

# HUMAN CAPITAL PROJECT MINISTERIAL CONCLAVE

## PROMOTING JOBS AND ECONOMIC TRANSFORMATION

On October 17, 2019, as part of the World Bank Group / IMF Annual Meetings, ministers and high-level representatives from more than 70 countries and organizations came together for the third Human Capital Project (HCP) Conclave. Since its launch in 2018, the HCP's core message on the long-term economic benefits of investing in human capital has gained widespread global attention.



**AXEL VAN TROTSENBURG**  
World Bank Managing  
Director for Operations

**“One of my priorities is to ensure we build on the Human Capital Project’s impressive momentum—across the areas of policy reform, financing, efficiency of spending, scale-up of high-impact interventions, and strengthening of data and analytics on human capital. There are many lessons to be shared among Human Capital Project countries of all income levels, and the network of peer learning within the project aims to support this.”**

In her welcoming remarks, World Bank Vice President for Human Development, Annette Dixon, emphasized the goal of the Conclave: **“to keep up the momentum of learning from one another and motivate our collective commitment to improving human capital.”**

While speaking to the overarching ‘Jobs and Economic Transformation’ theme of the event, Ceyla Pazarbasioğlu, World Bank Vice President for Equitable Growth, Finance and Institutions, noted that **“over the next 15 years, nearly 600 million people will be entering the labor force, mostly in poor countries.”** This requires a concerted effort for more and better investments in human capital, to prepare people for the jobs of the future.

The event opened with keynote speeches from Nigeria, Ireland and Singapore.



**THARMAN SHANMUGARATNAM**  
Senior Minister, Singapore



**ZAINAB AHMED**  
Finance Minister, Nigeria

This was followed by a rich conversation among the 40 ministers, partners, and other high-level representatives at the table. They highlighted the importance of education from the earliest years of life through secondary school, as well as the need to prepare young people for the jobs in the 21<sup>st</sup> century. The discussion also touched upon financing human capital, the use of data for decision-making and the need to undertake a whole-of-government approach that includes different sectors and ministries to effectively support economic transformation.

Tharman Shanmugaratnam, Senior Minister, Singapore, began by pointing out a fundamental challenge many countries face: the mismatch between supply and demand for skills required by today’s job market. **“Higher education systems have become overly academic in their orientation, matching neither the abilities of young people, nor the needs of the marketplace,”** he explained.

*“The number of Human Capital Project countries has grown from 28 to 70 in just over a year.”*

To address this mismatch, Singapore is working with market intermediaries and training providers to advise institutions, students and employees.

Similarly, Nigeria’s education sector is working with industry associations to create a skills-development system that is responsive to labor market demands and to rapidly changing technology.

As Zainab Ahmed, Finance Minister, Nigeria, explained, **“young people are the country’s greatest asset, and so current reform efforts are aimed squarely at the youth demographic.”**

There was general agreement that government policy must strengthen education systems to work with the labor market. Reflecting on Ireland’s journey from a poor, largely agrarian economy in the mid-20th century to the dynamic economy of the present, Paschal Donohoe, Minister of Finance, Ireland, noted that **“it was the introduction of free second-level education in 1967 that might be considered our starting point. This decision and the subsequent expansion of higher education opportunities underpinned the significant increase in Irish productivity, employment, workforce participation, and export orientation to growth that began in the mid-1990s.”**



**SHAIKH SALMAN BIN KHALIFA AL KHALIFA**  
Minister of Finance & National Economy, Bahrain

Minister Donohoe attributed Ireland’s economic success to a long-term whole-of-government approach. He linked growth seen in the 1990’s back to education decisions from the late 1960’s—these investments in human capital over time created a virtuous cycle of more and better investments in health, social protection, and other pivotal areas.

**EXCHANGING EFFECTIVE APPROACHES**

Another way countries are equipping their young people with skills relevant to the needs of the labor market is through a focus on vocational training. Underscoring this point, Shaikh Salman bin Khalifa Al Khalifa, Minister of Finance & National Economy, Bahrain, noted that 96 percent of Bahrain Polytechnic graduates left with jobs in hand whereas this wasn’t the case at most of the country’s traditional learning institutions, including the national university. Aïchatou Kané, Minister of Planning, Niger, explained that her government plans to raise vocational training in Niger to 40 percent of the total education system in the coming years. **“We believe that it is through vocational training that we can unleash better opportunities for young people,”** she said.

