Delivering on Development: Harnessing Knowledge to Build Prosperity and End Poverty

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As Prepared for Delivery

Hello everyone! I am glad to be back home. I feel energized and humbled, thanks to the wonderful introduction from Professor Chang Dae-Whan, who has given us this wonderful occasion today. I appreciate it very much. Although my remarks won’t be “Gangnam Style,” please enjoy yourself!

Thank you very much your excellencies, distinguished guests, colleagues and friends, let me start off by making one other quick comment. In the front row is my 79 year old mother and she is here today to give a talk based on her life work studying Toegye, also known as Yi Hwang, one of the great philosophers in the history of Korea. And I just want to thank her for providing me with the desire and frankly the need to continue to push the boundaries of knowledge. We continue to push the boundaries of knowledge because we know it can make the world a better place.
Let me thank Dr. Chang Dae-Whan again for that generous introduction and for the invitation to address this remarkable gathering. And let me thank all of you for contributing to these three days of debate and learning. It is especially encouraging to see a strong presence of Korea’s private sector, whose pragmatism and adaptability have done so much to promote this country’s progress.

It would be inspiring to address this group of leaders anywhere in the world. But above all here in Seoul: the city where I was born; the capital of a country that in 50 years has risen from poverty and conflict to become one of the world’s most prosperous and technologically advanced societies. Korea teaches us that development is possible even under the most extreme adversity. This lesson is more relevant today than ever.

The theme of this year’s forum urges us to recognize the magnitude of current global challenges, and above all to propose bold solutions. And it reminds us that bold action must be guided by knowledge.

But what kind of knowledge do we need?

As we meet in this capital of a young economic and technological power, we are conscious that the world is changing. Our way of thinking about knowledge in development must also change.

60 years ago, when Korea was a poor country, and the World Bank had just been created, people thought power and development expertise could flow in only one direction: from the global north to south.

That model has vanished forever. This forum and the great city in which it takes place show that we live in a multipolar world. Power and knowledge springs from new sources and moves along new paths. Emerging economies now account for more than half of global economic growth.

The global landscape is shifting in other ways. Movements such as the Arab Spring, the campaign of los Indignados, Occupy Wall Street, and social protests in many countries reflect people’s demand for participation and a fair share of the benefits of prosperity. These movements remind us that radical inequalities in wealth and power are not sustainable. In a world of informed, empowered citizens, economic strategies cannot be divorced from the demands of social justice.
Facing these challenges, governments and their partners can’t get away with rhetoric. We have to deliver results.

Current development approaches will get us only part way there. At the turn of the millennium, Dr. Chang and others in this hall led a process that transformed Korea’s economy by deliberately placing knowledge at the center. I believe we need a similar evolutionary shift today, in how countries, communities and their partners harness knowledge for development.

At the center of our development model, we must lay the groundwork for a new kind of knowledge, what some have called a “science of delivery,” that countries will use to meet the demands of their people.

My remarks today have three aims: first, to show why we need a science of delivery in development; second, to discuss some characteristics of delivery knowledge that will influence how this field takes shape; and third, to describe concrete steps the World Bank Group will take to strengthen our delivery work with countries and create foundations for the future full-blown science of delivery.

As I speak with political leaders and partners in countries around the globe, I hear a recurring message.

Most countries know the broad policy directions they should adopt to reduce poverty and build prosperity. Many countries have strong, coherent development policies and programs—on paper. But they are not getting the results they want. In country after country, sector after sector, the greatest challenge is delivery.

“Delivery” is an elegant word for getting goods and services to people in a way that meets their expectations. High-performing private companies excel in delivery. Delivery is crucial for the public sector, too, as part of government’s social contract with citizens. Never before have we understood how much delivery is critical for development. Delivery priorities in development include material infrastructure like roads, power grids and water systems. They also include services like education, health care and social protection. Across all these areas, delivery lags today in many of the countries and communities where needs are greatest.

To improve development outcomes, we need to tackle delivery challenges head-on. This is the next frontier for the World Bank Group. This is, quite simply, what the people demand.
We can point to individual examples of delivery success in countries at all levels of income. But we need to move from isolated examples to broad global progress, across all countries and all development sectors.

To do this, we must work together to lay the foundations for a new field that will collect and distribute practical knowledge that countries can use to get delivery right in their unique contexts.

There is an urgent need for a science of delivery in development, but that science does not yet exist. We must create it together. Countries will take the lead. The World Bank, the private sector, civil society, communities and global development partners will contribute. I urge all of you here, thought leaders and innovators from many backgrounds and many countries, to seize this challenge and contribute your ideas and energy.

