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Series: Meeting and event briefing materials

Dates: 07/28/1997 - 07/31/1997

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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

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Meeting: Messrs. Perry & Burki

Thursday, July 31, 1997

5:30 - 5:50 p.m.

Room MC11-123

President Has Seen

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R2002-036

Other #: 42

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President Volensohn - Briefings Books for Presidents Meetings - Meeting Materials
Guillermo Perry and Shahid Javed Burki - July 31, 1997



30488371

Archive Management for the President's Office

Document Log

Reference # : Archive-01601

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A. CLASSIFICATION

☒ Meeting Material
☐ Trips
☐ Speeches

☐ Annual Meetings
☐ Corporate Management
☐ Communications with Staff

☐ Phone Logs
☐ Calendar
☐ Press Clippings/Photos

☐ JDW Transcripts
☐ Social Events
☐ Other

B. SUBJECT: MEETING: MESSRS. PERRY AND BURKI (B) (N)
VENUE: MC 11-123 (OFFICE)
CONTACT: MR. PERRY @ 39007 // BURKI @ 82332
IN ATTENDANCE: JDW, PERRY, BURKI, MARISELA
AGENDA: EDUCATION AND GROWTH MEETING WITH MINISTERS OF
FINANCE AND HEADS OF CORPORATIONS IN LAC
(B) BY PERRY // DUE FRIDAY, JULY 25
EXC: MM / LFG (6/30)

DATE: 07/31/97

Briefing Included:

---Letter from Guillermo Perry to JDW (07/28) re: Conference in Education and Development in LAC

C. VPU

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E. COMMENTS:

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1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

July 28, 1997

Mr. James Wolfensohn
President
The World Bank

Conference in Education and Development in LAC

Dear Jim:

Attached please find a brief background note and a revised version of the proposed agenda for the conference. As you can see, I have made some changes to the program after discussion with Education Specialists in LAC.

I look forward to our meeting of July 31.

Regards,



Guillermo Perry

Background Note for Conference on Education and Development in LAC

Education at all levels is in a state of crisis in LAC, and the public and private sectors share the responsibility. While the quality of public education is low, and resources are poorly allocated and managed, private firms have failed to invest adequately in their own workers, and generally have not led efforts to improve the quality of workers through better education and training.

I. The problems are well known:

- Basic schooling suffers three maladies: (1) average levels of academic achievement are very low; (2) average educational attainment of the labor force lags behind that of other regions; and (3) inequalities in educational opportunities contribute to high income inequality. Their causes are: (A) inadequate organizational structures (centralized ministries of education, insufficient school autonomy, short school-days and school-years, inadequate supply of pre-school education); (B) poor incentives (teacher remuneration not dependent on performance, lack of competition among public and private schools); and (C) poor allocation of resources (insufficient allocations to basic and pre-school).
- Technical education takes place in secondary schools and special technical schools, which are financed by earmarked payroll taxes. Technical education tends to be more costly than general education, but not more effective than general education in preparing students for work. Private firms may have special interest in pressuring for technical education reforms.
- A major problem in public universities is their management, especially concerning resource allocation. Also, public funding is usually dissociated from efficiency and quality considerations. While public institutions are fully financed by government, but private institutions receive almost no government funds, despite the fact public and private institutions generate similar public benefits.

II. Some potential solutions are:

- Increase per student spending in pre-school and basic education, and use such funding to improve the quality of teaching and to increase the time children spend learning, with priority given to children of the poor.
- The above can be financed by: (1) reallocating resources from technical and higher education -- see below; (2) reallocating budgetary resources from non-educational expenditures; and (3) raising additional public revenues.
- Implement institutional reforms to: increase school autonomy, school competition (via vouchers, for example), the supply of pre-school services, and schooling time, and to make teachers accountable for their performance.
- Eliminate earmarked revenues for technical training and require technical institutes to compete for financing on the basis of their performance, including increased financing from the sale of training services to private firms;
- Modify funding formulas for public universities to reward efficiency and quality, require universities to put finance non-core services through user charges, and encourage the adoption of income-contingent instructional fees, while introducing selected subsidies to raise the quality of private universities.

III. The challenge of implementing education reforms:

The challenge is to implement education reforms that adversely affect important social actors such as teachers' unions, university students and public bureaucracies. Education reforms are especially difficult to carry out because the benefits (e.g., improved labor quality) are mostly experienced in the distant future, while both the financial and political costs are incurred immediately. **The business community can play a key role in promoting education reform by helping to build public support for education reforms, while ministers of finance must also play a key role because financing and institutional issues figure prominently in the agenda.** Moreover, since many countries have implemented or are currently in the process of considering comprehensive education reforms, now is an opportune moment to influence change in the LAC Region.

Conference on Educational Reform and Development in LAC

Purpose: To engage private sector leaders and ministers of finance in a dialogue on the role of education in promoting economic and social development, and to emphasize the key role that the private sector can play to promote the needed reforms in LAC.

Audience: Heads of private sector from LAC (approximately sixty), ministers of finance, and some ministers of education.

Duration: 1.5 days

Location: Preferably a place outside Washington, with overnight stay

Preliminary Program:

Opening Remarks:

James D. Wolfensohn (purpose of meeting)

Joseph Stiglitz (overview of topic)

Session I: *The Effects of Education on Growth, Income Distribution, and Poverty*

Presentation 1: Empirical Evidence on the Effects of Education on Growth, Income Distribution, and Poverty

Potential Presenters:

Robert Barro, Harvard University

Bill Easterly, World Bank

Paul Krugman, MIT

Jere Behrman, University of Pennsylvania

Nancy Birdcall, Inter-American Development Bank

Lynn Squire, World Bank

Martin Ravallion, World Bank

Presentation 2: International and Inter-Regional Comparisons of Educational Achievement and Attainment

Potential Presenters:

Guillermo Perry, World Bank

Julian Schweitzer, World Bank

Session II: *The Need for Systemic Educational Reform in LAC*

Presentation: The Elements of Education Reform

Potential Presenters:

Donald Winkler, World Bank
David De Ferranti, World Bank

Session III: *The Political Economy of Educational Reform, the Role of the Private Sector, and Successful Experiences*

Roundtable format:

José Pablo Arellano, Minister of Education, Chile
Gustavo Rosen, CEO (telecommunications firm) and former
Minister of Education, Venezuela
Somebody from the Dominican Republic, where the private sector
played a key role in promoting educational reform
Paulo Renato Souza, Minister of Education, Brazil
Germán Rama, Minister of Education, Uruguay
Shahid Javed Burki, World Bank

Conference Format:

Having three sessions will yield plenty of time for open discussion and interaction with our audience.