Example of report on business kind of article

Technology, Development

The article by Robert Zoellick emphasizes on the importance of the World Bank as an instrument to “ use finance to tackle global problems” and develop third world countries. Since its foundation the aim of the World Bank Group was to combat consequences of war and to provide assistance to the developing countries. Zoellick looks back at the history of the World Bank, mentioning challenges on the way of this institution. During the course of establishing of a free enterprise economy and the diffusion of private capital, the World Bank had not been only issuing loans, but fostering growth and overcoming poverty.

Since the World Bank is still a bank, stakeholders have bias opinion about it. However, in a long run it holds a very important mission of increasing and modernizing multilateralism, globally shared responsibilities and economic sustainability. Zoellick doesn’t mention negative areas of its influence. In a long run, stabilizing of national economies and aid from rich to poor is beneficial towards global development.

The World Bank plays a vital role in business development, especially in developing countries. By issuing loans from shareholders’ fees to the governments this institutions aims to build market infrastructure and boost business environment, which in its turn stabilizes economy. Financing of small and medium-sized companies is very beneficial, since they are the pillars of country development. However, there are also drawbacks in loan programs, which can lead to uneven contribution of resources and taking advantage of developing countries.

Since this article is about the World Bank, it tackles many economic principles. For instance, the focus on different needs and identification of issues is about rationality. The institution guides choices or decisions of world leaders towards sustainable development. The Bank is also aiming at minimizing costs and maximizing profit, because it issues loans only when it is relevant and can be of use to the country development.

Works Cited

Zoellick, Robert B. " Why We Still Need The World Bank." Foreign Affairs 91. 2 (2012): 66. MasterFILE Premier. Web. 18 Apr. 2012.

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Why We Still Need the World Bank

Looking Beyond Aid

IN 2007, the World Bank was in crisis. Some saw conflicts over its leadership. Others blamed the institution itself. When the International Bank for Reconstruction and Development, the cornerstone of what became the World Bank Group, was founded in 1944, poor and war-torn countries had little access to private capital. Sixty years later, however, private-sector financial flows dwarfed public development assistance. " The time when middle-income countries depended on official assistance is thus past," Jessica Einhorn, a former managing director of the World Bank wrote in these pages in 2006, " and the IBRD seems to be a dying institution." In roundtable discussions and op-ed pages, the question was the same: Do we still need the World Bank?

I took the helm of the World Bank in 2007, bringing with me a different vantage point, gained from historical perspective, personal experience, and my sense of the international landscape: that institutions matter. The creators of the Bretton Woods multilateral system had designed an international economic architecture to deal with the causes of the global financial breakdown in the 1930s and with the economic and security problems they thought would follow World War II The World Bank was part of that framework, which covered monetary and currency issues, trade, investment, development, and the reconstruction of broken states.

In 2007, those challenges remained, although the conditions were vastly different. The rise and diffusion of private capital and free enterprise around the world now offered developing countries a great opportunity Yet that did not obviate the need for the World Bank, because it was never simply about loans and grants: its role has been to contribute to the development of market economies in an open international system -- fostering growth, opportunity, and hope and overcoming poverty within a better political and security order.

Not only had the world changed, but the World Bank had changed, too. It now encompassed four policy and financing arms: the IBRD; the International Development Association, or the (the bank's special fund for the poorest 79 countries); the International Finance Corporation, or its (its private-sector arm); and the Multilateral Investment Guarantee Agency (which offers investors insurance against political risk).

To accomplish its mission, the World Bank needed new directions, firmer guidance, and better execution. It had to adapt to shifts in economic influence, with emerging markets becoming new economic engines and development no longer being about a North-South hegemony. In developing countries, it needed to assist the private sector -- whether investors from abroad or companies at home -- to clear away obstacles to entrepreneurship. It needed to foster inclusive and sustainable growth, and shared responsibilities, within a changed international system. The job for our leadership team was to point out the new directions, build support and partnerships, translate the overarching vision into specific actions, remain alert to opportunities to innovate, and execute, execute, execute.

Before long, the institution was shifting from debating existential questions to asking new, practical ones. What could it do to promote food security and better nutrition in the face of rising food and fuel prices? How could it help China complete its transition to a market economy and to a growth model less dependent on exports and investment? How could it help countries in the Middle East meet the demand for jobs today and build sustainable political economies in the future? What could it teach cities dealing with climate change?

