Statement by
H.E. Ahmed Bin Mohammed Al-Khalifa
Minister of Finance
Kingdom of Bahrain
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on behalf of

Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Maldives, Oman, Qatar, Syria, United Arab Emirates, Yemen

Development Committee, October 13, 2012

At the outset, we would like to welcome Mr. Jim Yong Kim, the new President of the World Bank Group, to his first attendance at the Development Committee. We are confident that the wealth of diverse experience and knowledge that Mr. Kim brings with him, along with the clear commitment of Bank management and staff, will ensure that the Group will effectively deliver on its mandate of poverty reduction.

Broadly speaking, the economic news of 2012 was encouraging due to significant structural, fiscal and monetary policy measures taken in Europe. Improved market sentiment led to less constraining financial conditions, which along with monetary policy easing in developing countries led to stronger real-side economic activity.

Yet we are not out of the woods yet, as indicated by the volatility in the markets in response to fiscal slippage, banking downgrades, and political uncertainty in the Euro Area. Hence, the importance of prudent management of macro policy in developing countries – one that would be based on medium term domestic considerations, rather than short-term changes in external conditions. Consideration of productivity-enhancing reforms - like investment in human capital and regulatory reform - will support a durable pickup in growth rates over the longer term.

We agree with the President, that we need to reaffirm our commitment to the Global Agenda, in order to protect the gains already made, and build upon them. An optimally organized Institution is more likely to innovatively and quickly respond to the emerging, and increasingly sophisticated client needs. In this context, the shift of focus from ‘knowledge’ to ‘solutions’ is astute and opportune. Offering a solutions menu, with a range of best practice learnings for each specific phase of development, would be a good starting point for a rich discussion between the Bank and clients, and would draw upon the rich knowledge base of the Bank.

A case in point is the World Development Report on Jobs. The paper is a timely and important contribution by the World Bank Group, particularly in collating a rich body of evidence on the key aspects of employment that are central to development. The Report provides a comprehensive analysis of recent thinking on links between jobs and development, productivity and social cohesion. The Report’s central messages – that development happens largely through jobs, that achieving strong growth and increasing good jobs are simultaneously attainable – are highly valuable.

The Report is also useful in underscoring the need for the international community to collaborate on standardizing and harmonizing labor statistics, as the key building block for sound, evidence-based jobs policies, in partnership with the International Labour Organization. Making the WDR’s data available
on-line will demonstrate the importance of building on this while simultaneously reinforcing the role of the World Bank Group as a knowledge institution committed to enabling and empowering its clients and the development community.

The **theoretical approach of this report** - the three layered policy approach for jobs, based on the foundations of sound fundamental policy settings conducive to growth, followed by labor policies designed to translate that growth into jobs and capped by a focus on prioritizing the interventions that make sense given country circumstances - is comprehensive, useful, and well articulated. The decision tree to set policy priorities for good jobs is a practical tool for policy making as well as communicating the policies in a coherent way, though it would require further refinement for actual implementation. The detailed analyses of different typologies of economies are helpful in highlighting specific issues that countries face. Recognizing that appropriate policies to support job creation will vary depending on country context and there can be no ‘one size fits all’ set of policy recommendations, we appreciate the Report’s use of eight different economy types to illustrate the challenges and range and mix of policies that can promote good jobs in diverse country circumstances.

The Report addresses the main features of **female employment** – that fewer than half of women have jobs - and the benefits of improving female labour force participation. It is critical that the barriers to increased female labor participation are clearly understood, and the different ways to reducing these barriers included in policy advice wherever possible. Gender discrimination in the jobs market is neither acceptable nor is it ‘smart economics’. We acknowledge that gender equality is an essential ingredient in poverty reduction.

The Report acknowledges the **importance of basic literacy and numeracy skills** to improving employment opportunities and earnings, while noting that some jobs cannot build skills, so relevant skill-building is needed at the secondary, technical and possibly higher levels. It would be important for the World Bank to begin the process of translating these broad WDR findings into pragmatic steps, and operationalizing and mainstreaming the advice into the work of the IBRD, IDA and IFC at the earliest.

Our meeting, here in Tokyo, so soon after the Tsunami is symbolic. Precisely for demonstrating the importance of having effective disaster risk management frameworks in place. The impact of natural disasters is global, yet the management of the preparation for these disasters is local. The *Sendai Report* clearly demonstrates the significance of integrating disaster risk management into development processes, and it is critical that this agenda is pursued even more vigorously, with the participation of all donors and stakeholders, going forward.