



WORLD BANK GROUP

World Bank Group Foundations Advisory Council Meeting December 11, 2014 SUMMARY

On December 11, 2014, World Bank Group President Jim Yong Kim hosted foundation leaders at the fourth meeting of the Foundations Advisory Council. A list of those who participated follows at the bottom of this summary.

Kim kicked off the meeting by highlighting the importance of partnership and summarizing progress made over the last year in the World Bank Group's work with foundations. He noted the announcement earlier that week of Rockefeller Foundation's \$10 million partnership with the IFC to work together to address the financing gap for infrastructure across emerging economies. He also highlighted the important contributions of foundations to the Ebola crisis.

Kim announced a number of steps to make it easier for foundations to work with the World Bank Group, including a commitment that the trust fund threshold of \$ 2 million would no longer be an obstacle for foundations, and that there will be single points of contact for foundations in the legal and financing departments to ease any bureaucratic hurdles.

In introducing the topic of the meeting, *Solving the Jobs Puzzle*, Kim emphasized the need for the public and private sectors to work closely together, underlining the fact that the majority of jobs come from the private sector. He said that while economic growth was crucial to creating jobs, growth alone was not enough, and could only be turned into jobs with very deliberative efforts. He put forward two specific areas of discussion for the group—the transition from school to work and the shifting needs for skills.

Nigel Twose, World Bank Group Senior Director for the newly-created Jobs Cross Cutting Solutions Area (CCSA), spoke of the strong link between development and jobs. "You work your way out of poverty," he said. He identified the World Bank Group's value-added as increasing the global flow of knowledge about what works, and bringing solutions to scale. Twose argued that to succeed in solving the jobs challenge, a dynamic and sustained engagement with the private sector is needed.

Twose also addressed the complex issue of technology. Labor markets are changing at a dizzying pace, he said, and we need to better understand what the job market will look like in five years. ICT has the potential to improve the lives of the poor – such as connecting farmers to markets for example – but we need to build research and work together to ensure that technology brings advantages to all levels of society, he argued.

Lastly, Twose highlighted the lack of robust evidence and stressed the need for more substantive data, including gender disaggregated data. Twose said that the World Bank Group is putting in

place a multi-year evaluation program with a range of partners, including the ILO, and would welcome more engagement with foundations in this area. One area of support could be in the design and implementation of new surveys using mobile technology to collect more data, more cheaply and more quickly.

Vartan Gregorian, president of the Carnegie Corporation of New York, expressed concern about the growth of a two tier education system, with liberal arts for the elites, and technology and skills training for the less privileged. He said that these should not be mutually exclusive, and highlighted the importance of culture and building citizenship, echoed subsequently by others. He said that the World Bank should treat foundations as laboratories—they were created to take risks, while governments cannot afford to fail. Foundations and the World Bank Group should work more closely together to scale innovative programs.

Claudia Costin, World Bank Group Senior Director of the Education Global Practice, described three specific dimensions of the transition from education to work: enrollment, which includes the percentage of students at school, and the percentage that graduate; building relevant skills; and finding a job. She underlined the importance of not only matching skills with the requirements of the market, but also of building skills that are relevant to the individual (such as life skills) as well as to society as a whole.

Kim asked Ingrid Hamm, CEO of the Robert Bosch Stiftung, to talk about how Germany was successfully matching education with the job market. Hamm described the German model and explained that its success depends on a process of consensus building and partnership between the public and private sectors. She offered to connect the World Bank Group to representatives of German companies that are implementing this model around the world to hear first-hand how they have matched education and skills training with available jobs.

Bill Reese, President and CEO of the International Youth Foundation, spoke of the often difficult transition from school to work and the need for more second chance programs and jobs that give upward mobility. He spoke of a “hope gap” – why stay in school if there are few chances of being able to find a job afterwards? Reese said that young people are often hired for their technical skills and fired for their lack of soft or non-cognitive skills, which are becoming increasingly important in today’s job market. He also spoke about the importance of continuous education, the need to keep learning throughout life. Reese said that the hospitality industry is the largest employer in the world and is poised to create 73 million jobs over the next decade, noting that life skills are more important in this sector than high tech skills.

