Transcript: Opening Press Conference Annual Meetings in Tokyo, Japan

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World Bank President Jim Yong Kim
Opening Press Conference
Tokyo, Japan

Transcript

MR. MILLS: Good morning, everyone. Thank you for joining us for our press conference with World Bank Group President Jim Yong Kim. President Kim will deliver some opening remarks, and then we will be very happy to take your questions. I am sure you have been warned before, but if everyone could just turn off their cell phones and put their beepers on “vibrate,” that would be great; and when you ask your question if you could please identify yourself and your news organization. President Kim.

DR. KIM: Thank you for coming. I know many of you attended Annual Meetings before. This is my first, and I am looking forward to meeting with Governors and our stakeholders. First, let me thank the Government and people of Japan. The planning and work done and the hospitality extended to us has been just wonderful.

I think it is especially meaningful, because this year marks the 60th anniversary of the strong relationship that the Bank and Japan have enjoyed over the years.

Japan started out as our client in the 1950s and 1960s, borrowing a total of $863 million for 31 projects, including signature projects such as the “Bullet Train,” the Kuroyon Dam, and the Tomei Expressway. Japan now is our second-largest shareholder and the third-largest donor to the International Development Association, the Bank’s fund for the poorest.
It is truly a success story and a remarkable show of generosity. But it doesn’t end there. Japan has shared its knowledge and experience with the rest of the world as it evolved from a developing country to a developed country.

I was just at one such platform, the Sendai Dialogue, yesterday. The Government of Japan has asked us to use the convening power of the World Bank to help them share the lessons learned on disaster risk management from the earthquake and tsunami in March 2011.

Many nations take tragedy and improve. Great nations like Japan take tragedy and share lessons learned with others.

We know the world is interconnected. Knowledge gained in one part of the world can apply to another. Things that are happening in one part of the world, such as in Europe, can have huge impacts in other parts of the world.

We are in challenging times. Food prices remain high and volatile. Growth in high-income countries is weak. And developing countries, which have been the engine of growth, will not be immune to the increased uncertainty in the global economy.

The economic announcements emanating in recent weeks have been sobering. Everyone is vulnerable during times of uncertainty, but especially the poor, who have few if any safety nets and resources and live from day to day.

Our job at the World Bank Group now is to make sure the growth over the last five years that we have seen in developing countries in Africa and Latin America and Asia is not destroyed by further worsening in the situation.

As part of starting a dialogue around barriers and solutions to ending poverty, the World Bank has launched a global online conversation, a “What Will It Take to End Poverty” campaign in the lead-up to these meetings, with crowd-sourcing ideas and comments through social media and video. It is a great way to drive a conversation around real, practical results, because ultimately, this is about results.

I am asking our teams: What can we do to fundamentally change the arc of history to end absolute poverty more quickly than is currently predicted?

It is our job to have a catalytic effect on poverty. The good news is that around the institution, the World Bank Group, the answer has been a very strong: Yes, we can bend the arc of history.
That is why we came to work at the Bank. We want to fight poverty, and we want to make a difference in history. It has been my life’s work, and I have worked in situations of great poverty. This organization has always embraced that work.

I have been on the job for 104 days. While I am excited by how much the Bank has changed around openness and results and accountability, I believe the Bank can go further. We need to be more nimble and focused on delivery. During these meetings, I will not only share my thoughts on areas of reform, I will listen to the views of our stakeholders and look for ways to enact effective reforms.

Thank you very much.

MR. MILLS: Yes, sir; right here in the second row. There are microphones right in the audience.

QUESTION: Thank you. Welcome, Dr. Kim, to Tokyo. So, first I want to ask you about the future hope for Japan in terms of the collaboration and the cooperation with the World Bank. Secondly, I just want to ask you about the relationship between the World Bank and emerging economies. As you know, the BRICS countries are now making the currency swap agreement within them, and also, there is a very basic idea of a BRICS Bank. So, clearly, they are making financing work within them by using their own currency, not by using the advanced economies’ currency. But the role of development and crisis response has been played by IMF and World Bank since World War II, so what is your idea for the future of those kinds of global relationships? Will the World Bank and IMF coexist with them, and sometimes they might be competing, or will the World Bank and IMF will include them within and inside by increasing their money and their people? Thanks.