Communicating this new mission has remained a challenge. One of the problems of the World Bank is that it is called a bank. Most people associate banks with lending money (at least they have until recently), but financing is only one part of what the organization does. When it is most effective, the World Bank shares knowledge; develops long-lasting markets, institutions, and capacities; and offers diverse financing (whether it takes the form of equity, guarantees, loans, grants, or risk management). Combining all three elements, the bank can improve lives and countries.

These were the challenges before us in 2007. In a larger sense, the World Bank was one part of a bigger strategic question: How should the United States and others in the world modernize multilateralism? The world had inherited its regimes and institutions from the " Wise Men" who created them after World War II; after the Cold War, multilateralism was expanded but only slightly retooled.

Since 2007, the international economy has witnessed tectonic shifts and a reordering of power relationships as it has struggled to recover from the greatest blow since the 1930s. Developing countries have provided two-thirds of all economic growth over the last five years, helping compensate for the stumbling industrialized world. Developing countries have also become the source of economic ideas, development models, investment, and even foreign aid The institutions, national and international, designed for the old order have been straining at their seams to accommodate this new dynamic.

Today, some of those who see only the weaknesses and failures of multilateral organizations advocate abandoning them altogether. But the world s multilateral bodies offer a thin but vital tissue connecting sovereign nations that pursue common interests. The pragmatic approach, then, is to make these institutions, with all their imperfections, work better. Over the past five years, the World Bank has customized its services to solve problems for diverse developing clients in the public and private sectors; expanded its capital base and innovative financing tools; emphasized the importance of good governance and anticorruption efforts; democratized development through openness and transparency; and updated its representation and operations to increase the voice and responsibilities of developing countries. Although the bank has made progress on all these fronts, it can -- and should -- do much more.

WORKING FOR CLIENTS

DEVELOPING COUNTRIES are the World Bank's clients -- not the objects of old " structural adjustment" policies. This notion may seem obvious, but it represents an important shift in mindset. The bank should be a seeker of solutions, not a purveyor of prescriptions. If the best textbook solution does not fit the client's political economic context, the bank has not helped solve the problem. At the same time, the bank's experts need to be able to share knowledge about how other countries are solving similar problems. As one senior Indian official told me, " I don't need another expert on India. I've got more than a billion of them. I need world-class experts on pension systems, public-private infrastructure ventures, and educational attainment." Finance alone is rarely the answer.

Clients have vastly different needs. Countries struggling to break out of cycles of violence, poor governance, instability, and poverty need much more than development theories. During my time in the U. S. government, I saw how the fields of security, economics, and diplomacy often worked together fitfully in countries struggling with conflict. The World Bank can help connect these disciplines. In 1944, the " R" in IBRD stood for the reconstruction of Europe and Japan; today, it represents the World Bank's work in such troubled places as Afghanistan, Haiti, and Liberia.

Middle-income countries -- Brazil, China, India, Indonesia, Mexico, Turkey, and others -- face entirely different problems. These countries, which are still home to two-thirds of the world's population living on less than S2 a day, have stark development challenges of their own. At the same time, they are playing an increasingly important role in the world economy and in the development of other countries. Their actions will be indispensable to crafting sustainable solutions to transnational problems, whether they involve health, trade, the environment, or financial integration. The bank needs to not only assist middle-income countries but also share their experiences with others and encourage them to assume greater international responsibilities.

An early challenge revealed the bank's new problem-solving approach. At the end of 2007, food prices surged. Soaring fuel prices exacerbated the stress. Some World Bank economists, thinking in aggregate terms, said that returns from high commodity prices would allow most countries to offset the danger. Others suggested that the problem would be best handled by humanitarian agencies, not long-term development institutions. But tens of millions of poor people had no cushion to soften the blow. Families went without meals. Farmers could not get the inputs they needed. Food riots broke out. It made no sense to speak of the long term unless populations and governments could address the short-term crisis.

