

EDUCATION IS FUNDAMENTAL TO DEVELOPMENT AND GROWTH

Keynote address at Education World Forum

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Introduction

1. **Education is fundamental to development and growth.** The human mind makes possible all development achievements, from health advances and agricultural innovations to efficient public administrations and private sector growth. For developing countries to reap these benefits fully, they need to unleash the potential of the human mind. And there is no better tool for doing so than education.
2. **Twenty years ago, in Jomtien, Thailand, government officials and officials and staff of multilateral development agencies and bilateral aid agencies met to affirm the importance of education in development**—on economic development and broadly on improving people’s lives—and together declared Education for All as a goal. A decade ago, in Dakar, Senegal, these parties reaffirmed that goal and their commitment to act together. In Jomtien, as in Dakar, the private sector was largely missing. Basic education, it was believed, is the purview solely of government. In fact, to many who were at those events, education as a whole is the business mainly of government.
3. **The Education World Forum is a different kind of gathering.** The composition of the participants in this forum reminds us that education is the business not only of government and aid agencies but also of industry and the commercial sector—both as providers of educational services and as users of the skills that education systems produce. Indeed, nonstate provision at all education levels has increased dramatically across the world. It is traditionally higher in secondary and tertiary education than in primary education, but it has grown also in primary education. And while it is often assumed that the nonstate sector serves mainly students who can afford to pay, in fact, it is an important provider of education services to even the poorest communities, especially in those areas that governments do not reach. Evidence tells us that the private sector can successfully collaborate with the government to both improve the relevance of education services and expand access to those services.
4. **The past two decades have seen great advances, particularly in enrolling children in school and keeping them there.** Far fewer children in developing countries are now out of school, thanks to effective policies and sustained national investments. The number of out-of-school children of primary school age fell from 105 million in 1999 to 70 million in 2009.

And even in the poorest countries, average enrollment rates at the primary level have surged above 80 percent and completion rates, above 60 percent. [Figure 1a-b] Governments, nongovernmental organizations (NGOs), communities, and private enterprises have made this progress possible by building more schools and classrooms and recruiting teachers at unprecedented levels.

5. **That success has bred new challenges at a time when conditions in the world have also changed.** In spite of overall gains, tens of millions of children are still out of school and substantial gender gaps remain in many parts of the world. Efforts to achieve the education MDGs—and more—must continue. Past success in access have turned attention to the challenge of improving the quality of education and accelerating learning. The global environment for education is changing. The way youth learn, teachers teach, and research is done have been changed irrevocably by massive advances in information and communications technology (ICT). These advances hold great potential not only for accelerating learning or teaching but also for improving the management of education systems. They are also transforming the world of work and the kinds of jobs that will be available in the future. Other changes are demographic: lower fertility rates are shifting population profiles from the very young populations typical of many low-income countries to “youth bulges” more typical of middle-income countries, and urbanization is concentrating population in cities, all with implications for the education services demanded and the supply of those services. Finally, the stunning rise of new middle-income countries—led by China and India—has intensified the desire of many nations to increase their competitiveness by building more skilled, agile workforces. These emerging markets are changing the profile of the global economy and the texture of global politics.
6. **How can education leaders and education systems respond to these changes and their associated challenges?**

Learning for All, Beyond Schooling

7. **My first proposition is that because growth, development, and poverty reduction depend on the knowledge and skills that people acquire, not the number of years that they sit in a classroom, we must transform our call to action from Education for All to Learning for All.** In this, we are faced with a more difficult challenge than we acknowledged two decades ago. At the individual level, while a diploma may open doors to employment, it is a worker’s skills that determine his or her productivity and ability to adapt to new technologies and opportunities. Knowledge and skills also contribute to an individual’s ability to have a healthy and educated family and engage in civic life. At the societal level, recent research shows that the level of skills in a workforce—as measured by performance on student assessments—predicts economic growth rates far better than do average schooling levels. A study by two eminent researchers concludes that an increase of one standard deviation in student reading and math scores is associated with a very large

increase of 2 percentage points in annual GDP per capita growth. They conclude that “schooling that does not improve cognitive skills has limited impact on aggregate economic outcomes and on economic development.” [Figure 2—quote from Hanushek & Woessmann]