DR. KIM: I think this meeting is a very good example of the kind of very effective cooperation that the World Bank can have with Japan. So, for example, we were at Sendai yesterday, and what I saw was a country that had faced just enormous tragedy, and the commitment of the government was that: In the context of our tragedy, we are going to do everything we can to help other countries, especially poor developing countries, get better at managing risk, and the focus is on several things. First, one of the things we know is that Japan has probably the best early warning system and the best prevention system of any country in the world, and still there was enormous damage.
A country that I know very well, that I have worked in for years--Haiti--when they faced their own earthquake, most of the buildings collapsed, including the Presidential Palace.

So the Japanese Government is working with the World Bank to try to find ways of improving prevention, that our buildings--not building buildings in flood plains. There are all kinds of things that we can do that the Japanese understand, I think, as well or better than any country in the world, and the explicit commitment is that we will work with the Japanese Government to help the poorest countries do better at prevention and then also do better at response once disaster happens.

Another area of cooperation is on health care. So the Japanese are rightfully very proud of their health care system which provides universal access to very high-quality care. So there will be meetings today to discuss ways in which the Japanese experience in health care can be used to help countries all over the world build these kinds of comprehensive, universal access-type programs.

So it is an ideal relationship in the sense that Japan continues to be a very generous donor, but what we are very excited about is the fact that specific areas where they have special expertise, we are going to help them spread those lessons to the rest of the world.

And as far as the BRICS, you know, we still are deeply engaged with the BRICS countries. You know, many of the BRICS countries really don’t need our money anymore, but what we find is that they consistently want to work with us because of our knowledge, because of the depth of experience we have in making projects work.

The most recent example is that I just visited South Africa. And again, South Africa doesn’t necessarily need our money, but we have agreed to build what we are calling a Delivery Knowledge Hub in South Africa.

In other words, their biggest challenge right now--they feel that they have very good political processes, they feel that they have great policy, but they want to get better at actually implementing and delivering results for their people.

So, what we are going to do is we are going to bring the breadth of our experience. The World Bank has what I could call “master practitioners” of development--people with wonderful academic backgrounds who have, for 10, 15, 20, 30 years sometimes, been working to actually deliver results on the ground, and they have experience in many, many
different countries. So the breadth of experience we think will always be of value to the BRICs countries.

So my sense is that we will always remain deeply engaged with the BRICS countries. And you can get some sense of the nature of my commitment to the BRICS countries by looking at some recent appointments.

We recently appointed Jin-Yong Cai from China to be the head of our International Finance Company, our International Finance Corporation, IFC, our private sector wing; and we just recently appointed the distinguished scholar, Mr. Kaushik Basu, from India, who just finished his work as the Chief Financial Advisor to the Prime Minister of India. He is now our Chief Economist.

So the presence of the BRICS in the Bank is profound, and my full expectation is that our relationship with them will only deepen over time.

MR. MILLS: Yes, you in the front row, yes.

QUESTION: Thank you. Marta Garcia [ph.] from La Nacion Paraguay. What is the scenario of food prices, and how is Latin America exposed to the situation?

DR. KIM: So we are of course very concerned with food prices, and from our perspective, the response to the increases in food prices has to be multifaceted. So what we are doing immediately is making resources available to countries to support their--to provide an emergency capability of helping to purchase food.

You know, the biggest issue for us is that increasing food prices often push the poorest families to having to make terrible choices--either feed my children or send the girls to school--and you have to choose between one and the other. So, through the provision of budget support-type loans and grants, and also through our emergency facility, we provide direct access to resources to purchase food.

But that is really not the whole picture. What we think is even more important is to ensure that there is a long-term plan for agricultural sustainability. There was an agreement coming out of the latest--of the G20 Meeting--the Annual Meetings from last spring and also the G20 discussions, and we have now formed something called the Global Agriculture and Food Security Program.
And so, while we will always stand ready to help with short-term needs for food security, we are also very engaged in trying to help each of our member countries build in long-term sustainability in their agriculture systems.

**MR. MILLS:** Yes, sir, right there.

**QUESTION:** Thank you. My name is Mo Khalif [ph.]. I am from the Islamic Development Bank Group.

I would like to ask what strategy and programs does the World Bank have for supporting post-conflict countries that are emerging from conflicts in Sub-Saharan Africa, especially countries like Somalia, Ivory Coast, the Democratic Republic of Congo. Thank you.

**DR. KIM:** As you may know, the subject of one of our recent World Development Reports was on fragile and conflict-affected states.