The World Bank moved swiftly, working with UN agencies to set up the Global Food Crisis Response Program and creating a rapid financing facility to support farmers. At the same time, higher prices and greater demand for farm products from growing populations offered an opportunity to promote growth if the bank could help boost productivity and production. Today, the bank's crisis program has helped 40 million vulnerable people in 47 countries. Its investments extend across the agricultural value chain, involving research, property rights (including for female farmers), seeds, irrigation, fertilizer, storage, and marketing -- always encouraging private-sector development. The bank's financial expertise can help farmers and food buyers manage risks through weather derivatives, crop insurance, and futures markets.

When the food and fuel crises were overtaken by a global financial crisis, the World Bank mobilized more than $200 billion of financial commitments to support developing countries, disbursing much of it rapidly. Equally important, it addressed specific market breakdowns by expanding trade finance, recapitalizing banks in developing countries, and purchasing distressed assets. It cooperated with Australia, Japan, and the Asian Development Bank to offer Indonesia $5. 5 billion to draw on if the conditions there worsened; the backstop's very existence allowed the Indonesian government to spend more to counter the downturn and assured investors of its ability to fund its expansionary budget. Working with the European Bank for Reconstruction and Development, the European Investment Bank, the European Commission, and the International Monetary Fund, the World Bank announced that it would provide up to $25 billion to encourage banks in the EU to keep credit flowing to eastern Europe.

The bank is also working with clients on long-term investments to lay the foundations for recovery, focusing on three areas. First, it is investing in infrastructure to help create jobs, increase productivity for tomorrow, and raise demand for machinery and services, including from developed countries. Second, it is fostering safety nets to protect the most vulnerable. Sharing lessons from Brazil and Mexico, the bank has helped over 40 countries start conditional cash-transfer programs, which pay poor families that keep their children in school and get preventive health care. Third, through the World Bank has extended financing to the private sector, especially to small and medium-sized businesses and microfinance institutions. This customized approach is a far cry from the plain vanilla lending of the past. At times, the bank must say no to clients that refuse to meet standards on and safeguards regarding corruption, the environment, and governance. Yet the vast majority want to upgrade both the quality and the quantity of their growth.

EXPANDING FINANCIAL INNOVATION

To RAISE money and make effective investments, the World Bank must produce results, broaden its base of financial support, and offer its clients innovative financial tools. Every three years, the bank needs to replenish its fund for the poorest countries, the IDA. Even now, during a time of financial limitations, the World Bank's shareholders -- its 187 member countries -- decided that the institution's priorities and performance warranted first-rate financial support. In 2007 and 2010, two record-breaking replenishment efforts raised more than I90 billion. In 2010, the shareholders also backed the IBRD'S first capital increase in more than 20 years, enabling the institution to meet its clients' needs in a time of crisis by issuing AAA-rated bonds.

These funding packages depended on making the " responsible stakeholder" concept for emerging economies -- the idea that they should assume more responsibility along with their growing power -- work in hard, financial terms. Developing countries have been playing an increasingly important role: they contributed more to the two replenishment efforts than ever before and provided more than half of the IBRD'S capital increase. The IBRD and the IFC earned revenues each year, which they used to build capital, to cover the costs of their administrative budgets (which the bank kept flat in real terms), and even to make multibillion-dollar contributions to the IDA. The countries that received the IDA'S investments supported fundraising by sharing the World Bank's focus on results and accountability, including through the use of new lending tools that connect payments to specific achievements.

There is room for more innovation. With adjustments in the terms offered to recipients and through the flow of repayments from them, the should move toward greater self-sustainability. Just as important, there are huge opportunities for the World Bank to cultivate private investment. Many countries in Africa have enjoyed high growth rates for a decade. They are taking steps to foster regional integration and infrastructure, and the bank is working with them to improve their business and investment climates. The bank's Doing Business report, for example, enables countries to assess how hospitable they are to small enterprises.

In 2009, the IFC created the IFC Asset Management Company, which adds to the IFC'S traditional model of raising money in bond markets and then investing it. The AMC taps the substantial financial resources held by sovereign wealth funds, pension funds, and other institutional investors and channels them to profitable investment opportunities identified by the IFC. The AMC now totals over $4 billion, almost $3 billion of which comes from outside investors that have had little exposure to Africa and other less recognized emerging markets. For now, these investors are relying on the IFC'S strong track record of combining development with returns. Over time, their ranks will expand as they become more familiar with these growth markets.