Wiebe Boer, CEO of the Tony Elumelu Foundation, said that with 14 million youth without a job, Nigeria was one of the countries most challenged by unemployment. The country is divided between rapid growth in Lagos and stagnation in the North East, where Boko Haram is the most favored employer because they pay on time and give youth an opportunity to work. Boer said that technical and vocational training were unpopular in Nigeria, and seen as a sign of failure. Yet the construction industry is booming, and there is a shortage of carpenters, plumbers, and electricians, with jobs being filled by workers from other countries. Companies, such as Dangote, which has established the Dangote Academy, are training workers themselves. The Tony Elumelu Foundation is part of the newly created Presidential Jobs Board which aims to create 3 million jobs

in a year. It is currently undertaking a joint venture with an Indian skills company to train people in the Niger Delta.

The Mozilla Foundation's Executive Director, Mark Surman, called for creative thinking to overcome the gaps between skills and labor markets. Within the next 10 years, he said, all jobs will be digital jobs. This means that universal digital literacy is crucial, and it means thinking about digital jobs more broadly than just jobs in technology. He stressed that attention needs to be paid to the structure of control of the digital world in personal and economical terms in order to build healthy local digital economies. The Mozilla Foundation is part of a group convened by Ford Foundation president Darren Walker, which will be launching a coalition of philanthropies and others, to work on this issue. Kim informed the group that the World Bank Group's 2016 World Development Report will be on the internet and development.

Larry Kramer, president of the William and Flora Hewlett Foundation, congratulated Dr. Kim on taking decisive steps to make it easier for foundations to engage with the World Bank Group, in particular his assurance that the minimum threshold for funding trust funds would not be an obstacle for foundations. He said that having single focal points who are knowledgeable about foundations would be helpful. He called on the Bank Group to go further, and added two specific requests: 1) flexibility for partners who join a multi donor trust fund but are not the first funder, to be able to influence project design and implementation, and 2) a toolkit that lays out clearly how to engage with the World Bank Group, including details of financial instruments, agreements and contracts etc.

On the topic of jobs, Kramer said that while much of the conversation had focused on the educational needs of skilled workers, in sub-Saharan Africa, the challenge is very different - there is no system in place to educate children even at the most basic level. He also underlined the urgent need to build better data, and argued that it is now clear that current data leaves out large numbers of people. In addition, data needs to be disaggregated to better understand gender, for example.

Arup Banerji, the World Bank Group's Senior Director of the Social Protection and Labor Global Practice, emphasized the value of non-cognitive skills such as growth mindset and grit to enable people to continue learning and adapt to job opportunities. He referenced work that the World Bank is undertaking in Macedonia and Turkey that aims to develop socio-emotional skills on a large scale among students and job seekers. Banerji invited foundations to be part of an important data building initiative, STEP (Skills Measurement Program), aimed at measuring skills in low and middle income countries. The program has successfully collected robust data on the supply side (education, soft skills, social background) through household surveys, but needs to strengthen demand side data from employers on skills required.

Uday Khemka of the Nand and Jeet Khemka Foundation reiterated the importance of soft skills, stating that it is less a lack of technical skills than the lack of lubricating social skills that are the problem across the spectrum from low-skill to high-skill workers. He also stressed the importance of focusing on training for sectors, such as green energy, that have a social impact and are meaningful for society.

Kellogg Foundation's La June Montgomery Tabron said that in addition to looking at the input of educators, youth and employers, it was imperative to understand the important role played by families for those in the most vulnerable circumstances, calling for a dual generation approach to development. She also spoke of the unconscious bias that often exists in the workplace, and said that it was important to confront the biases of employers when devising strategies to overcome structural inequalities.