As we pursue the discussion, I want to be clear about the division of labor between countries and the World Bank Group. It is countries that deliver programs. What the Bank’s practitioners deliver is evidence-based support and advice to national policymakers, program implementers and private sector partners.

In this context, “delivery” and “delivery failure” may seem like abstract concepts. Let’s take a moment to remind ourselves of what these ideas mean in human terms:

- Because of delivery failure, 1.3 billion people in developing countries lack access to electricity and remain shut out from virtually every benefit of modern life.

- Because of delivery failure, more than 280,000 women each year die in childbirth from obstetric complications that modern medicine can easily address.

- Because of delivery success, the percentage of Tanzanian children completing primary school rose from 57 percent in 2000 to 90 percent in 2010, enhancing millions of children’s lives and giving them tools to achieve a more prosperous future.

The good news is that recent advances in many fields can help us improve delivery. Relevant insights are emerging in disciplines as varied as systems engineering, medicine, economics and other social sciences, and the business fields of strategy, operations and management. All these disciplines can feed evidence into an emerging field of delivery that will help countries improve development results.
Let’s not forget that excellent delivery work is happening in many settings, much of the time. Private companies in all global regions solve delivery challenges every day to meet their clients’ needs. The public services we take for granted in a modern urban center—like electricity, water, and transportation networks—are also a daily demonstration of successful delivery.

Effective implementers and high-functioning delivery systems are not that rare. But delivery has a paradoxical quality: the better it is, the less we notice it. This means that excellent delivery performance is often unrecognized, even by those who benefit from it directly. We underestimate the complexity of the challenges and the importance of implementers’ achievements. As a result, we don’t make adequate efforts to analyze delivery success, capture the knowledge that made it possible, and transmit the lessons of that success in forms that others can use.

All of you here know the people in your company or organization who are the movers, the problem-solvers, the people the company calls in to handle the toughest cases. In fact, those of you here today are those people. Borrowing from my medical background, I like to call you people “master clinicians.” But we can simply refer to you as skilled implementers. Such implementers exist in every successful organization.

The foundation of success in delivery is the tacit knowledge that is present in the heads of these implementers. In the habits of effective action that have become second nature to them, what we might call their “muscle memory,” like the unhesitating movements of a musician executing a piece learned through tireless practice.

Development implementers working on the front lines acquire this “muscle memory” over the course of a career. They test solutions, observe the results, make corrections, test again. As they go through many of these learning cycles, their accumulated experience becomes practical know-how. In most cases where countries and partners achieve good development outcomes, it’s actually this tacit implementer know-how that is driving the success.

The challenge is to move from excellence in individual performance to broad improvements in the quality of delivery across whole sectors.

For that, we must advance from the experiential know-how of individual practitioners to the level of analytical knowledge—the level of science. We must analyze and compare the performance of large numbers of implementers. We must connect implementers’
experiences and results to contextual data on politics, social conditions, country capacities, and other factors that affect delivery outcomes. We must create effective mechanisms to share delivery knowledge, so that implementers can continuously learn from each other. And we must set up “virtuous cycles” of learning, in which practitioners continuously test innovations, capture results, and use these results to design new experiments. These are steps toward a science of delivery.

Until we take those steps, delivery science itself faces a delivery failure, in that the bulk of implementer innovation is never properly evaluated, analyzed and made available for shared learning. We’re losing opportunities to spread success. It’s time to end this waste of development know-how, and to make sure poor people everywhere have access to every innovation that might help them improve their lives.

I want to highlight four features of delivery that are especially important for how we’ll work to build the field and realize its potential.

First, delivery is about problem-solving. It is a practical brand of knowledge that looks for the most effective means to achieve a defined end.

An important consequence is that delivery is highly context-sensitive. Solutions are determined by the needs and opportunities of a specific time and place.

This is why the World Bank Group will work with country implementers and communities to build the delivery knowledge base from the ground up. And this is where the Bank’s sustained, on-the-ground presence in more than 120 countries will be crucial. The World Bank will support countries to launch local delivery knowledge hubs focused on local problems; and we’ll connect these country platforms to regional and global resources. Delivery knowledge hubs may take different forms and operate in different ways. Their purpose is to help countries learn systematically.

