

The Knowledge for Development Program

K4D Newsletter

The World Bank Institute

<http://www.worldbank.org/wbi/knowledgefordevelopment/>

Welcome to the fourth issue of the Knowledge for Development (K4D) Program Newsletter. The newsletter is published quarterly to keep our colleagues at the World Bank, our country clients, partner institutions, and the general public updated on the latest developments with regard to the activities of the K4D Program. Highlights in this issue include synopsis of our recent knowledge economy assessments and details on our various learning events.

We welcome any comments, suggestions or feedback you may have and invite you to contact us at ke@worldbank.org.

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Knowledge Economy Assessments

The key goal of the assessments is to help countries identify their strengths and weakness and to develop strategies for their transition to a Knowledge Economy. The Program provides three levels of KE assessments: Benchmarking (Basic), Enhanced (Intermediate) and Comprehensive Assessments.

Benchmarking Assessments

The Knowledge Economy and Mongolia

In September 2004, Robert Whyte of K4D completed a knowledge economy benchmark assessment for Mongolia "[*The Challenge of the Knowledge Economy for Mongolia: A Comparative Diagnostic*](#)". The assessment was presented at the conference "[*Public Finance and Knowledge Based Economy for Mongolia*](#)", which was held in Ulaanbaatar from October 6-8, 2004 in Ulaanbaatar. The conference was jointly organized Il Whan An of K4D, the Korean Development Institute (KDI), and the Mongolian Development Institute. The agenda and papers for the conference can be found at the [conference website](#).

For more information, contact Robert Whyte and Il Whan An.

Enhanced Assessment

Tunisia

Jean-Eric Aubert (K4D) and Jean-Louis Reiffers (University d'Aix Marseille II) traveled to Tunis to advise the Tunisian authorities on the preparation of a Knowledge Economy Report by the Institut d'Economie Quantitative. They discussed various KE issues with the Minister for Economic Development and International Cooperation, Minister Jouini.

Also, a National Knowledge Economy Conference was held on November 30, 2004 with Jean-Francois Rischard, VP Europe as the keynote speaker, and with the active participation from Minister Jouini, the Secretaries of State (vice ministers) in charge of small and medium enterprises, and of the information society. 80 participants attended the conference, including a large number of private sector managers and entrepreneurs. The conference offered a platform for a lively debate with the authorities on KE-related issues and reforms

For more information, contact Jean-Eric Aubert

Comprehensive Assessments

India

The report on “*India and the Knowledge Economy: Leveraging Strengths and Opportunities*” was discussed at a very successful workshop in New Delhi on November 9th. The main aim of the workshop, which was delivered by Carl Dahlman and Anuja Utz, in partnership with the Confederation of Indian industry (CII) and the World Bank’s India country department, was to move from analysis to the identification of concrete key areas for action by different stakeholders (from both the government and private sector), so as to further India’s transition to the knowledge economy.

The workshop included high-level policymakers from the central and selected state governments working on the areas of education, innovation, and ICTs, including the Minister of State from the Prime Minister’s Office; industry

representatives (such as from leading companies such as Infosys, Tata Consultancy Services, ITC, and NASSCOM); academics, think tanks, consulting firms, and World Bank staff. The event received substantial coverage from the Indian media.

The workshop led to a very good discussion of issues in the four domains of the knowledge economy. It also stressed the importance of creating a shared vision between government, private sector and civil society on ways to move India forward in the knowledge economy of the 21st century. In terms of follow-ups, the India KE report will be finalized, taking into account the inputs received at the workshop, and published and disseminated in India. Visit the [workshop website](#) (under “Highlights” on the K4D homepage) for more details.

For more information, contact Anuja Utz.

China

To solicit feedback and input for the ongoing China Lifelong Learning study, K4D, in partnership with the National Educational Development Research Center of the Chinese Ministry of Education (MOE), the Education Commission of Shanghai Municipal People's Government, the Educational Association for International Exchange, and the Shanghai Pudong Authorities at the Shanghai International Convention Center, organized the China Lifelong Learning Forum, which was held in Shanghai on December 15 – 17, 2004.

Over 20 international (5 from the World Bank Group) and domestic presenters, including China's Vice-minister of Education, Ms. Wu Qidi, and the Executive Vice Mayor of Shanghai, Madam Yin Yicui, delivered presentations and speeches. This included Carl Dahlman, program manager for K4D, who delivered a [presentation](#) on the Challenge of the Knowledge Economy for Education and Training in China. Some 400 participants from central and local governments, private sector, schools, think tanks, and civil society attended the forum. This was the largest event thus far on lifelong learning in China.