8. **Measured learning levels in many developing countries are, however, alarmingly low.** Of course, even in poor learning environments, most students acquire some skills from school. But too often, these skills are, at best, rudimentary. For example, recent studies found that more than 60 percent of youths aged 15–19 in a West African country who completed six years of schooling could not read a simple sentence.
9. **International student assessments also reveal wide knowledge gaps between most developing countries and OECD members.** Despite the impressive performance of Shanghai province in the recently released 2009 PISA results, the scores of almost every other low- and middle-income country or region fell in the bottom half of results, and many lagged far behind the OECD average. These results are manifest also in TIMSS results from 2007. [Figure 3—TIMSS results]
10. **The headline of the World Bank’s new education strategy is: Invest early. Invest smartly. Invest in learning for all.** This tagline captures several core ideas:
11. **First**, foundational skills acquired early in childhood make possible a lifetime of learning. The traditional view of education as starting in primary school takes up the challenge too late. The science of brain development shows that learning needs to be encouraged early and often, both inside and outside of the formal schooling system. To develop properly, a child’s growing brain needs nurturing long before formal schooling starts at age 6 or 7. Prenatal health and early childhood development programs that include education and health are consequently important to realize this potential. In the primary years, quality teaching is essential to give students the foundational literacy and numeracy on which lifelong learning depends. Adolescence is also a period of high potential for learning, but many teenagers leave school at this point, lured by the prospect of a job, the need to help their families, or turned away by the cost of schooling. For those who drop out too early, second-chance and nonformal learning opportunities are essential to ensure that all youth can acquire skills for the labor market. [Figure 4—life cycle]
12. **Second**, getting value for the education dollar/peso/yuan requires smart investments—that is, investments that prioritize and monitor learning, beyond traditional metrics, such as the number of teachers trained or number of students enrolled. Quality needs to be the focus of education investments, with learning gains as the key metric of quality. We need evidence on what works in order to invest smartly. Resources are too limited and the challenges too big to be designing policies and programs in the dark.
13. **Third**, learning for all means ensuring that *all* students, and not just the most privileged or gifted, acquire the knowledge and skills that they need. Major challenges of access remain

for disadvantaged populations at the primary, secondary and tertiary levels. We must lower the barriers that keep girls, children with disabilities, and ethnolinguistic minorities from attaining as much education as other population groups. “Learning for All” promotes the equity goals that underlie Education for All and the MDGs. Without confronting equity issues, it will be impossible to achieve the objective of learning for all. Children and youth cannot develop the skills and values that they need without the foundational education provided by schools. Within Africa, within-country inequalities remain large. [Figure 4]

System Reform, Beyond Inputs

14. **My second proposition is that to achieve learning for all, we need to go beyond providing more and better educational inputs and towards improving education systems.** There is no question that providing adequate levels of schooling inputs—whether these are school buildings, trained teachers, textbooks or computers—is beneficial to the process of education. Indeed, the increase in classrooms and teachers in recent years has made it possible to enroll millions more children in school, and this effort must continue wherever levels of inputs remain inadequate. But improving systems also requires ensuring that inputs are used more effectively to accelerate learning.
15. **What are the core ideas underlying this proposition? First, let us expand our definition of what is an “education system.”** Typically, this term refers to the public schools, universities, and training programs that provide education services. Let’s redefine “education system” to include the full range of learning opportunities available in a country, whether they are provided or financed by government or by the private sector (including religious, nonprofit, and for-profit organizations). An education system thus includes formal and nonformal programs, from early childhood development programs and preschool learning through skills or job training programs for young adults.
16. **Secondly, each education system includes not only government agencies and public and private providers of learning services but also beneficiaries and other stakeholders—students and trainees, their families and communities, as well as employers—whose taxes, collective choices, and “voice” can be potential forces for improving how the system works.** For example, in India and Pakistan village education committees are tasked to monitor and support schools. And in many countries employers finance their employees’ participation in job training programs. When students and parents have reliable information about the quality of education services, they are better able to choose among providers and/or extract better services. [Figure 5—service delivery triangle]
17. **Thirdly, an education system has many dimensions besides levels of education and their participants. To function effectively, an education system needs an adequate level of resources and appropriate governance and accountability mechanisms that drive the system towards its goals.** These mechanisms are somewhat like rubber bands and springs

