, Suzan. "Labor and the Bank: Investigating the Politics of the World Bank's Employing Workers' Index." (2010).

(2004) dataset being used in nearly [3,000 academic publications](#). Restoring the indicator will provide a more accurate mapping to the environment businesses face.

There is ample academic research, often using the *Doing Business* indicators, documenting the effects of labor regulation. For example, Garicano et al. (2006) study the effect of regulations that increase labor costs when firms reach 50 workers and document their cost to be equivalent to that of a 2.3% variable tax on labor. Increased labor market flexibility in Sweden, by giving firms with fewer than 11 employees the freedom to exempt two workers from their priority list, led the labor productivity in small firms to increase 2–3% more than it did at larger firms (Bjuggren 2018). Work by Di Tella and MacCulloch (2005) shows that if France were to attain the same degree of labor market flexibility as the United States, its employment rate would rise by 1.6 percentage points, or 14% of the employment gap between the two countries.

Facing rigid employment protection laws, efficiency in business freedom is lost. Firms look for ways to meet their needs, often hiring informal workers. Large informal sectors, especially in countries with developing economies, hinder development and reduce productivity, which increases taxes and unemployment, especially among the poorer classes. Workers outside of formality not only do not enjoy health and social protection benefits, but they are less likely to move above the poverty line.

Strict labor regulation also affects the employee’s freedom to choose working hours, reducing productivity. A firm’s ability to adapt to shocks is damaged by rigid labor regulation (Almeida and Carneiro, 2009). Moreover, firms make lower investment in new product creation (Kleinknecht, van Schaik, and Zhou, 2014). Making it more expensive or restrictive to dismiss workers diverts the attention of managers from performing more productive tasks and investing time in research and innovation (Lisi and Malo, 2017). Such rules also produce smaller firm size and push the firms to relocate to areas with more flexible regulation, which in turn reduces the benefits of free trade (Almeida and Carneiro, 2009).

Further research is needed on the link between regulation and labor market outcomes during crises, for example in the wake of the Covid-19 pandemic. This research necessitates data and comparisons over time, making the case for restoration of the employing workers indicator even stronger. This inclusion also related to the third challenge listed in the preceding section: the need for research before any methodological changes are made.

### *3.4 Add an indicator (indicators) on the positive functions of government*

In addition to regulating business activity, governments provide essential public goods to the private sector in the form of transport, healthcare, schooling and communications infrastructure. *Doing Business* has traditionally focused on a narrower set of regulatory areas or the maintenance of property rights through courts. There are several exceptions: for example, the “Getting Credit” indicator has recognized a positive function for government regulation, e.g., by rewarding countries for a functioning credit registry.

A methodology has been developed for a further set of indicators on the positive function of government in the area of public procurement (Bosio et al. 2022). Many private businesses

participate in public procurement on a regular basis, particularly at the local level of procuring goods, for example, school supplies, services, for example transport, or public works, like the construction of roads or hospitals. Understanding the laws and practice of public procurement is hence a good proxy for the quality and integrity of public provision, as well as for efficient government expenditure. This initial analysis on public procurement can be the basis for a new (twelfth) set of indicators - on public delivery.

### *3.5 Measure the practice of regulation*

The *Doing Business* methodology was developed to ensure comparability across countries and over time. The questionnaires are completed annually by nearly 18,500 local contributors.<sup>8</sup> They come from both the private (e.g., lawyers, architects and accountants) and public (e.g., registrars and custom officials) sectors, and many of them work for law firms. This wealth of practical experience is channeled to convey expert judgment about a hypothetical firm and transaction. These hypotheticals are constrained on purpose to compare “apples to apples” and do not cover the full spectrum of experiences in the business environment of a given economy.

Without such hypothetical assumptions on the nature of the firm (its ownership structure, size, location and sector of activity), there will not be comparability across countries and over time. It is useful nevertheless to complement the knowledge of expert contributors with a survey on regulatory practice, using a sample of business owners and managers.<sup>9</sup> Positing a set of “in practice” questions to a representative sample of businesses would directly address the concerns about the limitations of a uniform hypothetical case study.