Hadeel Ibrahim of the Mo Ibrahim Foundation argued that we need to find the courage to listen to what young people are telling us or we risk "sleepwalking into the future." Many young people don't trust the previous generation, and have rejected their framework, she said. There are structural issues, and issues of equity and global justice, that must be addressed.

Gerry Salole, CEO of the European Foundation Centre, added that we must not deny agency to youth and those out of work. He spoke of the importance of self-learning and learning from peers. He said that technology could provide the tools and this could prove to be as important as formal education. Salole argued that we need to recognize and learn from knowledge where it exists, and pointed to a number of examples of work that European Foundations are engaged in. The Gulbenkian Foundation is providing Portuguese language courses for highly qualified immigrants who are working in low paid jobs in Lisbon, enabling street cleaners to go back to working as doctors, for example.

Michael Kocher, General Manager of the Aga Khan Foundation, argued that more attention should be focused on empowering civil society.

Richard Atterbury, Board Member of the Soros Economic Development Fund, emphasized the job creation side of the equation and the importance of encouraging an entrepreneurial environment that leads to growth in the domestic private sector. Open Society Foundations works across the spectrum, combining advocacy with support for civil society with impact investing and private sector work.

Kim closed the meeting by thanking participants for the lively and informative discussion. In response to the request from the Hewlett Foundation, Kim said the World Bank Group would continue to find ways to make it easier for foundations and other non-traditional partners to partner with the organization. He summarized the main discussion points and listed the specific areas that were identified for potential collaboration between the World Bank Group and foundations.

Participants agreed that **data** on jobs needed to be strengthened in order to build a strong evidence base. Data on the demand side, in particular, should be a focus of efforts. A more effective sharing of knowledge and experience is crucial to understanding what works.

Sustained and dynamic engagement with the private sector needs to be prioritized to better determine the desired skill set for the job market of today and tomorrow.

The role of technology, how it will affect the evolution of job market, and where the potential for job creation lies, is an area of keen interest. Kim suggested that the World Bank Group, in

particular the team working on the 2016 World Development Report, engage with Darren Walker's initiative.

Non-cognitive or "soft" skills was identified as of central importance in today's job market. It is an area that several foundations are interested in working more deeply in.

Given the strong interest in this topic, Kim suggested that next year's Foundations Advisory Council focus on the aspect of digital literacy (education for the digital world), linking with the 2016 World Development Report, and on the importance of soft skills and leadership. He suggested that the meeting expand to include a talk by a preeminent speaker on this topic, so that the discussion builds on the latest and most forward looking research and thinking. In the interim, Kim urged participants to work with the World Bank Group to identify joint initiatives for collaboration which draw on our respective strengths.

Participants of the 2014 Foundations Advisory Council

1. Aga Khan Foundation, Mr. Michael Kocher, General Manager
2. Carnegie Corporation of New York, Dr. Vartan Gregorian, President
3. European Foundation Centre, Mr. Gerry Salole, CEO
4. Global Philanthropy Forum, Ms. Jane Wales, President and Co-Founder
5. William and Flora Hewlett Foundation, Mr. Larry Kramer, President
6. International Youth Foundation, Mr. William S. Reese, President and CEO
7. Kresge Foundation, Mr. Rip Rapson, President and CEO
8. Mo Ibrahim Foundation, Ms. Hadeel Ibrahim, Founding Executive Director
9. Nand & Jeet Khemka Foundation, Mr. Uday Khemka, Managing trustee
10. Robert Bosch Stiftung, Dr. Ingrid Hamm, CEO
11. Tony Elumelu Foundation, Dr. Wiebe Boer, CEO
12. United Nations Foundation, Ms. Kathy Calvin, President and CEO
13. W. K. Kellogg Foundation, Ms. La June Montgomery Tabron, President and CEO
14. Soros Economic Development Fund, Mr. Richard Atterbury, Board Member
15. The Mozilla Foundation, Mr. Mark Surman, Executive Director