that connect the various moving parts of a mechanical device. Or, changing metaphors, the education system is like an organism of many parts and those parts have to be able not only to execute their functions but also to connect to and coordinate with other parts of the organism. In an education system, these parts include the rules, regulations and policies that determine how teachers are recruited, trained, supervised and paid; how schools or universities are constructed, accredited, managed, monitored, and funded; how students are admitted, assessed, promoted or retained; and so on. These mechanisms determine how successfully and efficiently an education system functions, and who are held accountable for its successes and failures and for its efforts to improve. [Figure 6—gears within an education system] In populous countries such as Brazil, India, Indonesia, or Nigeria, for example, the education system spans a stunningly large number of structures and participants at all levels of education, linked together by contractual and noncontractual relationships for the delivery of educational services. In these countries, one can imagine the immensity of the challenge of connecting the different parts of the system.

18. **What then does it mean to strengthen an education system?** Strengthening an education system means aligning its governance, management, financing rules, and incentive mechanisms towards a goal such as learning for all. This entails reforming relationships of accountability among the various actors or participants of an education system so that these relationships are clear, consistent with individuals' functions, measured, monitored, and supported. It means establishing a clear feedback cycle between financing and results.

The World Bank Group's New Education Strategy

19. **The World Bank has supported educational development for 48 years, since launching a project to build secondary schools in Tunisia in 1962.** During that period, the Bank has invested \$69 billion in education via more than 1,500 projects. New commitments have risen over the decade since the Millennium Development Goals were established, surging to more than \$5 billion in 2010 in the wake of the global financial crisis. Private sector investments by the International Finance Corporation (IFC) have also risen, from \$7 million in 2003 to \$170 million in 2010.
20. **To implement its new strategy, the World Bank Group will concentrate its efforts in three areas: knowledge generation, technical and financial support, and strategic partnerships. The Bank is developing new knowledge tools to help guide education system reform.** New tools for system assessment and benchmarking will provide detailed analysis of countries' capacities in a wide variety of education subsystems, from early childhood development (ECD) and teacher policy to tertiary education and skills development. In each subsystem, these system tools will assess the "missing middle" of intermediate outcomes, illuminating the part of the results chain that lies between inputs and learning outcomes. They enable finer-grained differentiation of countries by level of *educational system* development, including that of subsystems, rather than just by overall development. They can help answer the key questions that inform reform: How can children

and youth acquire the knowledge and skills that they need? What and where are the strengths of our education system? Where are its weaknesses? What policies and programs have proven most effective in addressing them? These vital information can assist policymakers and civil society to make informed choices about education reforms and interventions by determining where the results chain is breaking down.

21. **And by benchmarking progress against international best practice, these system tools help highlight areas of strength and weakness and identify successful reformers that can serve as models.** Countries that face similar challenges can identify strong performers in their particular areas of weakness, such as teacher training or student assessment or university accreditation, and learn from them. Identification of common challenges among more comparable countries will also facilitate more effective South-South learning.
22. **Our emphasis on knowledge and information as an implementation tool is not accidental.** While education requires financing, in most countries World Bank Group investments in education are dwarfed by the country's own public and private investments in the sector. Achieving learning for all therefore requires increasing the effectiveness of *all* spending in the sector, not just donor financing. Better knowledge and evidence are the levers that make this possible. And better knowledge of the strengths and weaknesses of particular education systems will enable the development community as a whole to respond more accurately to the needs of its partner countries.

