

World Bank Group President Jim Yong Kim's Q&A at Georgetown University

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World Bank Group President Jim Yong Kim
Q&A moderated by Carol Lancaster, Dean of School of Foreign Services & Professor
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Transcript

DEAN LANCASTER: Dr. Kim has given us a very inspirational and wide-ranging presentation and put a lot of issues on the table.

At his request, and with our very strong support, we would like to give students a chance to ask any questions or make any comments that you might like. There is a microphone right here in the middle of the corridor. Please line up. We have about 15 minutes or so for questions.

And when you do ask a question, please say your name and where you're from. So...

DR. KIM: Go ahead.

QUESTION: Thank you very much for speaking here today. My name is Aldon Leclaire [phonetic]. I'm a sophomore at the School of Foreign Service here at Georgetown. I was wondering if you could talk more specifically about the strategies that development groups like the World Bank can use to combat poverty in countries wracked with conflict or countries under autocratic regimes.

How exactly can you combat poverty in countries, say, like North Korea, where you have leaders that won't work with international organizations or countries like Somalia, where there is barely a government with which to work.

DR. KIM: Thanks very much for that question.

First of all, both my mother and father came from North Korea. And the developments, recent developments, are extremely concerning, especially to me. And the situation of poverty there is just one that we are very concerned about, but they're not a member of the World Bank Group. So, unfortunately, we can't work in North Korea, but we're watching very carefully.

More generally, though, what we found is that although every fragile and conflict-affected state is different, we found that there are similarities across these states that are understandable.

And so, for example, in Nairobi, Kenya, we actually have a hub which is focused specifically on helping fragile and conflict-affected states, and I met with that group, and it turns out that there are people within the Bank who, as their specialty work in these areas. Every country is different, but what we found is that, as part of what we're calling the science of delivery, there are specialists who are much more effective at getting things done in these places.

And so, what we're trying to do is, in context where there are regimes that you've called autocratic or corruption, our mission is still to do everything we can to provide basic services, food, education, health care, also jobs and economic growth to the poor people of those countries. So, we do our best to work with every single country.

What we're learning, though, is that there are some lessons that are rising from decades of work in fragile and conflict-affected states that we must bring together.

I think before, if you were a World Bank staff member who had been around for a long time and knew everybody, you could just make phone calls and get all the people to come to wherever you're working, but what we're doing now is we're trying to make this much more systematic so that anybody working in a fragile or conflict-affected state can call the hub in Nairobi and get very focused, very experienced help in a kind of timeframe where we can make the biggest difference. We feel that working in these countries is going to be one of our real specialties, and we're looking forward to developing the science of delivery even more over time.

QUESTION: Hi, Michael Gravius [phonetic], I'm a sophomore in the School of Business. I know you spoke about how you're working with various companies and governments and everything on fighting poverty, and I was wondering, I guess, what suggestions you would

have for the younger generation, you know, for the people, in the future, will probably be running all these organizations but yet are not.

DR. KIM: Yeah, you know, somebody asked me--it was actually--I was meeting with a group of high school students and they asked me a great question, and they said, in the last 20 years, what's the one opinion that you had or understanding that you have that's changed the most. And the one--my answer was immediate, it was the importance of the private sector.

So, I was just in India. They have a one trillion dollar infrastructure deficit over the next five years, and both the Prime Minister and the Minister of Finance told me, and probably 53 percent of it is going to be tackled with public funds, but 47 percent has to come from the private sector.

So, one of the great strengths of the World Bank Group is we have a private sector arm. We also have MIGA, the Multilateral Investment Guarantee Agency, that provides political insurance for companies, for example, that are investing in countries.

We feel that if we work together across public, private, and even providing guarantees, we can make a huge difference.

What that means for you is that, who knows, I gave you the data: The high-income countries are going to grow at about 1 point 2, 3 percent each year, whereas the developing country economies are going to grow at 5.5 percent.