Entrepreneurial development programs are another tool that can foster employment among young people.



**MOHAMAD AL-ISSISS**  
Minister of Planning and International Cooperation, Jordan



**PASCHAL DONOHOE**  
Minister of Finance, Ireland



**KOJO OPPONG-NKRUMAH**  
Minister for Information, Ghana



**AÏCHATOU KANÉ**  
Minister of Planning, Niger



**BENIGNO LOPEZ**  
Minister of Finance, Paraguay



**MANUEL NETO DA COSTA**  
Minister of Economy and Planning, Angola



**OKSANA MARKAROVA**  
Minister of Finance, Ukraine



**ANNETTE DIXON**  
World Bank Vice President  
for Human Development

As Minister Al Khalifa explained, **“we want college graduates to graduate and be job creators, not just job seekers.”**

Paraguay, with 60 percent of its population under the age of 30, is placing particular attention on educating its youth with a clear understanding of the linkage to future economic growth. **“Universal quality of education is key to increasing [our] labor productivity,”** said Benigno Lopez, Paraguay’s Minister of Finance.

The primacy of education is also clear with regard to conflict and displacement. Mohamad Al-Ississ, Minister of Planning and International Cooperation, Jordan, explained how his government made education free for 1.3 million Syrian refugees, saying **“education is the only guarantee for a peaceful future.”**

### FOCUSING ON THE EARLY YEARS

Focus on the early years of life was judged to be equally important. Oksana Markarova, Minister of Finance, Ukraine, explained that her country was planning



**CEYLA PAZARBASIOGLU**  
World Bank Vice President for Equitable  
Growth, Finance, and Institutions

to **“increase investments in pre-school education to enhance the multiplier effect of strong early childhood education.”** Similarly, Minister Al-Ississ mentioned that Jordan has made pre-school through grade 2 education mandatory and plans to ramp up access to kindergarten over the next decade.

### COORDINATING ACROSS GOVERNMENT

Better human capital investments require sound decisions around coordination and financing. As discussed at earlier conclaves, several countries focused on the need to bring ministries and sectors together, to prioritize budgets and create fiscal space.

Manuel Neto da Costa, Minister of Economy and Planning, Angola, noted that joining the HCP in 2018 had helped spur his country to adopt a whole-of-government approach to developing human capital. Angola has identified priority areas, including malnutrition and

gender equality, and is using its five-year national development plan to coordinate relevant ministries such as Health, Social Affairs, Education, Electricity and Water, and Agriculture around actions that are related to human capital, both to bring in synergies and avoid overlaps.

To maximize government impact and spend taxpayer dollars efficiently, Minister Markarova of Ukraine proposed to first address inefficiencies, then expand fiscal space on health care, education, and social care. In terms of leveraging the private sector, Minister Al Khalifa mentioned how **“Bahrain’s fiscal reform plan has reduced the public sector’s head count by 18 percent, which has led to the private sector now becoming the country’s largest employer.”**

### THE IMPORTANCE OF DATA

Innovative use of data can also underpin financing decisions and support a whole-of-government approach. Kojo Opong-Nkrumah, Minister of Information, Ghana, explained that **“it’s not about creating new interventions, it’s about having new data on the outcomes of the existing interventions and having more policy cohesion to avoid duplication of policies and inefficient spending.”** Minister Markarova noted that all public finance data in Ukraine is now accessible online to the public. Using the World Bank’s BOOST database, her government is able to efficiently see all budget data and assess linkages between spending and outcomes to influence policy. Through the use of this data **“we can see what it costs to have a high achiever in both urban and rural settings,”** she said.



The October 2019 Human Capital Project Conclave was a chance to draw connections among the many historical and present-day decisions that are leading to effective investments in people.



Ministers, Champions, and high-level participants will convene again **in April 2020** for the fourth HCP Conclave, continuing the drive to invest in people around the world.



The Human Capital Project is mobilizing countries and partners to improve outcomes for people, drive sustainable economic growth, and deliver opportunities for all. The project envisions a world where all children – both girls and boys – reach their full potential, growing up healthy, well nourished, engaged and protected during their early years, learn in the classroom, and enter the job market as skilled and productive adults.

For more information visit: [www.worldbank.org/humancapital](http://www.worldbank.org/humancapital)