Lively discussions took place between speakers and participants during the forum, and many key issues related to building China's lifelong learning system were discussed, such as the architecture of the LLL system, the global education market, China's private education, education financing, learning communities and cities, distance learning, rural education and training of China's rural migrants, vocational guidance and occupational standards, etc. Examples of good LLL institutions were also presented, such as the Cisco Learning Institute and Tec de Monterrey.

One major conclusion from the conference is the crucial need for a cross-sectoral approach along with high-level coordination among the many stakeholders of the LLL system. It was also noted that the public sector alone would be inadequate to meet the rapidly expanding learning needs of the Chinese labor force and society. Thus, it is very important to encourage the private provision of education and training in China, and simultaneously build an education financing market, such as a loan system or voucher program, and expand the available amount of scholarships, fellowships, and financial aid. In addition, there was unanimous agreement that the role of the government as the provider and controller of the education system needs to be transformed into one as the system architect, quality assessor, and facilitator.

For more information, contact Douglas Zeng.

Knowledge Products and Tools

K4D Program Website

The Knowledge for Knowledge for Development (K4D) program [website](#) has been recently revamped and now contains substantial amount of materials related to the Knowledge Economy. Apart from information about Program, its objectives, the KE framework and team members, the website now contains a number of the KE assessments, policy studies, presentations, and past and current issues of the K4D Newsletter. Our online program, [KAM](#) (see

below), is also accessible through the program website.

For more information, contact Anuja Utz.

Knowledge Assessment Methodology (KAM)

The Knowledge Assessment Methodology (KAM – www.worldbank.org/kam) is a diagnostic and benchmarking tool that provides a preliminary assessment of countries' and regions' readiness for the knowledge economy. The KAM assists countries to benchmark themselves with neighbors, competitors, or other countries they wish to emulate on the four pillars of the knowledge economy. The newest version of the KAM – KAM 2005 - was very recently launched and is now available online. Apart from the updating the existing variables with the most recent available data, the new KAM has also several new variables. Examples include the cost of registering a business, the cost to enforce a contract, and Internet access in schools. KAM 2005 also covers 128 countries with the new additions being Laos, Bosnia, Herzegovina, Croatia, Serbia and Montenegro, Burkina Faso, Sierra Leone, and Sudan.

For more information, contact Robert Whyte.

Promoting Innovation in Developing Countries: A Conceptual Framework

This recently completed KE policy study, written by Jean-Eric Aubert, introduces a conceptual approach that entails the gradual promotion of innovation that builds upon resources and capabilities in countries, while considering their level of development and other country-specific characteristics, such as levels of governance.

The study describes innovation climates in developing countries and the various ways to conceive national strategies that depend on the countries' technical and institutional capabilities. It presents policy instruments that are required to support efficient innovative projects, taking in account the differentiated capabilities of

enterprises, including those with very low technical and managerial capabilities. A key idea is to embed the promotion of innovation into an overall process of enterprise upgrading. Issues related globalization: foreign direct investment, research concentration in the North, patent asymmetry and brain drain are also discussed, along with possible policy responses by developing countries.

The paper has been submitted for publication as a World Bank Policy Research Working Paper

For more information, contact Jean-Eric Aubert.

Learning and Knowledge Exchange Events

Global Innovation Policy Dialogue

The first in the series of global videoconference based policy dialogues, focusing on innovation policy issues in Sub-Saharan Africa, in particular Ethiopia and Uganda, kicked off from Paris on October 11 and 12, 2003. A total of 30 participants from seven cities - Maastricht, Geneva, Vienna, Washington, Addis Ababa, Kampala and Paris - came together to discuss issues ranging from the state of play of innovation in Sub-Saharan Africa, to building innovation systems in natural resource-based industries. The question of how to build capacity amongst policy makers and strengthen the innovation framework in the region was also discussed in detail. Participants included representatives from a number of UN organizations (UNCTAD, UNIDO, UNU-INTECH), as well as Bank staff, and local stakeholders in Ethiopia and Uganda (Ethiopian Science and Technology Commission, Ethiopian and Ugandan Cleaner Production Centres, Ugandan Ministry of Industry and Ugandan National Council for Science and Technology).

The dialogue, structured around two 3-hour sessions, highlighted through a number of concrete "success stories", such as the domestically-produced elevators in Ethiopia,

boxes for flowers in Uganda, wine and tourism in South Africa, and the cut-flower industry in Kenya, the potential and desire of individuals and enterprises to innovate in the region. Given that such examples are relatively few in number, hints that the public sector may not be providing adequate support for entrepreneurs and innovators in Sub-Saharan Africa. During the policy dialogue it was suggested that it is this lack of support and related reforms in the business and technical sector, rather than the absence of an innovative culture, that has seen the region lag behind based on its innovation and growth performance.