This idea can be implemented by the university having local think-tank partners who can organize focus groups with businesses by topic and document the changes that businesses see in the practices of government authorities. These focus groups can also use administrative data, where possible. For example, many countries maintain company registers that record the time and documents it takes to start a business. Similarly, court, tax and customs authorities’ databases can be used to crosscheck survey data. Administrative data has already been extensively used by academic researchers alongside *Doing Business* data. Examples include Kondylis and Stein (2021) on court performance; Goldstein et al (2019) on business registration; and Shleifer et al (2022) on property registration.

*Doing Business 2.0* can also use newly-available measures of regulatory outcomes. As illustration, public procurement data collected by the [Global Transparency Institute](#) show the time and cost of actual projects. The dataset comprises 1.2 million construction contracts awarded after the year 2000 in 171 countries and is annually updated (Abdou et al 2022). These data can be used to contrast with the opinion of expert respondents with the project-level information. Where significant differences arise, the data collection team can seek further clarification from respondents.

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<sup>8</sup> Table 2 in the [Data Notes section](#) of *Doing Business 2020* provides a detailed list of respondents’ characteristics.

<sup>9</sup> This complementary approach is first suggested in Besley (2015), who underscores the importance of using additional de facto measures in *Doing Business*.

### 3.6 Develop reform case studies

Developing country case studies of reform is a recommendation in previous evaluations (World Bank 2015, 2019). The essays in Warner (2019) provide an example of such case studies. Between 2016 and 2020 the *Doing Business* reports presented case studies of reform by topic, highlighting common features of reform while not getting into depth on how reform takes place and what the results of reform are. The latter analysis can be developed further by academic researchers and think-tank scholars, using the project's data for benchmarking purposes.

The case study analysis may serve as educational materials in policy schools and the government administration's own training courses. The need for such educational materials has been consistently highlighted as a prerequisite for broader support of reform initiatives. Country case studies of reform will bring significant additional insight into the reform process and impact. In particular, such studies can shed light on how regulatory change takes place, who are the proponents of different types of changes, and what the expected and actual effects of these changes are. The World Bank, with the support of the Gates Foundation, produces such case studies in gender economics, resulting in a boost to reform in a number of African economies (for example, Githae et al 2022 on Kenya).

### 3.7 Encourage research with the new data

There are anomalies and uneven patterns in the relationship between regulation and business activity. On the one hand, in all societies strict regulation for the upholding of property rights is necessary to protect citizens from other citizens and the state.<sup>10</sup> On the other hand, the latest scholarship suggests that economies may benefit from different sets of rules and institutions in their quest for economic growth. In particular, a country with high capacity in government and the private sector may need fewer formal rules, as social norms and tradition can make simple rules self-enforcing.

These findings suggest that for some indicators there is a monotone relation between regulation and business activity, while for others there may be kinks in this relation depending on the capacity of existing institutions. The original structure of *Doing Business* indicators presupposes monotone relationships with the desired social and economic outcomes. Further research is necessary to inform policy makers on where this smooth relationship breaks down. In at least one research area, that of labor regulation, studies have already pointed out uneven patterns in the relation of indicators with labor market outcomes (for example, Chatterjee et al 2015 in the case of India). These anomalies are related with the size of the informal economy, among other factors. Similar studies are possible in other areas of the project.

Such research is needed to address concerns that a “one-size-fits-all” methodology may be detrimental to the study of business regulation. A rigorous answer to this concern would be to collect as many available proxies for economic and social outcomes as possible, and study in detail the correlations between the *Doing Business 2.0* indicators and these outcomes. Where these

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<sup>10</sup> Demsetz (1967). However, if a society starts with weak rule of law, more elaborate rules may not necessarily bring about more freedom but instead be tools to punish political or business enemies (Djankov et al. 2002).

correlations are not uniform, the original methodology can be amended to reflect the new approach to understanding the effects of regulation. An initial step in this direction is Djankov et al (2022), which finds some evidence of regulatory convergence in four distinct areas of business activity over the 2005–2019 period. This convergence is most pronounced for countries in the French and German civil law tradition.

