

Education for Growth and Prosperity: A Keynote Speech by President Jim Yong Kim

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Good afternoon, your Excellencies, distinguished guests, ladies and gentlemen.

I am grateful to the people of the United Arab Emirates and to His Highness Sheikh Mohammed bin Rashid Al Maktoum for inviting me again to this year's World Government Summit.

I can't think of a more fitting place than Dubai to give this speech.

When I came here a year ago, the region was in the middle of a political, security, and refugee crisis. The challenges remain daunting. We need to increase our collective efforts. But I'm pleased to say there's been progress. The MENA Concessional Financing Facility, an innovative approach to addressing the Syrian refugee crisis, has been re-envisioned as a Global Facility to address displacement crises in any middle-income country in the world.

The new Global Concessional Financing Facility has raised about 400 million dollars, thanks to the generosity of nine donor countries and the European Commission. These funds will provide close to two billion dollars of vital concessional financing to help middle-income countries host refugees. Already, the Facility will leverage nearly 700 million dollars in concessional financing for development projects in Jordan and Lebanon. This will allow young people to learn and grow, even as their lives are disrupted by conflict. We must continue to support Jordan and Lebanon as they provide an

essential public good for this region – and the world – by caring for Syrian refugees.

The recently launched World Bank Guarantee Facility is another innovative financing mechanism for the region. Using guarantees from donor countries, so far we have raised an additional 450 million dollars of funding for Iraq and 150 million dollars for Egypt.

But turmoil and instability are not limited to this region. The world faces multiple crises needing urgent attention, including Northern Nigeria, Southern Sudan, Yemen, and Afghanistan. We have to tackle immediate humanitarian needs, and at the same time, invest in development. This will require action by businesses, governments, and educational institutions.

Indeed, Dubai is the perfect place to discuss the nexus of business, governments, and education. This thriving city, with its eyes set firmly on the future, has become a hub of global innovation. And it offers a powerful example of how countries can channel policy, markets, and learning into growth and prosperity for their people.

So, how does it work? How can the nexus of business, government, and education translate into strong, thriving societies?

It starts with markets. Markets drive economic growth by tapping into the boundless capacity – of people and firms – to innovate, invest, create jobs, and raise incomes. But they can do a lot more than that. Markets can bring desperately needed financing to our top development priorities. And it's essential that they do.

Official Development Assistance, or ODA, currently stands at around 132 billion dollars per year. ODA is critical, but it's simply not enough to provide the trillions of dollars needed to finance the Sustainable Development Goals. Achieving those goals – and meeting our ambition to end extreme poverty and boost shared prosperity – won't happen unless we leverage the private sector and financial markets to channel new investment into developing economies.

Properly harnessed, the public benefits of innovation and entrepreneurship far exceed their private gains. For example, when private actors invented the telephone, the car, and the personal computer, societal benefits far outweighed the profits earned by their creators. This is where governments

play a key role, by providing the public goods that fuel and spread private innovation.

As our discussions here have shown, governments have a comparative advantage delivering public goods that benefit all of society. They have a key role in ensuring equal opportunity for all their citizens. And governments provide a strong environment for the private sector. They create and enforce a level playing field with fair and transparent regulation and open competition for government contracts. And if you look around the world, you'll see that the most developed countries are the ones where governments are leveraging technology to listen to – and respond to – the needs and ambitions of their people.

When it comes to education, governments have a critical role to play to increase access and quality. A great example of a government ensuring both private provision and accountability comes from our host city. Most children in Dubai attend private schools because of the huge expatriate population and 16 different national curricula. Every year, the Knowledge and Human Development Authority rates the city's private schools and makes the results widely available. Now, parents are asking more questions, and teachers and principals are refining their approach to teaching. Dubai has also seen significant improvements recently in international math and science assessments.

So, it's clear. As we pursue our development goals, as we seek to build societies that grow and thrive, the private sector and governments must work together.

If the private sector is the engine of growth, and government is the driver,

then education is the fuel that runs the engine.

For a glimpse of the impact that education can have on competitiveness, just look at the country where I was born – South Korea. After the Korean War, 78 percent of Koreans were illiterate. In 1970, the per capita income was 200 dollars. Until the 1960s the World Bank Group considered the country too risky for even the lowest interest rate loans. South Korea knew that education was the best way to pull itself out of economic misery. So it focused on overhauling schools and committed to educating every child – and educating them well. Coupled with smart, innovative government policies and a vibrant

private sector, the focus on education paid off. Today, South Korea has a 98 percent literacy rate. It's a high-income country and a model of successful economic development for other countries to emulate.

Countries in the Middle East and North Africa have greatly expanded access to formal education, closed gender gaps, and reached the most remote areas. Today, enrollment in primary education is nearly universal. Since the 1970s, secondary education enrollment has tripled, to nearly 80 percent. And tertiary enrollment has increased six-fold, to nearly 40 percent. At all levels, the gender gap in access to education has narrowed significantly. These achievements were a result of major investments to provide free education for all. Governments in this region spend on average 5 percent of their GDP on Education – higher than any other region in the world.

Despite the considerable resources that countries in this region have invested in education, learning outcomes are still disappointing, as demonstrated by international assessments. In the recent 2015 Trends in Mathematics and Science Study, all Middle East and North African countries ranked below the international average – with the exception of Dubai, which scored above the average. The region also has the biggest gender difference in performance on these tests – with girls significantly outperforming boys. Across the region, women outnumber men at universities. Despite this fact, the region has the lowest female labor force participation rate in the world – peaking at only 21.6 percent

The world is changing rapidly, and for education to continue to fuel growth and prosperity, systems must adapt with the changing world. To this end, there are three things we must do:

First and foremost, we must invest heavily in the early years.