So, the growth opportunities for business are in the developing countries, and when countries like India say we have a trillion-dollar deficit, half of it has to be made up through private sector investments, I think that spells opportunity for people like you.

QUESTION: Good morning, Dr. Kim. Thank you for coming to speak with us today. My name is Ankel Gadim [phonetic], a sophomore of the School of Foreign Service here. And during your speech, you talked a lot about cooperation among donors, and I actually wanted to talk to you about the 2005 Paris Declaration on Aid Effectiveness, and as of 2010, only 1 out of 13 indicators have been met. And while partner countries did a good job of taking ownership of their own development goals, we haven't really seen this cooperation and enlightenment by donors.

So, I was wondering how you see that changing over the next couple of years and possibly what the World Bank may do to increase that alignment and cooperation.

DR. KIM: Well, let me just give you a very concrete example.

Administrator Raj Shah and I have now already done two sessions where we just said, "Look, we've got to send a very strong message to our teams that we expect and will help them work more effectively together."

So, the first session we did was on health care in four countries, and we brought the USAID and World Bank teams working on health in those four countries and sat them at a big table and Raj and I sat across from each other, and we sat there and said, "Okay, what have been your successes? Where have you been failing? And what can we do, sitting right here at this table, to make it easier for you to work together?"

And then, more recently, we did another session on agriculture, and it was amazing. They were doing problem solving sitting right there at the table. One group had actually solved the problem that the other group was facing. They exchanged information and Raj and I were able to take decisions right there that help them work more effectively together.

I'm going to Madrid, and this was something I suggested to the Secretary-General. We have meetings every six months where all the heads of UN agencies get together and they're great meetings, but what I said to the Secretary-General is I would like to turn those meetings into work sessions where we do the same thing, where we sit and say, "What's going on, for example, in these three countries around the issue of achieving the MDGs. And if there are obstacles that are being created by our agencies, we will make decisions right there to remove them.

So, all the--Paris principles were exactly right, but often you have to find the right chemistry between people to make it happen.

I have a very close relationship with the Secretary-General. I've known many of the heads of the UN agencies for years, and what I am seeing is an altogether new and exciting commitment to finally making it work on the ground.

Now, we can be very friendly with each other, but unless it translate into the field, it's difficult. So, Raj and I, for example, we've been picking issues in countries randomly. So, nobody in the world knows which countries will be next and which issues will be next, which

means that, for everybody, the message is clear and we think it's beginning to have an impact.

QUESTION: First of all, thank you so much for coming. My name is Angela. I'm a graduate student at the Georgetown Public Policy Institute. I'm from China. And I truly love the story--the Chinese lady's story you just mentioned, and as a matter of fact I have very strong passion in social entrepreneurship and innovation.

So, my question for you is that, do you think it is time for the World Bank to put more resources into the development of private sector and what kind of programs is the Bank implementing right now to make it happen?

DR. KIM: Well, the private sector work of the World Bank has been growing very, very quickly, and so now it is a third of our overall portfolio.

And what we know is that, when the World Bank works as a group, together, for example, in Myanmar, we're right now--IDA, our concessional loan window, IFC, and MIGA, all three are working together to build an integrated energy platform that I think is just going to have tremendous impact.

We are--this is the great, unique strength of the World Bank Group. We have concessional loans, we have loans to develop--to middle class developing countries, we have private sector, we have guarantees. If we can get those three working together, I think we can have a tremendous impact.

And also, as I said, the one thing that's changed for me over the last 20 years is just this profound understanding of the importance of the private sector.

But China--the Zhang Yan is a very funny story, because what happened was, when I went to visit her, of course the press was there, so she became very famous in Sichuan Province, and her business has tripled since I visited her, right?

[Laughter.]

DR. KIM: So, this is the first time that I truly understand what it means to be President of the World Bank.

[Laughter.]

DR. KIM: Thank you.

QUESTION: Thank you.

DR. KIM: Sure.