In conclusion ...

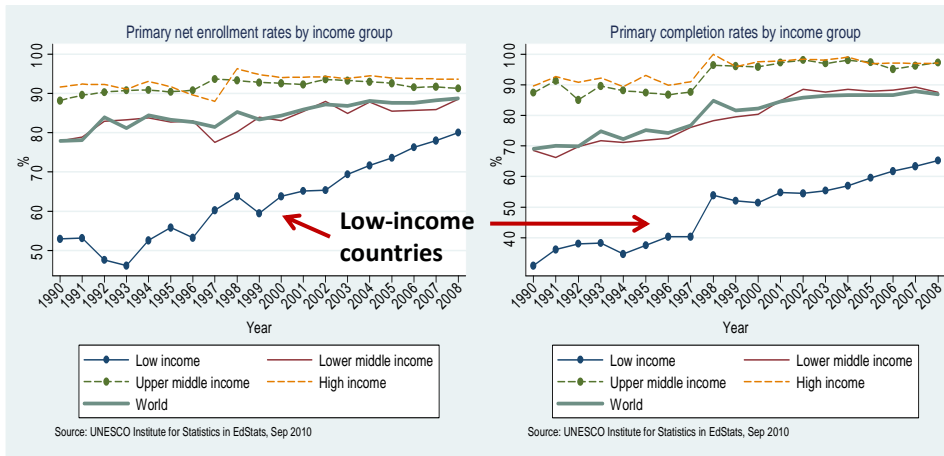
23. **Getting millions more children and youth into school has been a great achievement of the last two decades,** and efforts to meet the education Millennium Development Goals (MDGs) must continue as the world builds on this progress. But the driver of development will ultimately be what children and youth learn both in and out of the classroom, from preschool to secondary education, to vocational and higher education, and through skills training. Parents want to secure a better future for their children and grandchildren. Enterprises and business leaders want to see more jobs and more workers who are skilled enough to fill those jobs. National leaders want to see their economies prosper; they want to keep their talented and skilled citizens gainfully employed, and their workforce able to compete in the global markets.
24. While countries have demonstrated that they can achieve rapid changes in enrollment rates from one school year to the next, it is much harder to make significant gains in learning outcomes. **Achieving learning for all will be challenging, but it is the right agenda for the next decade.** It is the knowledge and skills that children and youth acquire today—not simply their school attendance—that will drive their employability, productivity, health, and well-being in the decades to come, and that will help ensure that their communities and nations thrive. Learning gains require structural and behavioral shifts made possible by

institutional change. They also require buy-in from a larger group of stakeholders, with special focus on the role of teachers. And in this audience, from government leaders and the private sector. Progress will hinge on how we all support real reforms and having the political will to follow through on their implementation.

Figures 1a-b

Significant progress in education for all

- Increase in net enrollment rates in primary education
- ... and primary completion rates
- Growing demand for secondary and tertiary education



