

Cooking the Books 1: Doing business, the World Bank way

The World Bank exists to oil the wheels of capitalism: to make funds available for investment and various infrastructure projects. Basically it tries to ensure that things run as smoothly and predictably as possible, and always in the interests of the currently rich and powerful. Of course, this being capitalism, things do not always go as planned.

One of the ways in which the World Bank seeks to serve capitalism is by providing information about investment in different countries. It runs a website, <http://www.doingbusiness.org> [1], which gives "objective measures of business regulations and their enforcement", so making it easier for capitalists to know the pitfalls of investing in various parts of the world.

The data on the site cover everything from starting a business to paying taxes, enforcing contracts and procedures for bankruptcy. One of the topics dealt with is employing workers, where the indicators, as they are termed, are how difficult it is to hire a new worker, restrictions on expanding or contracting the number of working hours, the difficulty and expense of dismissing a redundant worker and their costs (expressed in weeks of wages).

So we learn that the USA gets a score of zero for difficulty of hiring and rigidity of hours, and a redundant worker costs nothing (!) in terms of firing costs. The UK has higher scores, including 33 weeks' wages as the cost of dismissing a redundant worker. Germany has much higher scores on all these, and 66 weeks' wages as the cost of dismissal. Note that in all cases a higher figure means 'more rigid regulations', so low scores are good as far as the World Bank is concerned - for instance, the US has little to stop an employer cutting or increasing working hours. Russia has a mixture of scores: zero for difficulty of hiring but nearly as high as Germany for rigidity of hours.

From a working class point of view, however, the real issue is not how reliable the scores are or how they differ among continents and countries. Rather, the crucial thing is what they reveal about how the bosses view you and me. We aren't people with families and needs, rather we are just another aspect of doing business.

The ease of acquiring a license or obtaining credit is put on a par with how easy it is to alter our working hours or how easy and expensive it is to dismiss us if we become redundant, i.e. no longer able to produce profits in the way that is required.

For capitalism, members of the working class aren't really human beings, just costs of production, cogs in the great wheel of making a profit and keeping the bosses in the style to which they have become accustomed. A society which is based on production for use will be centred around people, around satisfying our needs as both producers and consumers, as parents and friends. Then we can say goodbye to the World Bank and their offensive economic scores.

Source URL: <http://www.worldsocialism.org/spgb/socialist-standard/2000s/2006/no-1225-september-2006/cooking-books-1-doing-business-world-bank-way>

Links:

[1] <http://www.doingbusiness.org/>