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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 21st 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.
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.”

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.

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 at 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.

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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 Oppong-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.

**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 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

**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.**

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