QUESTION: Hi, good morning, Dr. Kim. I Gabriel Tollelo [phonetic], I'm from Mexico, and my question is, in a couple of months, the G-20 members are going to gather to discuss a lot of topics including youth and unemployment, and I was wondering what advice would the World Bank Group give to those members.

DR. KIM: Well, we've been--you may know the G-20, it's one--again, another one of the fantastic perks of this job is that I get to meet with the top 20 finance ministers and central bank governors almost four, five times a year.

So, we just met in Russia a few months ago and we'll meet again. And so, the topics that we've been talking about have been very similar, and one of them has been access to financing.

So, for poor people and poor countries, access to find the basic, basic financial services is a huge issue. People don't have a bank account. And as payments become much more electronic, people need access to financial services. They also need access to long-term capital.

You know, this is one of the issues that we're really focusing on, because in order for us to be successful at job creation, the private sector companies have to have access to capital that's reliable. So, this is, again, a real sweet spot of the World Bank. We're now looking at developing what we're calling a global infrastructure facility which will use both public and private sector money to invest specifically in infrastructure.

Our new Chief Financial Officer, Bertrand Badre, is here and he hasn't yet authorized me to talk about it, but too bad. I'm talking about it, anyway.

[Laughter.]

DR. KIM: I think it's a very exciting idea. This notion that we can help bring together public and private resources to make the kind of investments in infrastructure, along with our member country partners that will be required in order for the jobs to be created. So, these

aren't things that happened magically. We know the fundamentals. We know what we've got to do in these countries. I think it's something that the G-20 finance ministers know about because they keep asking us to talk about access to finance as a major issue. So, we'll talk about it again.

Yeah.

DEAN LANCASTER: Dr. Kim, I know you have a tight schedule. I wonder if we might just go over--how are we doing?

DR. KIM: Let's keep going. These questions are great, by the way.

DEAN LANCASTER: I'd really like to end with maybe the opportunity for a few people in the front row to ask some questions.

DR. KIM: Sure, that would be great.

DEAN LANCASTER: So, if you just give the signal.

DR. KIM: Okay.

DEAN LANCASTER: Thank you.

QUESTION: Good morning. Thank you so much for your remarks. I'm Melinda Herring and I'm a recent grad of the Democracy and Governance Program at Georgetown. I was really heartened by your remarks about fragile states, and I was counting the number of times you said "governance," and I only heard it once, and I was hoping that you'd say a little bit more about your plans for governance vis-à-vis fragile states.

Thank you.

DR. KIM: It's a major, enormous, issue. Let's also just call it what it is, in many ways, the problem of corruption is real and it's a discussion that I had very directly with the leaders in Afghanistan. It's a real issue, there.

You know, we've gotten really good at the World Bank Group at following our money. We're really good at doing audits, and we've had a zero-tolerance policy on corruption, and I think for us that's the best thing we can do.

Now, the other thing we've been talking about, though, is that we kind of stand back and, as leaders get elected, we stand back and say, "So, are they going to be good at governance or not?" And I can tell you, you know, some of the Arab Spring countries that I visited, these were people who were really good, really smart, at being activists. Really good, really smart at being leaders of social movements, but not necessarily any experience at governing.

So, what we would like to do is, working with a lot of our partners--and I know that USAID has these programs, we would like to work with our partners to be a little bit more forward leaning on saying, "Look, we shouldn't assume that, just because you were elected you're going to be good at governing," just like I'm learning on the job, too, as being World Bank President.

But I think if we offer the kind of support that will scratch where it itches for--not be preachy, not tell people what to do, but provide the kind of support that will help them govern more directly, we think that could work, but look, it's a huge issue. We will continue to have a zero-tolerance policy on corruption. We just--on my very first day on the job on July 1st, the question that I was asked as I walked into my office was, "What are you going to do about this bridge in Bangladesh?" And of course, we had to cancel it, because there was evidence of corruption.