I have a very special interest in and experience with fragile and conflict-affected states. I mentioned it earlier. I have worked in Haiti since about 1988.

So I have shared with the development world deep frustration over our relative inability to lift fragile and conflict-affected states out of fragility.

So I am going to make this a special part of my Presidency. We are going to move forward with much urgency, a great sense of urgency, in trying to find ways of lifting countries out of the state of fragility.

It is significant that the very first country I visited as President of the World Bank was Cote d'Ivoire, and Cote d'Ivoire provides some very important lessons.

First, this is a country that is about 40 percent of the West African economy. And it is also a country that had an educational system—artists, scholars—that was the envy of its neighbors. And then, 20 years of conflict have really set the country back.

Now there is a President, President Ouattara, who used to be the Deputy Managing Director of the IMF, a very smart man who is deeply committed to his people. And when I visited Cote d'Ivoire, I saw right in front of me the nature of our task. There was a training program that I went to visit, and there, ex-combatants in the war were learning how to be electricians. And one young man stood up and said to me: “You know, this is great for
me. I am learning how to become an active member of the society, to have a job, and it is great. But you know, my friends, my sisters, my brothers don’t have this opportunity, and if they don’t have the opportunity, when conflict happens again, they will pick up their arms again.”

So, for us, the task is urgent in the sense that we have to find ways of boosting economic growth. And in this particular case in Cote d’Ivoire, it was the cooperation of the government and our groups--both the World Bank itself, IBRD/IDA, and the International Finance Corporation, our private sector group--to provide the kind of training and create an environment in which small and medium enterprises can grow, in which smallholder farmers can get access to global markets.

The task of building the economy so that ex-combatants can have jobs and see a different future for themselves was critical, and we have to move quickly.

So we are aggressively searching for ways for us to be ever more effective at working in fragile and conflict-affected states.

**MR. MILLS:** Yes, ma’am. Please raise your hand so the microphones can get to you.

**QUESTION:** Good morning. Shahir Edriz [ph.] from Future TV Lebanon. Mr. Kim, in light of change in Middle East, what new policies does the World Bank have in mind, especially for the Arab Spring countries and regarding Syria?

**DR. KIM:** Well, the changes that have happened in the Arab Spring countries I think also teach us critical lessons about development, and these are lessons that I have learned personally in the field over many years, but let me tell you what I think the most important ones are.

First, I think that we have now--there is really no more question that if you have economic growth that is not inclusive, especially of young people, you are building instability into your system.

Many countries and we at the World Bank for years have talked about inclusive growth, and that has never been made more clear. So I think that in many of the Arab Spring countries, there is a fundamental rethinking that is happening. For any country to grow in a way that is inclusive, in a way that is shared, you have to think about, for example, inputs. Are the
educational systems set up so that young people can join the work force and get good jobs? This is what everybody wants, after all. Are the health care systems set up?

Another major question in the Arab Spring is the participation of women. You know, we seem to learn over and over and over again that putting women at the center of development is critical. We learned a lesson from the Grameen Bank decades ago, that providing loans to women made the programs work. We learned the lesson again in Mexico and Brazil through the conditional cash transfer programs.

And I think fundamental values like making sure that the inputs to spur further economic growth are in place, to ensure that economic growth is inclusive of young people, especially young women, that women in general are at the center of the development process--these are all critical issues. And you know, in countries like Yemen, of course, a very fragile country--I recently met with the President--there are so many things that we have to do to provide basic inputs, infrastructure development.

So let me just say that there is no one-size-fits-all approach to the Arab Spring countries, but we are very much engaged with almost all of them--not yet in Syria--but we think that there are important lessons to be learned and that our engagement there is critical.

**MR. MILLS:** Yes, perhaps we could go to the back, to the gentleman--yes, you. Thank you.

**QUESTION:** I am from Myanmar. Good morning, Mr. Kim. Do you see any possibility to give more assistance to Myanmar from this Annual Meeting--and I mean debt forgiveness and bridging loans, proposals by the Japanese Government. Thank you.

**DR. KIM:** Yes. I have met with officials from Myanmar around the UN General Assembly meetings, and I have to say that, like so many others, I am very encouraged by the reforms that have been taking place in Myanmar. There are still things to do--I mean, there is still more progress that needs to be made--but I am very encouraged by what I see in Myanmar. We have a team in Myanmar right now, and we are working with the government to really catalogue the arrears that have accumulated over the years, and our hope is that we can move forward very soon as a united global community to support the reforms and to help the people of Myanmar with things like health, education, infrastructure, and also to help Myanmar boost its private sector so that more businesses can grow in that environment.
And for the sake of the people of Myanmar, I would simply encourage the Government to keep going in pushing forward important reforms.

