OVERCOMING SETBACKS TO HUMAN CAPITAL IN A CRISIS-RIDDEN WORLD

On April 26th, 2022, over 60 countries joined the Spring Meetings Human Capital Ministerial Conclave to discuss policy priorities and solutions to overcome learning losses and restore jobs and skills.

Key Takeaways

Learning recovery needs to be at the center of economic recovery, due to its impacts on future rates of growth.

- Governments can seek opportunities to coordinate efforts across nutrition, curriculum development, safety nets, mental and physical health, gender, digital adaptations, and more.
- The World Bank Group will mirror this commitment and bring diverse expertise and multisectoral analyses to address learning.

Strong employment and entrepreneurship require both structural and cyclical supports, in partnership with the private sector.

- Governments should be prepared to respond to sudden downturns or shocks to employment while regularly ensuring access to jobs and skills development for women, youth, minorities, and others who may face higher barriers.
- The World Bank Group should assist with determining what are these barriers, policy options to help overcome them, and advise on shock-responsive programs to safeguard employment for all.

Expanding the ‘digital economy’ provides numerous opportunities in terms of job creation but it must be able to serve everyone.

- Governments should look carefully at the various technology, policy, and capacity investments needed to ensure as many individuals as possible can take advantage of jobs connected to the digital economy.
- The World Bank Group should support countries to sift through the complex decisions and collaborations that build a strong digital economy, often with the private sector playing a major role.

Panelists shared their experience on combating the pandemic’s effects on learning and employment, through multisectoral efforts and by leveraging private sector partnerships. The interventions aimed to prevent a permanent set back in education and jobs outcomes.

Ministers of Finance from Angola, Ecuador, Georgia, Morocco, and Rwanda shared their views during panel discussions, and were joined by the Managing Director and Co-founder of Apex, a private sector firm based in Bangladesh. The President of the World Bank Group, David Malpass, joined for a one-on-one dialogue with Melinda French Gates, while World Bank Managing Directors, Mari Pangestu and Axel van Trotsenburg, led substantive policy panels. The Vice President for Human Development, Mamta Murthi, chaired the event.

Opening Remarks

Vice President Mamta Murthi opened the event with a concerning global snapshot:

- As of April 2022, the world is facing major disruptions in household income, delivery of key health and education services, and food security.
- Labor market setbacks, particularly for informal workers, youth, and women, could have repercussions for years to come, and
- The number of children aged 10 who cannot read or understand a simple text has risen to nearly 70 percent globally, from 50 percent. This is likely to have implications for a full generation.

Taken together, the scenario Ms. Murthi described is one of long-lasting negative effects on individuals and long-term economic losses, implying trillions of dollars of foregone GDP.

Before turning to the first panel of Ministers, Ms. Murthi noted the presence of numerous high-level officials at the Conclave as an indication of shared commitment to improving human capital globally, even in the face of such adversity.

Panel 1: Overcoming learning losses and the learning crisis

World Bank Managing Director for Development Policy and Partnerships, Mari Pangestu, moderated a panel of Ministers of Finance that included: H.E. Vera Daves de Sousa of Angola; H.E. Simon Cueva of Ecuador; and H.E. Lasha Khutsishvili of Georgia. Discussions in the panel focused on how to make up learning losses for students in cases where schools were closed for a year or more, how they might recover concepts they previously learned but have since forgotten, and what it really means to ‘get back on track’ given competing country priorities.

For example, the Minister from Angola noted how their government is working to protect financial commitments to education, improve enrollment and school infrastructure, and coordinate with social protection and agriculture ministries to ensure parents have sufficient income so that they need not ask their children to choose work over education.

Minister Cueva of Ecuador linked the education of the current generation to future economic indicators – productivity, investment, entrepreneurship, and innovation. He noted Ecuador’s emphasis on immunization as an enabler of students’ return to schools, the major challenges of doing so
during a period of tax reforms, and a three-pronged education plan looking at school rehabilitation, curriculum adaptation, and addressing nutrition, mental and emotional health of children.