Now, I hope someday we can build that bridge, it's an extremely important bridge, but we cannot tolerate it, and we hope that that will spread throughout the world.

QUESTION: Good afternoon, Dr. Kim.

My name is Christopher Wadibi [phonetic] and I'm from Mobile, Alabama.

First, I would just like to say I'm very honored to be in your presence. Thank you so much for coming today.

My question is, I am very interested in the work of the UNDP. How will the World Bank be working alongside the UNDP in organizations such as USAID in order to bring about the aspiration to end global poverty more speedily?

DR. KIM: So, for example, in Madrid, Helen Clark and UNDG are going to really lead that discussion, because they're the ones who are forming the foundation for acceleration of progress on the MDGs. So, we have a very close working relationship. The UN resreps--residential representatives in countries and the World Bank Group Country Directors have a very close relationship.

And we're--you know, we have to be honest that that relationship has not been the best in every country in the world, but with this meeting in Madrid, we're going to be sending a very, very strong message. We expect very close cooperation. UNDP is really the Secretary-General's way of leading the effort of achieving the MDGs, and we're very happy to be simply part of that process.

Okay. Thank you.

Maybe one more from the students, and then we'll go to the--yes.

QUESTION: Good afternoon, Dr. Kim. I just wanted to quickly thank you for making some time to come over here, and I wanted to thank President DeGioia for allowing such an amazing opportunity for the faculty and students.

My name is Edward Bay and I'm a freshman at the Nursing and Health Studies School, and I wanted to know--it's always been so curious to me ever since President Obama elected you as the President of the World Bank, as an Asian-American to an Asian-American, what sort of--or did you ever have any racial obstacles as you were coming along this path to your current position? And if so, what were they and how did you overcome such racial obstacles?

DR. KIM: Thank you. Thank you for that. That's a very thoughtful question, and one I'm not asked very much these days.

But I'll tell you, you know, when I was growing up in Iowa, we were one of the very few Asian families in all of Iowa, and I happened to play quarterback for the football team. That means that when I stood up, they could see my face, right, across--so, in the heat of the game, racial epithets were thrown at me right and left.

I'm one of the few people, probably, who is in this position who's ever been spit at because of their race. It happened.

But look, my father was a dentist, right? My mother was a university professor. So, race, for me, was buffeted enormously by the fact that my father made a good living and my mother was highly educated.

So, for me, I think it has been really important to understand the difference between race and class and what it means to be truly marginalized. So, I would say that my experience of race was very intense for a short period of time.

But the great experience for me was going to Haiti. When I went to Haiti for the first time, they looked at me and kept saying "Blanc, Blanc," which means White.

[Laughter.]

DR. KIM: And you know, back at the Third World Center at Brown University, anybody who calls me White, it's like, wait a minute.

[Laughter.]

DR. KIM: But to peasants in Central Haiti, I was White, and Blanc meant a person who has access resources. It also meant something else: It meant a person who should take the responsibility of bringing resources back here.

So, that, to me, was the most important lesson in race, to going to places of extreme poverty and just essentially being put in your place.

So, you are here at one of the great, great universities in the entire world. And so, what I would say is that, the way to get over whatever discrimination you face is to think about the responsibilities you have today as a student at this great university to contribute to the future of children in places like Haiti.

QUESTION: Thank you.

DR. KIM: Thank you.

Who else?

[Applause.]

DEAN LANCASTER: So, we don't want to discriminate entirely in favor of students, although we do that as much as we can, I thought we might give some of our guests an opportunity to ask a question or two.

You'll have to tell us how much time you have.

DR. KIM: Sure.

DEAN LANCASTER: And I thought I'd give Administrator Shah the first opportunity, but no necessity, since your name has been evoked many times already.

I don't mean to put you on the spot, but that's what I thought.

USAID ADMINISTRATOR RAJIV SHAH: Okay. Thank you.

Thanks for having me here, Jim, appreciate it, and I'm sorry for taking up a student question moment.

