

# **Uses and Abuses of *Doing Business* Indicators - Comments**

**USAID Economic Growth Officers Workshop**

**10/17/07**

# Uses and Abuses of *Doing Business* Indicators

Abuses

Potential

Impact

# Uses and Abuses...

## Abuses:

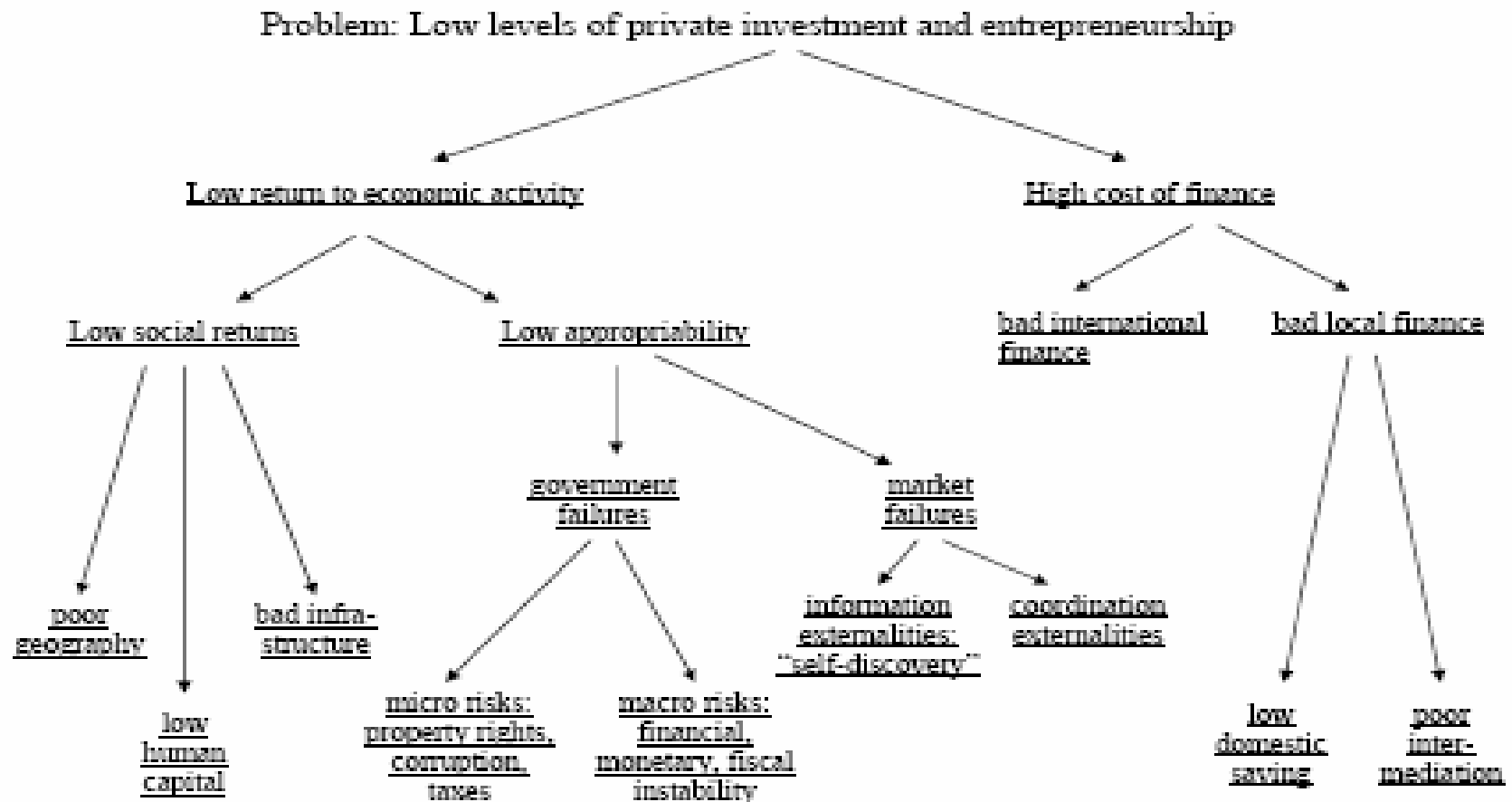
- Failing to address the underlying problem
- *Prioritization*
- Errors in interpreting score

# Augmented Washington Consensus List

Original Washington Consensus	"Augmented" Washington Consensus the previous 10 items, plus:
<ol style="list-style-type: none"> <li>1. Fiscal discipline</li> <li>2. Reorientation of public expenditures</li> <li>3. Tax reform</li> <li>4. Financial liberalization</li> <li>5. Unified and competitive exchange rates</li> <li>6. Trade liberalization</li> <li>7. Openness to DFI</li> <li>8. Privatization</li> <li>9. Deregulation</li> <li>10. Secure Property Rights</li> </ol>	<ol style="list-style-type: none"> <li>11. Corporate governance</li> <li>12. Anti-corruption</li> <li>13. Flexible labor markets</li> <li>14. WTO agreements</li> <li>15. Financial codes and standards</li> <li>16. "Prudent" capital-account opening</li> <li>17. Non-intermediate exchange rate regimes</li> <li>18. Independent central banks/inflation targeting</li> <li>19. Social safety nets</li> <li>20. Targeted poverty reduction</li> </ol>

Rodrik, 2006

# Growth Diagnostic



Source: Hausmann, Rodrik, and Velasco (2005).

# Uses and Abuses...

## Potential

- Donors
- Reformers

## Impact

# Indicator Scorecards