#### **4. A New Architecture**

The development of *Doing Business 2.0* depends on (1) a central unit of academic researchers and analysts; and (2) a network of local organizations that can provide the vetting of the data and analysis.

First, a central team of data and analysis experts can oversee the data compilation and publication of findings. The process of data vetting can be designed in steps. To begin with, the global sample of participating economies can be divided into sub-regions, and every year a local organization from each sub-region will rotate as the “data vetting contributor,” in addition to its role of collecting and analyzing data for its own country. This contributor will be tasked with communicating with the other participating organizations in the sub-region and having a critical look at the raw data. Second, the sub-regional contributors would provide the vetted data to the central analytical team, based at a leading university, which will perform a set of statistical tests to identify outliers in the data. Third, the results of these tests will be made available as an intermediate output to a panel of policy experts, who will determine the plausibility of changes to the data and will return back the analysis with questions to the contributor teams. As a final step, the quality control analysts will engage in a second round of checks with the participating local organizations.

The university-based data and analytical experts working on the project would not be involved in any advisory or investment projects in the countries of analysis. Furthermore, the local partners involved in the collection and analysis of data would commit to not accept government funding related to advice on the improvement of the country’s standing in the index.

The proposed architecture separates the functions of data collection, data quality control, and messaging of findings into the hands of distinct groups.<sup>11</sup> Such separation is possible to accomplish in a university setting, especially if local partner organizations are called upon to provide successive rounds of data verification.

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<sup>11</sup> World Bank (2008). *Doing Business: Taking the Measure of the World Bank–IFC Doing Business Indicators*; World Bank (2013). *Independent Panel Review of the Doing Business Report*; World Bank (2015). *Independent Evaluation Group (2015). Investment Climate Reforms: World Bank Group Support to Reforms of Business Regulations*; World Bank (2016). *Supporting Transformational Change for Poverty Reduction and Shared Prosperity: Lessons from World Bank Group Experience*; World Bank (2017) *Data for Development: an evaluation of World Bank support for data and statistical capacity*; Morck, Randall, and James Chenxing Shou. 2018. “On the Integrity of the ‘Ease of Doing Business’ Indicators: Final Report.” World Bank, Washington, DC.

## 5. Possible New Sets of Indicators

Several potential sets of new indicators have been discussed over the years, as complements to the previously published set of indicators. These ideas are possibilities for future expansions of the project, acknowledging that any such expansion would take several years of data collection and analysis.

Three areas of new data collection and analysis have been requested by stakeholders: indicators on the regulation of intellectual property rights, regulation of expropriation risk by government, and regulation of online (domestic and cross-border) trade. A previously proposed set of indicators is on corruption in dealings with the government. A sample index on disclosure of assets and income by politicians was developed in the early stages of the project but not taken up by the World Bank management (Djankov, La Porta, Lopez-de-Silanes, and Shleifer 2010).

## 6. Conclusions

Creating an improved *Doing Business 2.0* product is an exciting project. Some ingredients for success seem available and can be employed to generate ideas for the solutions to remaining challenges. There is momentum for finding such solutions, as many organizations and governments depend on data for shaping their policy reform efforts.

For this initiative to succeed, a new set of research questions can be formulated around the improved data. The intellectual basis for *Doing Business* is twenty years old, sufficient time for a stock taking exercise on what we know now and what answers remain elusive. These questions can be addressed with existing scholarship or by generating new research. In both cases, the assistance of academic researchers is essential.<sup>12</sup>

The ultimate success of the project lies in its uptake with policy makers in developing economies. This success depends on the quality of the improved product, but also on the speed with which this improved product can be brought into the hands of policy makers and their advisers.

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<sup>12</sup> For example, Daron Acemoglu and co-authors have a line of relevant research on the role of institutions in development. Ian Vásquez leads a research project at Cato Institute on the origins of human progress, with several papers relevant for the *Doing Business* restart.

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