Significant progress in education for all

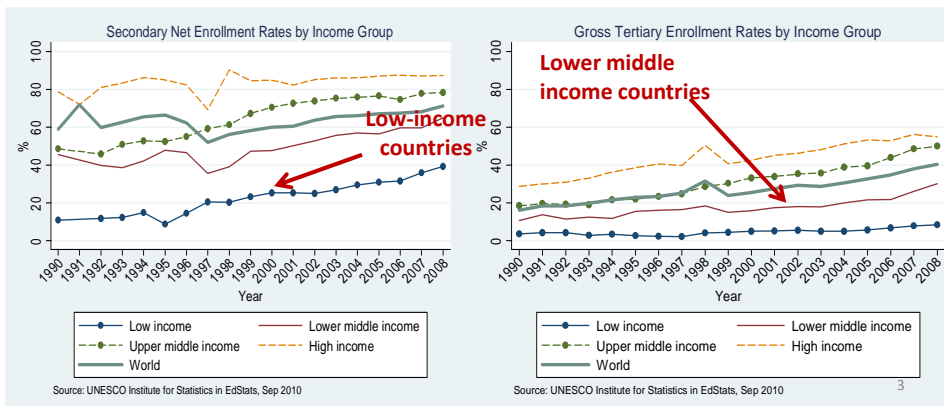


Figure 2

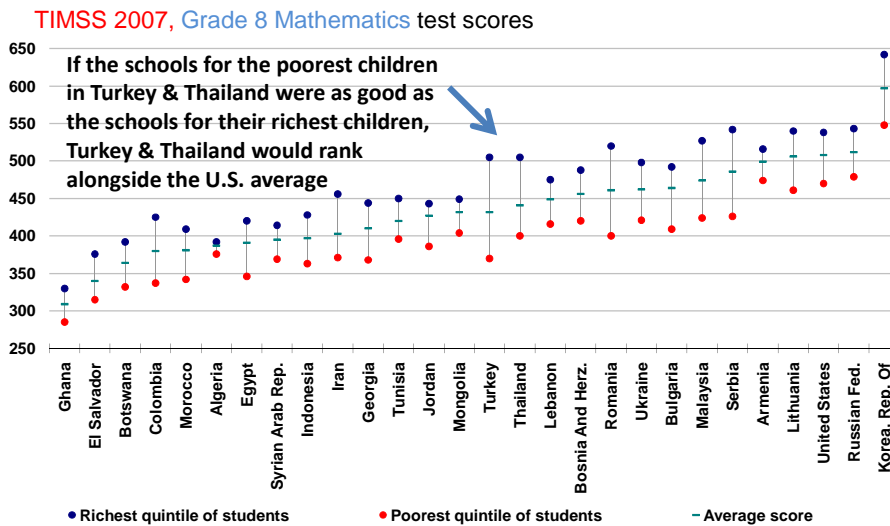
schooling that does not improve cognitive skills has limited impact on aggregate economic outcomes and on economic development

--Hanushek & Woessmann
(*Journal of Economic Literature*, 2008)

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Figure 3

Beyond enrollment, a focus on learning



Source: Filmer, based on analysis of TIMSS 2007 database

Figure 4

Learning takes place throughout life

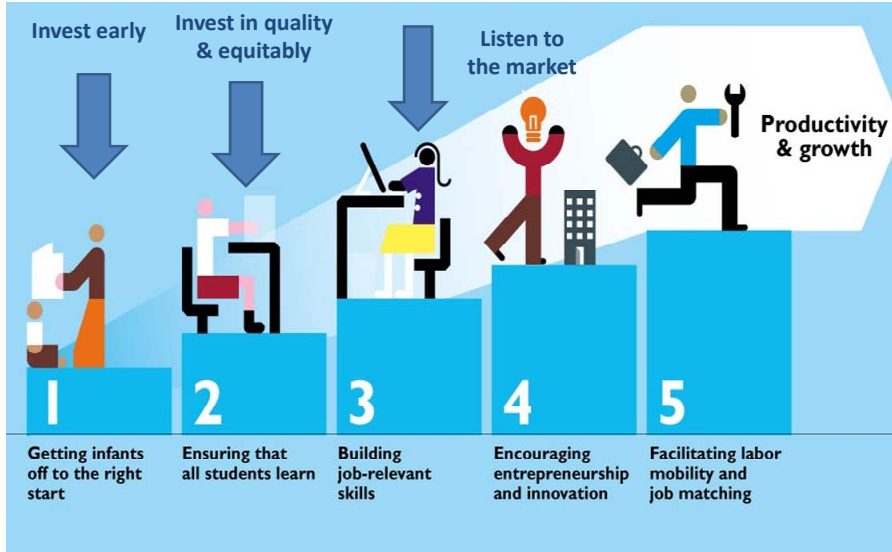


Figure 5

What is an education system?