A number of important issues were raised during the dialogue, including the importance for Africa to be a producer rather than a pure user of knowledge, and the need to view trade, not as an end in itself, but as a stimulus to innovation. The discussion emphasized also the importance of tapping into global knowledge, building confidence at local and national levels, and viewing innovation as a systematic and strategic process where organizational innovation and marketing are acknowledged as powerful drivers of change. For example, the wine industry in South Africa was used to boost the tourism industry. For more details and to view individual presentations, please visit the [Global Innovation Policy Dialogue page](#) on the K4D website (see under "Highlights").

The next event in this series of global innovation policy dialogues is scheduled to take place on March 16th/17th next, and will look at innovation issues in China and India.

For more information, contact Aisling Quirke.

WORLDDIDAC International Education Exhibition and Conference, Basel

K4D participated in the annual WORLDDIDAC [International Education Exhibition and Conference](#) in Basel, Switzerland, from October 26-27, 2004. WORLDDIDAC (<http://www.worlddidac.org/>) is the world's largest independent trade association for education suppliers and service providers. It has held an annual education exhibition in

Switzerland for the past 40 plus years, including Annual Education Awards for innovative education companies and products. This year it held an education conference on the subject of "E-Education: The Role of Global Knowledge Networks". Robert Whyte of K4D presented to the conference on "[*Measuring a Country's Ability to Access and Use Knowledge Effectively: The Importance of Global Knowledge Networks*](#)". Supported by the Bank's Human Development Network (HDNED), Robert also delivered speeches at the WORLDDIDAC Opening and Awards Ceremony and at a separate WORLDDIDAC Quality Charter Seminar held for winners of the Quality Charter.

For more information, contact Robert Whyte.

Presentation to the World Bank Board of Executive Directors

On November 9, Carl Dahlman, Aimilios Chatzinikolaou and Jean-Eric Aubert delivered a Technical Briefing to the Board of Executive Directors. WBI Vice President, Ms. Frannie Leautier, chaired the event. The [presentation](#) focused on the Knowledge Economy (KE) framework, the K4D Program's products and services, and demonstrated the use and applications of the [Knowledge Assessment Methodology \(KAM\)](#). Through video-conferencing from India, the highlights of the very successful India Knowledge Economy workshop, that took place the same day in New Delhi, were also reported. The [presentation](#) and [briefing document](#) are available on the K4D program website.

Some of the main conclusions that arose from the vibrant discussions included the scaling up the Knowledge Economy work, ensuring that countries are aware of the ways to seek advice on making the transition to the knowledge economy, and making the KAM is available and relevant to both low and middle income countries. The idea of modifying the KAM to deal with sub-national, in addition to national, capacities to tap into the knowledge economy was also touted.

For more information, contact Carl Dahlman.

Workshop on Japan as a Knowledge Economy

On November 13 and 14, K4D hosted a two-day workshop on Knowledge Economy book on Japan. This workshop "[*Japan as a Knowledge Economy: Assessments and Lessons*](#)" was jointly organized by WBI and the Hitotsubashi University Graduate School of International Corporate Strategy (ICS), and was held at the University's Kanda Campus in Tokyo. A total of 16 participants attended the workshop. From K4D, Carl Dahlman (Program Manager), Tsutomu Shibata (TTL), Yumi Ejiri (STC) and Yutaka Yoshino (STC) participated. Most of authors of the book's chapters, Mr. Yoshimura (VP, WB Tokyo Office) and other commentators also attended the workshop.

For more information, contact Tsutomu Shibata.

Science and Technology for Development and the World Bank: A Stocktaking Workshop

Carl Dahlman and Robert Whyte were part of the organizing committee for the World Bank Science & Technology stocktaking workshop held on Monday, November 29, 2004. The workshop was convened by the Bank's Human Development Network (HDNED) at President Wolfensohn's request. World Bank Operational Vice-Presidential Units (VPUs) presented on current S & T issues and activities in their regions and Mr. Wolfensohn attended parts of the workshop to participate in discussion with Bank colleagues and invited external guests on the Bank's role and activities in this area and to receive recommendations for taking it forward. Brainstorming sessions were held on topics such as working on S & T cross-sectorally within the World Bank; providing better support for the creation/dissemination of global public goods; and strengthening national innovation systems for the creation, use, adaptation and dissemination of technology. A report on the meeting will be circulated in due course.

For more information, contact Robert Whyte.

Study tour and innovation conference in South Korea

The study tour took place December 6-9, 2004, and consisted of senior policymakers from Chile, Mexico, Brazil, Argentina, Russia and Kazakhstan, who saw first-hand public and private innovation organizations in South Korea.