The context-dependence of delivery also means that programs often give disappointing results because of contextual factors that are beyond implementers’ direct control. Lack of high-level political support for the program; inadequate financing; and weak country administrative capacities are examples. One task for a science of delivery will be to identify strategies that in some cases have enabled implementers to partially relieve these external constraints, or at least limit their impact on program performance.
A focus on local problem-solving does not mean that context-specific knowledge cannot be aggregated to feed into the global pool of experience and evidence. There is a virtuous link between the local and the global whereby knowledge that is relevant to one context can be adapted in other contexts. The key is to evaluate rigorously, so that local knowledge gets transformed into evidence available to others. The World Bank Group can play a crucial role as knowledge broker in this exchange: first by supporting local innovation in delivery, and then by making sure that local results are evaluated and aggregated as globally accessible evidence. Our work in supporting the collection and dissemination of evidence on Conditional Cash Transfer programs is one example. Since Cash Transfers were first launched by Brazil and Mexico in the late 1990s, the Bank has facilitated more than 200 South-South knowledge exchanges that have helped countries learn from each other how best to implement these programs.

Second, delivery is concerned with complex systems. Delivery in development addresses social goals. Societies are composed of interpenetrating systems. To achieve any social aim, we have to engage multiple natural and human-made systems that mutually influence each other.

Many low-income countries face capacity constraints, and their systems are weak. But building and managing complex systems is where the World Bank Group excels. For more than 60 years, we’ve been helping countries around the globe design and operate systems to deliver on social goals. We can analyze a delivery system in its totality, pinpoint capacity gaps and bottlenecks, and identify intervention points. As we work with countries to build the science of delivery, these are the issues we’ll be tackling, bringing to bear our existing systems knowledge and applying it in new ways.

To encompass the complexity of delivery challenges, a future delivery science will have to be multidisciplinary from the outset. This is my third point. Delivery learning will draw on the natural sciences; the social sciences; engineering and applied mathematics; and the business disciplines; but also humanities fields like history and ethics.

When Professor Michael Porter and I built the Global Health Delivery project at Harvard, we studied health systems challenges. We found that, to get a deep reading on health systems, the best approach was to send out multidisciplinary research teams that included doctors and public health specialists, but also anthropologists, management experts, historians, journalists and ethicists. Triangulating different forms of data helped us discover what was driving success or failure in the programs we analyzed.
One of the World Bank Group's distinctive strengths is our ability to combine depth of knowledge in key development fields with multidisciplinary breadth. We can mobilize in-house expertise across a wide span of disciplines. And through our convening power and networks, we can connect our clients to an even wider array of international expertise beyond our own institution.

Fourth, delivery knowledge is interactive and evolving. It differs from what we’re used to in disciplines that are more quantitative and abstract, less context-dependent.

Because delivery solutions change with the context, delivery knowledge is constantly renewed through dialog among practitioners and stakeholders. Delivery principles emerge in collaboration and communication, as people and institutions problem-solve together.

Delivery knowledge is “social” knowledge in a way that traditional forms of scientific knowledge have not always been.

Here’s an example of what this means in practice. In the 1980s, efforts to raise child survival rates in poor countries had stagnated. Millions of children were dying each year from diseases that could be prevented or cured with simple, cheap technologies, including vaccines. But delivery of these simple interventions had stalled.

Leading agencies, in particular WHO and UNICEF, realized they needed a dramatic change in strategy. The solution was to create a task force made up of experienced implementers, whose authority all the agencies accepted. People like Bill Foege, a teacher of mine who had driven major parts of WHO’s historic smallpox eradication campaign. The new group was called the Task Force for Child Survival and Development. Essentially, it was a delivery workshop. Many of the group’s meetings were intensive problem-solving sessions. Participants identified delivery bottlenecks that were blocking progress in countries and used their collective experience to find solutions.

The Task Force changed history. In just six years, from 1984 to 1990, childhood vaccination coverage in developing countries soared, quadrupling from 20 to 80 percent, by some estimates. What was the secret? The technologies involved had long been known. What had been missing was a framework for joint learning and decision-making among master implementers. The key was interactive problem-solving, with a laser focus on results. These are the kinds of models we’re looking for.
One consequence of the interactive nature of delivery knowledge is that the quality of our knowledge depends on the inclusiveness of the debate. Excluding shareholders from the conversation deprives us of critical data. Thus, if grassroots community voices aren’t heard, our understanding of delivery processes will be distorted and incomplete. In our delivery work, the World Bank Group and our country partners will reinforce the participation of beneficiary communities in all facets of program design, implementation, monitoring and evaluation.

Let me turn now to describe three practical steps the World Bank Group will take, to strengthen our delivery collaboration with countries, and lay the groundwork for the science of delivery.