The World Bank has taken the lead in developing novel ways to use finance to tackle other global problems. Encouraged by former U. S. Treasury Secretary Henry Paulson, the bank raised over $6 billion from governments for new " climate investment funds" to help countries improve energy efficiency and technology, lower their emissions, and protect themselves against climate change. These funds have mobilized about $50 billion worth of projects in 45 developing countries. As negotiators debate what a UN " green fund" might look like, the World Bank already has one up and running. The bank has also brought financial innovation to bear on plans to develop medicines, protect wildlife, lower the costs of humanitarian food and supplies, and create natural-disaster insurance.

The bank's approach is to " crowd in" others. The bank has multiplied support for projects and benefited from each partner's comparative advantage. It has deepened its ties with regional development banks (including several Arab funds and banks), private investors, governments, and foundations. The for its part, can work with commercial banks and others to share risks, for example, by keeping trade finance flowing through operational partnerships with banks. The IFC is also committing around $3 billion through about 180 private equity funds in developing countries to build markets through which investors can supply longer-term risk capital to owners of local companies. Over time, the World Bank aims to build market infrastructure and experience, whether for local currency bond markets, equities, or financing for small and medium-sized companies.

PROMOTING GOOD GOVERNANCE AND PREVENTING CORRUPTION

PROMOTING GOOD governance and combating corruption are an integral part of development. When I arrived at the bank, its anti-corruption work was mired in frustration, suspicion, and conflict. An independent review panel headed by former U. S. Federal Reserve Chair Paul Volcker provided an invaluable " wiring diagram" to enable the bank's integrity staff to work more effectively with field operators, clients, donors, and the bank's own board of executive directors.

Yet the bank needs to do more than just investigate, prosecute, and penalize those who engage in fraud and theft. In many resource-rich countries, the primary challenge is for the government to use income wisely, counter corruption, and broaden the benefits of growth. Applying its experience, the bank needs to implement corruption-prevention measures, improve transparency, and involve civil society in supporting good governance. It also must help governments -- increasingly, at the subnational level -- strengthen financial management, procurement systems, auditors, and other checks.

The World Bank will need new tools to break through harder obstacles. In 2010, the bank pushed through an agreement with the regional development banks that makes sure that individuals and companies found guilty of stealing from one of these banks are punished by all. The bank's integrity unit has introduced settlements for the guilty that combine sanctions with restitution payments and contributions to anticorruption groups. The Stolen Asset Recovery Initiative is assisting governments in recovering funds stolen by leaders who looted their countries' Treasuries.

The bank also refers cases to national criminal authorities, and although governments exercise prosecutorial discretion, those that consistently fail to prosecute will jeopardize their relationship with the bank. To support the investigators, prosecutors, judges, and others who take on this often dangerous work, in 2010 the bank set up the International Corruption Hunters Alliance, a network of more than 200 anticorruption officials from 134 countries. The bank is also developing a fund to assist local citizens and civil-society groups that support accountability.

DEMOCRATIZING DEVELOPMENT

THE WORLD BANK does not have all the answers. When making decisions that can have an enormous impact on people's lives, it must listen to those closest to the issues. One of the many messages of the crowds that shook the Middle East in 2011 was that global economic freedom must be combined with good governance, citizen voice, and social accountability. Inclusive and sustainable development depends on shifting from an elite, top-down approach to one that democratizes development. This means giving people the tools to gather data and better understand development issues, along with opportunities to share insights. Institutions resist opening up. Information is power. Opening up means revealing mistakes and addressing critics, which is difficult, but it ultimately makes institutions more effective. In the case of the World Bank, making the organization accessible improves performance and shows people what the bank does and how it works. Transparency is the best antidote to conspiracy theories.

In 2010, the World Bank rolled out a new access-to-information policy, which releases vast numbers of documents and gives the public more information than ever before about the bank's projects, its analytic and advisory activities, and the proceedings of its executive board. Modeled on freedom-of-information programs in India and the United States, the policy marks a groundbreaking change in how the bank deals with information and is the most extensive such policy of any multilateral organization.