During the past four decades, South Korea has achieved one of the fastest rates of economic development in the world. The main objective of the tour and policy conference was to understand Korea's experience of becoming a leader of business innovation, with specific focus on bolstering business R&D and technology upgrading. The share of business R&D of total R&D is currently around 20-40% in Latin America and Russia, but around 75% in Korea.

Other important objectives of the study tour were to understand the process by which the innovation capabilities in Korean industrial groups (chaebols) were built; learn channels via which public innovation organizations can serve the needs of private sector, and the type of assistance the private sector requires from public sector innovation organizations, and lastly to understand the policy issues with regard to the promotion of techno-entrepreneurship.

For more information, contact Yevgeny Kuznetsov or Il Whan An.

Project on Migration of Highly Skilled - Mexico

Mexico has embarked on a *Network of Talent Abroad* program to establish network of 50-100 of influential Mexicans abroad, such as the CEO of AMD, and leverage their positions to spur technology-based business in Mexico. CONACYT (Mexican Innovation Ministry) has committed \$100,000 to develop the program. The Bank's role is to ensure that the program is designed well and avoids common mistakes in this area. K4D also manages the President's Contingency Fund to design pilot projects to leverage diasporas of highly skilled and Mexico was selected as one of such pilots on request of CONACYT.

An effective "Red de Talentos" requires close collaboration between different elements of Mexico's innovation system. For this reason, the workshop held on November 13 was a success as the relevant public agencies were able to engage into a substantive discussion over development of the program. Two other similar programs are ongoing in Chile and Argentina.

For more information, contact Yevgeny Kuznetsov

Workshop on Korea as a Knowledge Economy

On December 11, the second workshop for the forthcoming K4D book on "Korea as a Knowledge Economy" was held at the Korea Development Institute (KDI). This book, which targets policymakers in developing countries, highlights the Knowledge Economy strategies that South Korea undertook for its economic development during the 1960-1995 period.

A total of 21 participants attended the workshop, including K4D's Carl Dahlman, Yevgeny Kuznetsov and Il Whan An and participants from Chile, México, Brazil, Argentina, and Russia. Each of the 7 authors of the book presented the outline of their respective chapters, which will be revised to take into account the comments received from the participants.

For more information, contact Il Whan An.

Farewell to Aimilios

Aimilios Chatzinikolaou recently departed for a new position after three years with the Knowledge for Development Program. During his time with the Program, Aimilios was the key person behind the dynamic development and maintenance of the KAM.

Aimilios will be taking up a new position as a Strategy Officer for the front office of the Environment and Social Protection group in the International Finance Corporation (IFC). There he will be responsible for promoting and maintaining IFC's strategies for environment and social protection.

The K4D Team**Program Manager**

Mr. Carl J. Dahlman

*Senior Advisor***Team Members:**

Mr. Il Whan An

Senior Public Sector Specialist (on secondment from the Korean Ministry of Planning and Budget)

Mr. Jean-Eric Aubert

Lead Specialist (based in Paris)

Ms. Faythe Agnes Calandra

Program Assistant

Mr. Derek H. C. Chen

Research Analyst

Mr. Yevgeny Kuznetsov

Senior Economist

Ms. Michelle J. Lemaire

Language Program Assistant (based in Paris)

Ms. Aisling Quirke

Junior Professional Associate (based in Paris)

Mr. Tsutomu Shibata

Advisor (Manager, Brain Trust Program)

Ms. Anuja Utz

Senior Operations Officer

Mr. Robert Whyte

Senior Program Officer

Mr. Douglas Zhuhua Zeng

Economist

The Knowledge for Development (K4D) Program

Knowledge, and its application, is now widely acknowledged to be one of the key engines of economic growth. The increasing importance of knowledge has created both opportunities and challenges for developing countries. On one hand, the knowledge revolution presents significant opportunities for promoting economic and social development, thereby reducing poverty. On the other hand, it has become more crucial than ever for countries to position themselves so as to participate effectively in the knowledge-driven markets that now dominate the global economy. Failure to do so, could result in countries being left further behind.

The main objective of the K4D Program is to help client countries make the transition to the Knowledge Economy, which is one that uses knowledge as the key engine for economic growth. More specifically, the Program helps countries make more effective use of knowledge for their overall economic and social development by focusing on the four 'knowledge' pillars: an educated and well-trained population; a dynamic innovation system; an established information and communication technologies (ICT) infrastructure; and an economic and institutional regime that is conducive to the creation and use of knowledge. The K4D Program thus works with clients to develop concrete 'knowledge' strategies covering the four KE pillars, taking into account issues of political economy, governance and the need to build stakeholder ownership.