But I think it might be helpful for all of us and for folks here to just hear, what do you struggle with? You've been in the job now for a little bit, you've been a source of inspiration to a lot of us that are eager to partner with you. I suspect I struggle from some of the same things, but what's tough in this role as President of the World Bank?

DR. KIM: Well, you know, you may have even heard me, Raj, at one point, but at Dartmouth, I was so privileged to be President of Dartmouth, and I used to quote a President of Dartmouth who used to be--who was an Undersecretary of State, the first Undersecretary of State for Public Relations, John Sloan Dickey, and he left the State Department here in Washington to become President of Dartmouth, and of course all of his friends were leading figures of that time in international relations.

And he came back to Dartmouth and he said to his students in 1946, he said two things. He said, "I want to leave you today with two things: First, that the world's troubles are your troubles. And second, I want you to know that there's nothing wrong with the world that better human beings cannot fix."

So, that was my mantra. All right, so, now, I come to the World Bank and, in fact, the world's troubles, every single one of the world's troubles are my troubles.

[Laughter.]

DR. KIM: I went from dealing--well, so this is--just the enormity of the task, the enormity of the task. You know, one day it's one country, another day it's another country, one day it's gender equity, the next day it's access to financing for infrastructure development. Every single day it's something different and every single project is compelling. Every single idea is compelling.

We have more than 10,000 employees at the World Bank Group, they're all so smart and they're all fantastic advocates of whatever it is that they want to do.

So, the difficulty is focus. The difficulty is setting priorities. That's what I'm trying to do today with this speech.

In other words, ending poverty and boosting shared prosperity is pretty broad, but tell me how this is going to work. Tell me how what you want to do is actually going to help us do this, and tell me why doing it this way really builds on the strengths of the World Bank Group, because if it's not something that we do extremely well, let's just not do it.

So, that's the hardest thing, just choosing between all these different things that are so compelling. Yes.

DEAN LANCASTER: Anybody else? Steve, let's--

DR. KIM: Hey, Steve, good to see you.

DEAN LANCASTER: Please introduce yourself, Steve.

QUESTION: Nice to see you, again.

Steve Radelet, a professor at the School of Foreign Service and the Global Human Development Program. Great to see you again.

So, I want to go from the grand questions of race in Iowa and Haiti and solving all the world's problems to a specific issue you face on the poverty challenge.

You have a real tension between allocating your financial and personnel resources towards need or towards better-governed countries that might use aid effectively.

The IDA aid allocation formula pushes you towards a more selective basis to allocate more funds towards countries that are doing well, that have great needs but also have shown a greater commitment towards policies and actions to reduce poverty.

If you're going to--on the other hand, if you're going to meet this problem of ending extreme poverty, you're going to have to devote--you, the world, you're going to have to devote more attention to Iraq, to Somalia, to Sudan, countries--big countries with a lot of people--and Pakistan--with a lot of people in them that don't meet that criterion for greater aid allocation. You've got a tension between need and where aid might be most effective in reducing poverty.

And I know you want to try to do both and I know you've thought about this issue, but how are you thinking about that tension as you try to meet that goal?

DR. KIM: Well, what we hope is for a really ambitious and generous IDA replenishment so that we have fewer of the really difficult choices, that's one.

[Laughter.]

DR. KIM: Let me go on record as saying that.

So, Steve, thank you for the opportunity.

But here's what I would say: We've talked about this, and with discussions with our Board, this has been quite explicit, and they asked us some tough questions. What if we're down to below 3 percent poverty for the world but there are many countries that have 70 percent poverty. Well, I have to say, I would not consider that a success.

So, we have to have some sense that we've got to see progress in many, many countries at once. And so, how do we make those decisions? Again, I don't think the thing to do is to say we won't work in this country or we won't work on that issue. I mean, we've done that twice in the history of the World Bank Group. We decided that we were going to get out of infrastructure and agriculture, bad decisions at that time, but they seemed great. They seemed really smart. They seemed that they were focused on, you know, we have to be--we have to make choices.