First, the World Bank Group will support an initial wave of three self-selected countries to create national delivery knowledge hubs for development. These hubs will coordinate people and resources to tackle priority national delivery problems and disseminate learning. Countries will structure their hubs in accordance with their national agendas. In most cases, hubs will be based within existing public or private institutions. Some may be entirely “virtual.” If countries request, the Bank will provide start-up financing, technical assistance, and support for knowledge-sharing and dissemination.

I am pleased to announce that Minister of Finance Pravin Gordhan of South Africa has confirmed his country’s intention to be the first pilot country. When I visited South Africa last month, President Zuma, Minister Gordhan and other leaders were clear that improving delivery in core infrastructure and social sectors was their top national priority. Delivery is the key to reaching South Africa’s goal of inclusive prosperity, and the government is determined to do whatever it takes to get there. The World Bank Group looks forward to working with South Africa as the country tackles this historic challenge. We encourage other interested countries to contact us.

Second, we’ll refocus the Bank’s measurement work to better support progress in delivery. Specifically, to know if delivery is working, output indicators are not enough. We’ve got to measure results. Not just how many kilometers of rural roads get built, but whether the roads are helping reduce poverty. Not just how many children are in school, but whether they’re learning. In recent years, the Bank has taken steps to incorporate more outcomes measures in our project data collection. We’re committed to expand this approach. We will invest in tools and strategies to collect outcomes data that can inform country decisions around delivery for better results.
Third, we’ll use innovative approaches and tools to capture the tacit knowledge of master implementers and teach delivery skills. We’ll apply a range of strategies. Three of these approaches are case-based learning; “clinical mentorships”; and a commitment to learning from failure.

A proven tool for teaching practitioners about complex systems is the case study method used in business, engineering and health sciences schools. The case method uses a narrative model that avoids reducing complex situations to simplistic schemas. At Harvard, we found that the case method is an extremely effective way to study how global health decision-makers, for example, navigate complex systems. At the World Bank Group, we’ll build a library of delivery case studies and use these as a resource for training Bank staff and country implementers who want to take advantage of this opportunity. We will invite our partners from throughout the world to contribute to what we hope will be a rapidly expanding case library.

We’ll also create a mentorship program to build the next generation of master implementers within the World Bank Group. This program will assign promising young professionals to work with seasoned implementers. Master implementers will transmit their know-how through collaborative work tackling real problems for real clients.

A third learning approach is especially important to me.

Historically, development institutions have been reluctant to acknowledge failures, much less analyze them publicly. But that’s exactly what we’re going to do at the World Bank Group.

Policies and projects that go wrong carry valuable lessons. But institutions are often wary of revisiting them to learn these lessons. How can we avoid repeating past mistakes, if we don’t talk about those mistakes openly, diagnose what went wrong, and share our findings, so others can avoid the same traps?

I want the World Bank Group to set an example for the development community. Here again, we will build on promising precedents. Many Bank staff have already participated in discussions called “Failfairs,” which explore why specific projects fell short of expectations. I want to expand these events, make them more systematic, and disseminate the results.

I will start chairing these workshops personally. The first is scheduled for early December. These sessions will not place blame on staff. Instead, they will let us collectively understand
the factors that caused good intentions to yield less than satisfactory results. Going forward, we’ll broaden participation in these exercises to include affected communities and outside critics, and we’ll publish the proceedings and conclusions.

In closing, I want to return to the heart of the World Bank’s work: our relationship with countries and with the poor. I believe our work together building the science of delivery will contribute to a fundamental evolution in this relationship.

I’ve talked about the collaborative, interactive nature of delivery learning. For some time now, the Bank and its clients have been growing from a traditional relationship of lender and borrower, towards a true partnership in implementation and learning, where we link our skills to pursue evidence-based action around common goals.

The science of delivery is a catalyst that will speed this shift. Beyond providing money and knowledge, the World Bank Group will be an organization that innovates, co-creates and learns together with its clients.

At the same time, the Bank also serves its partners by doing something that none of them can do in isolation: creating knowledge-related global public goods that support shared learning processes at global, regional, national and subnational levels.

I’ve discussed delivery science with political leaders from around the world. Their reaction is often relief that global partners are finally catching on. Countries have been grappling with these challenges for years, and they know the stakes are high.

Looking beyond today’s economic uncertainty, many leaders in government, the private sector and civil society remain committed to bold objectives for reducing poverty and building prosperity. They are right to maintain their ambitious aims. And countries are right in seeing that delivery will often spell the difference between stagnation and growth.

Together, we’ll open a new chapter in development: an era in which we will continuously improve our ability to deliver on our promises to the people, especially to the poorest.

Thank you very much.