The Open Data Initiative may turn out to be even more important. Under this program, the bank is making thousands of data sets freely available to anyone with an Internet connection. Anyone from a Ph. D. student in Australia to a farmer in Kenya can now analyze the bank's data. In 2010, the Apps for Development competition encouraged software developers around the globe to come up with new uses for this wealth of data, and World Bank researchers are building software applications to further increase the data's accessibility. The bank is also creating an " integrity app" to give citizens online access to information about the bank's projects and a means of instantly reporting corruption relating to them. The bank plans to work with communities to map their own social infrastructure: -- such as health clinics, schools, and water sources -- so villagers can hold officials to account. The next step is to allow people to use hand-held devices to let the bank know, from any location, what is really going on with its projects.

All these programs represent a very different model from the " bank knows best" attitude of the past. Recognizing the World Bank's efforts, last year the organization Publish What You Fund ranked the first among 58 multilateral and bilateral development agencies for transparency.

A MORE REPRESENTATIVE BANK

FINALLY, AS developing countries rightly demand a bigger say in how the world is run, the World Bank must reflect this change. In 2010, the bank increased the representation of developing countries on its board of executive directors from 44 percent to just below 50 percent. But since the board rarely votes, the addition of a new board chair for sub-Saharan Africa was probably more important, adding another voice around the table. Some countries advocate that control be split 50-50 between developed and developing countries. This preoccupation raises thorny questions: Which countries belong in the " developing" category? As more countries become " developed," should 50 percent of the votes still be reserved for the remainder? Should voting power also reflect countries' enhanced contributions to the or other funds? Do these divisions reinforce a North-South logic that reflects an old paradigm?

The bank management's aim has been to base voice and representation on how the bank does its work, starting with treating clients with dignity and respect and better reflecting the bank's membership in its work force. It helps to be local: offices in more than 100 countries bring staff closer to clients and other shareholders. The bank's employees come from 167 countries, and nearly two-thirds of its staff members come from developing and transitional states. Its chief economist, the Chinese scholar Justin Lin, is the first person from a developing country to hold that position. Fifty percent of the bank's senior executives are now women, and about 45 percent of its senior executive hires come from developing countries.

The World Bank is also gradually expanding the global footprint of its efforts to share knowledge. It has built a center in Nairobi that assists post-conflict countries and a hub in Singapore that focuses on urban and public-private infrastructure development. As these institutional changes reflect, development today is as much about knowledge as lending, and knowledge needs to flow south to south, east to west, from the grass roots to the corridors of power, no longer limited by the old hierarchies.

BEYOND AID

MY EXPERIENCE before coming to the World Bank led me to place a premium on results. The focus on outcomes may seem obvious, but public policy assessments are often driven by intellectual debates, political positioning, and current ideological fashions. International organizations in particular can become so self-absorbed with process and discussions that they overlook the vital role of effectiveness. A focus on practical outcomes is especially important in public organizations such as the World Bank, where checks and balances and procedures and committees can stymie initiative. Accomplishments build morale, support, accountability, and legitimacy.

The bank has made a concerted effort to become faster and more flexible. Yet there is much more to do. Executives need to help their teams connect the dots between the concerns of various stakeholders (about safeguards, sound procurement practices, governments' cooperativeness, and other issues) and the country counterparts whose problems they are trying to solve. They need to continually learn and improve, without letting process become paralysis.

Over the past five years, the World Bank's efforts to modernize have been part of the larger drive to modernize multilateralism. That push reflects a world economy shifting toward multiple poles of growth, an evolution that will boost opportunities, livelihoods, and innovation. At the same time, the world will need a healthy multilateral system to encourage more countries to tackle common concerns with increased shared responsibilities.

Over time, the World Bank's aim should be to help countries move beyond aid. There will always be a need for humanitarian aid, and for some time to come, poor and conflict-riven countries will require development assistance. The goal, however, should be to get past dependency. The World Bank should help developing countries create the conditions -- through public health, education, and nutrition, as well as financial investment -- that stimulate business, jobs, productivity, and links to global supply and logistics chains. It can assist with better governance, the rule of law, economic freedom, environmental sustainability, and social accountability. All countries, meanwhile, should open their markets to developing countries. And all countries should tap the energies and genius of all their people, especially girls and women, who represent an emerging source of growth everywhere.

Much of the World Bank's history has been associated with the Third World. The Third World is an outdated concept. But development is not. In fact, lessons of development -- just like principles of sound economics -- are increasingly applicable to all countries. Today, the world urgently needs to move beyond the economic crisis and lay the foundations for a world beyond aid. To do so, the world still needs the World Ban

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