I think what we're trying to do with setting these two goals is to say there is going to be no easy decisions, it's not going to be one country versus another country, but I'm going to ask

every single Vice President, Country Director, to be specific about how this investment in this country is going to help us end poverty and boost shared prosperity.

But I have to add to that that, "Oh, and by the way, working in fragile and conflict-affected states is going to be our specialty. We're going to be known as the group that does the best when we're working in fragile and conflict-affected states." I mean, it's not saying that we're better than any others. We're just going to say that we want to be there when we're needed in these very difficult areas.

This is why we're going to the Great Lakes Region, why the Secretary-General and I are going there. We want to send a message that the multilateral system working together, along with bilateral and other donor partners, if we come together and say, "Let's come up with a combined political security and economic solution for this whole Region," that we can get much more bang for limited dollars, if we work together.

So, it's not so much choosing areas or choosing countries, but a laser-focus on ensuring that we use all of our resources, all of our strengths to be optimally transformative and effective in particular areas.

It's the best I can do, Steve. I should have expected that you were going to ask me the impossible question but...

[Laughter.]

DR. KIM: Hi, Melanne, how are you?

QUESTION: Hi, Mr. President, how are you? And thank you for your committed leadership. Melanne Verveer, and now with the Institute on Women, Peace, and Security here at Georgetown.

You have been--and as the Bank has been--a great articulator of the need to unlock women's economic potential, as you certainly reference here today.

And as the Bank has said, one of the biggest areas where this needs to be done is that missing middle, where growth and jobs creation occur, SMEs, and women confront some of the toughest hurdles in growing SMEs, building SMEs, to markets, to training, and especially to finance, which, again, you reference with the wonderful Chengdu example.

But what more can be done in that area, yes, with the private sector but in greater collaboration, working with the innovators at IFC, to really, really push this ability to access the capital that's required to unlock this potential.

DR. KIM: Well, Milan, thank you, and let me go back to the Chengdu example, because she actually--Zhang Yan went to a bank that was a branch specifically for women. It's the first time I've seen a women's branch of a bank before, and it was specifically set up so that it would be easier for women to go to, that the core was different, the mood was different. It was just really quite striking to me and it just--that seems like a great innovation, and it harkens back to our work in Haiti years ago.

We had to build a cadre specifically of women's health workers, because the health workers that we were mostly men and women were not getting access to the services. So, I think we have to be pretty direct about focusing on women's economic opportunities specifically.

You know, there are other things that we have to do, and one of the things that I've been doing is, when I go to a country where they say to me, "You know, status of women here is different because of our culture," what I say to them is, "Well, you know, I was born in 1959 in Korea, and in 1959 in Korea, the status of women was extremely low, maybe even lower and worse than this country," and you can fill in the blank. And you know, over time, the Koreans decided that, without women in the workforce, they would not be able to grow their economy, so they did that, without changing fundamental laws like, for example, who gets the children when there's a divorce. It used to be only the men's family and now it's different.

They realized that, without strong participation in the workforce and women--without participation of women that they were not going to grow.

Now, Koreans still consider themselves a Confucian society, but they have adapted Confucianism to a woman president for the first time in their history. So, I don't--I'm an anthropologist. I don't buy this argument that culture prevents us from moving toward gender equality, and I will say that in every capital I go to, and I will use this example.

So, it's a small thing, but I think I have to keep doing it and I think we all have to keep doing it. Look, this is about fundamentally embracing equity and justice. This is not about culture,

it's about equity and justice. And if we have that framework and if we look at innovative approaches like women's branches of specific banks, I think we can make progress.

But what I said--what I say to all these countries, "Well, look, you can say as much as you want to me about your culture, but if you don't get women involved in the workforce, you are not going to grow and you're going to have trouble." So, that's our position.

Thank you very much, everybody, I really appreciate it.

[Applause.]