not only government and providers but also beneficiaries and stakeholders whose taxes, collective choices, and “voice” are potential forces for improving how the system works

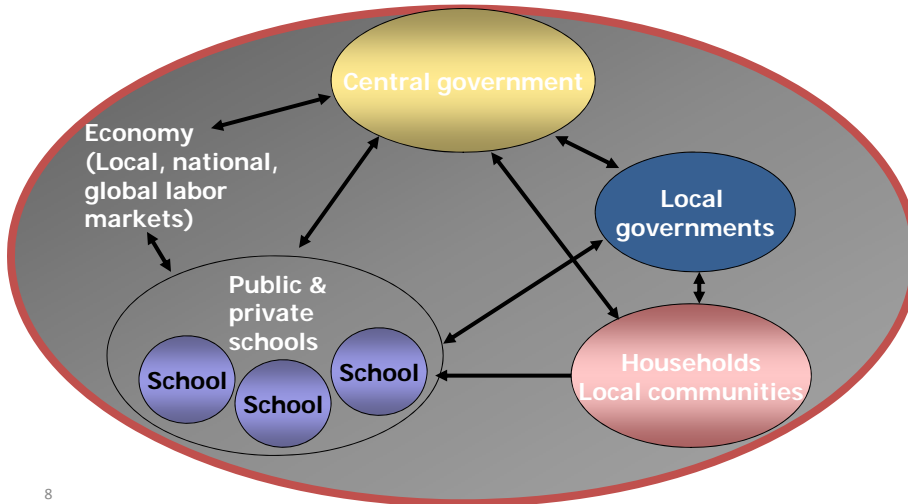
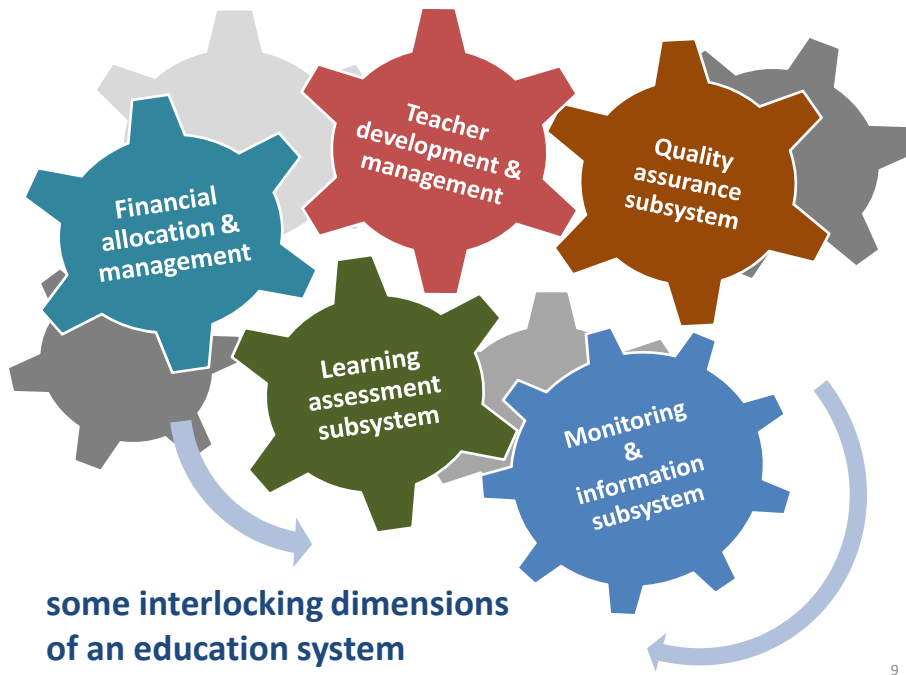


Figure 6



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