There's compelling evidence that early childhood experiences have a profound and lasting impact on brain development, affecting everything from learning, to health, to lifetime earning potential. Smart investments in young children's physical, cognitive, and emotional development are critical to adult productivity and the economic competitiveness of countries. But today, millions of young children are not receiving what they need to reach their full potential. Their development is stunted by malnutrition, lack of stimulation, and limited early learning – and by exposure to violence and neglect.

The fact that 25 percent of children worldwide are stunted is a global crisis that threatens to lock young people into lives of poverty before they reach their 5th birthday.

Opportunities for early learning are still not available to most children, particularly in this region, where less than a third of children are enrolled at the pre-primary level. And it's mostly the privileged who have access. This must change. Every country should invest in future generations, not only because it's simply the right thing to do, **but also because failing to do so is a recipe for poverty, inequality, and instability.**

Second, we need to re-think what we teach and how children learn.

This means fully leveraging what we know about the science of learning and the skills children will need to thrive in the future. To prosper in a rapidly changing world, all children need more than a basic education. They need to be creative, critical thinkers who develop a lifelong thirst for knowledge and problem-solving. Today, we are equipped with advances in technology that can support teaching and learning and boost creativity and critical thinking.

But we can't forget, the role of the teacher remains critical. In many parts of the world, students, especially girls, are deprived of education due to the lack of female teachers. I recall the story of Raysa, a Yemeni girl from Al-Hada who struggled through school where the teachers were all men. Raysa was determined to help future generations of girls go to school and learn, so she enrolled in a female teacher development program supported by the World Bank. When she joined the school as a teacher, the number of girls increased from 10 to 72.

Teachers play a crucial role in what *New York Times* columnist Thomas Friedman refers to as "STEMpathy" – combining science, technology, engineering, and math with empathy. The future, he says, isn't about what we know, because digitized libraries and powerful search engines allow us to find even the most specific details – about virtually any subject – with lightning speed. Instead, the future is about what we can do with what we know. This should affect the way we educate our young people, because what makes us uniquely different from computers is our humanity and our empathy, which cannot be found in any algorithm.

Education is not only important for economic growth and prosperity. Education is also critical in promoting peace and social cohesion. As Ibn Rushd wisely

said, “Ignorance leads to fear, fear leads to hate, and hate leads to violence. This is the equation.” In schools and classrooms, generations first learn how to experience the world around them, so what we teach, and what children learn, should reflect the diversity of cultures and promote respect and understanding.

Finally, education systems must provide relevant skills for today’s market and the jobs of the future. In the global economy, growth and innovation demand an educated, skilled, and engaged workforce. So we must dramatically increase our aspirations for both the quantity and quality of investments in education and skills. If we fail, we will leave behind a large population of people who, through no fault of their own, will struggle to find quality employment.

Today, there is a clear mismatch between the skills provided by education systems and the jobs required by the labor market. Unemployment rates among graduates are very high in many countries of the world, especially in this region.

Yet employers complain of a deficit in needed skills. Globally, 40 percent of employers report difficulty filling positions. In the Middle East a third of employers complain that there is a mismatch between what students learn and what they need in the workplace.

Providing our youth with the right set of skills is the best way to address this profound talent shortage. It would also enable young people to create their own jobs, by partnering with industries to create, innovate, incubate, and disseminate new ideas and technologies. We’re seeing how effective these partnerships can be. A number of technical universities in the Palestinian territories are enhancing employment opportunities for students by improving the relevance of the curricula.

The imperative to act is clear. High unemployment among graduates is a profound waste of talent and potential, and it could pose a major threat to stability, growth, and prosperity in nations across the globe. We’ve seen this with the Arab Spring, where highly educated people, not able to earn as much as they should, were more likely to join protests. We also see this with groups like Da’esh, where well-educated, under-employed people are more likely to be recruited.

To help meet these challenges, I am delighted to announce the launch of the **Platform for Education**, which will be convened annually here at the World Government Summit. The Platform will serve as a space to share global experience, launch new initiatives, and spark high-level debate and exchange among leaders, experts, and policy makers.

Concretely, the Platform will harness our collective efforts to find scalable solutions to shared education challenges. It will do so by focusing on five, critically important goals:

- First, expand early childhood development;
- Second, strengthen literacy and numeracy in the early grades;
- Third, collect information on children's learning, and school and system-wide performance to improve governance and accountability;
- Fourth, address the important transition from school to work through targeted career guidance;
- And finally, foster the acquisition of 21st century skills.

These five areas have been defined in the **Education for Competitiveness initiative, or E4C**, that the World Bank Group and the Islamic Development Bank Group announced last year. E4C will work with governments and other partners, including the private sector, to help countries improve the quality and relevance of their education systems. It will begin in the Middle East and North Africa, but aims to expand to other regions to transform education systems and improve outcomes for all.

In 1959, the year I was born, the percentage of people in the world living in extreme poverty was around 50 percent. We have been able to reduce that number to about 9 percent. And along with that reduction in poverty, we have seen a global convergence of aspirations. The poor aspire to lead healthy, stable, secure lives as much as the middle class or the wealthy. We have no choice but to embrace those aspirations and give everyone a chance to reach their full potential.

And we must embrace those aspirations in a world where there is rising uncertainty. Technological changes are creating displacements and anxieties for large segments of the population in rich as well as poor countries. The 11th century philosopher, Al-Ghazali cautioned that, "Knowledge without action is wastefulness and action without knowledge is foolishness." And we must act,

as Dr. Martin Luther King, Jr. said, “with the fierce urgency of now,” knowing that “there is such a thing as being too late.”

I hope that when we meet next year, our actions will have delivered real achievements, and that we can then say to each other – we have been neither wasteful nor foolish, and we acted with the sense of urgency that these times require.

Thank you very much.