Minister Khutsishvili of Georgia reflected on the importance of aligning investments across multiple ministries and at all stages of education, including for one of the largest learning projects ever implemented in the country that is now getting underway. Like the others, Minister Khutsishvili referenced the importance—and challenge—of maintaining government expenditures for education compared against other programs, and Georgia’s aim to be a regional hub for high-quality learning and job-ready professionals.

A rapid round of follow-up highlighted how Angola is viewing girls’ education through the lens of culture as well as basic needs and school resources, how Ecuador sees malnutrition as a multisectoral impediment to learning outcomes, and the importance Georgia is placing on connectivity and digitalization.

Mr. Trotsenburg was invited at the end of the first panel to intervene and engage further with Minister Cueva of Ecuador on the links between malnutrition and learning, with Minister Cueva further pointing toward the importance of providing support in early childhood, learning from good practice, and being data driven when looking at outcomes.

Panel 2: Restoring jobs & skills

World Bank Managing Director for Operations, Axel van Trotsenburg, moderated a panel of two Ministers of Finance – H.E. Nadia Alaoui of Morocco and H.E. Dr. Uzzel Ndaggijimana of Rwanda – and the CEO of Apex Limited and founder of multiple companies, Syed Nasim Manzur of Bangladesh. They had the challenging task of addressing impacts of COVID-19 on the labor market and addressing what needs to be done now and in the future.

The panelists covered important territory for policy and partnership between the government and the private sector. Minister Alaoui first laid out data on the drop in women’s employment in Morocco and reflected on how previous gains were now fragile. She described a new National Economic Strategy, an integrated reform program that includes microfinance and fintech policies, and private sector regulations, all with an eye towards supporting women’s employment in the formal economy.

Minister Ndaggijimana of Rwanda focused on youth employment and a goal to add 1.5 million jobs over 7 years – which was hindered by COVID-19. He spoke to the importance of technical and vocational education and training (TVET) in Rwanda and described a higher rate of hiring among individuals graduating these schools. He also spoke to addressing the COVID-19 shocks to firms through an economic recovery fund, and preparing for the future by better integrating digital skills into their education curriculum.

From the private sector perspective, Mr. Syed Nasim Manzur acknowledged some of the important steps taken by the government of Bangladesh to limit job losses, including a decision to support salary payments of workers in select industries that employ mostly women. He also spoke to the challenges of navigating COVID protocols for employees as an immediate issue, and how many labor programs that seek to address long-term issues are driven too often by donors, with limited flexibility in a rapidly changing world. Mr. Manzur noted especially the importance of high-quality training that is informed by the needs of the private sector, including a response he helped launched in the leather sector in partnership with the Government in 2019.

Ms. Pangestu returned with a few closing points for the second panel, underlining the need to address youth unemployment, looking beyond jobs to encourage entrepreneurship, and keeping one eye towards the future to respond quickly to technology, value chains, green trends, and more.

Conversation between President Malpass and Melinda French Gates

At the end of the event, World Bank Group President David Malpass engaged in a policy-focused dialogue with Melinda French Gates, co-Chair of the Bill and Melinda Gates Foundation. President Malpass focused his questions on learning recovery, the inclusion of women in labor markets, and the importance of digital skills. Through their dialogue, Ms. French Gates brought to light several critical considerations:

- The last 10 years has provided good evidence on what works to deliver real learning, including in lower income countries. For implementation, it is important to work across foundations, private sector, government, and civil society.

  - The number one constraint to female labor market participation is childcare, and innovations like the World Bank’s Childcare Fund, can help get key social enterprises off the ground to remove this employment barrier, while creating jobs.

  - Lowering gender gaps in digitalization will allow women better chances to take advantage of digital wallets, resulting in increased ownership of assets and decision-making.

At the end of their discussion, President Malpass agreed that hearing about where countries are succeeding and transferring that knowledge to other countries is a way that is scalable and at the core of good development work.

Looking Ahead

Vice President Mamta Murthi concluded the event with a few key takeaways, described at the beginning of this document.

In addition to thanking all speakers and panelists for a rich event, Ms. Murthi invited the audience to the 2022 Annual Meetings Human Capital Ministerial Conclave to be held in October.

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