**MR. MILLS:** Yes, sir, right there.

**QUESTION:** Good morning, sir. I am Jerome Radis [ph.] from the Philippine Star. Sir, it happens that several emerging markets, particularly in the ASEAN region, are very prone to disasters, to effects of climate change; so, moving forward, how do you see the World Bank in terms of its cooperation, actions, evolving in this region, and particularly in the Philippines, how do you see the actions of the World Bank work, operations, particularly in the Philippines? Thank you.

**DR. KIM:** Yes. Let me address a couple of questions more generally.

You mentioned that the Philippines especially is vulnerable to disasters and also to the effects of climate change, so let me start with climate change.

You know, I am trained in science, and since becoming President of the World Bank, I have looked deeply into the data on climate change. And I have to say that I was surprised at--even in the last six months to a year, the data on climate change has become ever more frightening. Things that we thought would happen only with higher degree change in the average temperature are happening now. And as a scientist, I feel that it is my moral responsibility to be very clear in communicating the dangers of climate change.

So, for the first time in history, the climate scientists declared that the drought that happened this past summer, that contributed to rising food prices, was the result of man-made climate change.

Ninety-seven percent of climate scientists now agree that man-made climate change is real.

Now, as a person trained in science, that is an almost frightening amount of unanimity. There are very few things in medicine, as a physician, that we agree 97 percent on.

And so I think the question we have to ask ourselves is not simply is climate change real or not. I think we have to begin looking hard at what the world is going to look like for our children.
I have a three-year-old son, and when I really dug into the data, when my three-year-old son is my age, he could possibly be living in a completely different world than we are living in today. If we get to where people think we are going to get, we are going to lose the coral reefs, the fisheries will change fundamentally, the water will rise. There are going to be changes that we simply have to face up to.

Now, I think our task is to find ways of encouraging ever greater efforts at both mitigation and adaptation to climate change, but mitigation is really critical. Can we find ways of creating an enormous market for new technologies focused on mitigation of climate change? I think we simply must do it.

So you are going to be hearing from me over the next six months and over the entire term of my Presidency—you are going to hear me talking a lot about climate change.

Now, it is not—I am not going to just give you the Doomsday picture. I think there are tremendously exciting possibilities of what it would look like to live in a very low-carbon world, and we simply have to find those opportunities, and we have to encourage the best and brightest companies and countries to seize that opportunity and seize their—and understand that their path to economic growth could very well be engaging in finding new technologies and new approaches of mitigating climate change.

**MR. MILLS:** Okay. We have time for one more question. Yes, ma'am, right there, please, in the third row; yes. Thank you.

**QUESTION:** Mr. President, the World Bank has released a report in February saying that China should complete its--sorry--it is from Hong Kong, Hong Kong Economic Times--a report saying that China should complete its transition to a market economy and strengthen its private sector in order to achieve its goal of a new structure of economic growth. Given the large scale of China’s economy and the world is still suffering in the crisis, in your view, how long do you expect the transition progress to take, and what challenge do you expect China to face during this transition? Thank you.

**DR. KIM:** Well, right now, China, like just about every economy in the world, is facing particular challenges. We know that the volume of their exports has gone down. We know that their internal consumption has suffered recently. But what really encourages me about China is that we recently went through a process with them and produced a document called “China 2030,” and in that document, we were very
encouraged to see just how deeply the Chinese Government was willing to engage in a process that looked at their growth strategy, not over the next five years but over the next 10, 20 and 30 years. And there were really important insights. One was that—a recognition that internal consumption probably was going to be a major driver of economic growth.

So the lesson for me is that every, single economy in the world has to now be focused on the medium and long-term prospects for growth. Because of the crisis, I think there is a tendency to only look at the short-term—you know, how to respond to the crisis as it might hit us—but I think evidence is very good that the countries that start thinking right now about medium and long-term competitiveness are going to do much better in the long run. And this is part of the work that we do. I mean, we have experts inside the World Bank who have walked with many, many countries through their own process of economic growth, and we stand ready to work with any government in the world, all of our member countries, in thinking about medium and long-term approaches to growth.

MR. MILLS: Very good. Thank you very much.