

A Conversation with Al Jazeera's Ali Velshi and World Bank Group President Jim Yong Kim

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**World Bank Group President Jim Yong Kim, Al Jazeera's Ali Velshi
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Transcript

MR. VELSHI: Welcome, everybody, to the Spring Meetings, the kickoff of the Spring Meetings. I don't need to introduce my guest, for once in life. I'm Ali Velshi, from Al Jazeera. And Dr. Kim, what a pleasure to be here on your home turf to have a conversation about the important work that's going on at the World Bank for the audience that's watching us on the Web and our television audience. You know, I know there's some articles about this "End Poverty" campaign. I'm very proud to be wearing one of these badges. And we're going to talk about that, but before we talk about that, I want to sort of get an understanding, given that you're launching a new campaign, what the role of the World Bank is. I know you're about 40 percent into your five-year term and you have been thinking about this and working on this and figuring out what the World Bank is in terms of its own structure and what it does and in terms of the changes in the world and what its relevance is. So, let's start by talking about the role of the World Bank, as you see it now.

DR. KIM: Well, the World Bank is part of a multilateral system that was created in the 1940s, and the great thing about it is that we have 188 Governors. We have 188 member countries. And so, all the problems in the world, but also all the possibility for collaboration in the world sort of happens right in this building and then out in the 140 countries that we work in. And so, this is an effort of 188 of the governments in the world to come together to

try to see if we can help countries to develop their economies, and that's pretty specific these days. It's investing in health, education, roads, energy, all the things that it takes for people to lift themselves out of poverty, but also join the group of people who have education and who have the global middle class, if you will. So, we're focused on prosperity. We're focused on a prosperity that is shared by everyone, and we're very now focused on lifting the billion or so people living in extreme poverty out of that condition so that they can have those things that everybody in the world seems to want.

MR. VELSHI: Based on current global growth, people are, in fact--the number of people in extreme poverty has been reduced--is being reduced on an ongoing basis. And I'm going to talk to you in more detail on that in a moment, but here in America, we tend to be consumed by the idea that we're hollowing out our middle class. We're getting into a dangerous situation, we're bifurcating an economy into haves and have-nots, and in fact that's happening in a lot of the world, but what's your perspective in the middle class in the world? Is it growing? Is it healthy?

DR. KIM: Well, one of the things that we're looking at for the first time, as far as we know, that the World Bank has been doing this is we're actually tracking the income growth of the bottom 40 percent. Now, there's a lot of really good data that suggests that the higher levels of inequality is actually a drag on economic growth. So, even if all you care about is economic growth, then you've really got to be focused on inequality. The other thing that we know, and of course you know, we've learned this most clearly in the Arab Spring is that, if you have GDP growth but you ignore a large proportion of your population, you are building political instability into your country. And so, now, both from a political perspective and an economic perspective, we can say very clearly that you've got to really be aware of this problem of inequality and you've got to move on it. And so, I think that you know, we are now very much in unison on this message with the IMF. Christine Lagarde has said some very important things recently about the importance of inequality for growth or fighting inequality for growth. So, we're on to this issue, and I think many, many political leaders are beginning to understand that they cannot afford, even for their own political lives, they cannot afford to ignore that bottom 40 percent.

MR. VELSHI: We struggle with this when we report, for instance, on GDP growth, and people get very frustrated because we say, "Oh, GDP growth is up. We're in this sort of fair to middling level," and people say, "But I still feel like I'm in a recession. I still feel like things are really badly off." Are we in a world where there is such inequality--are we in

danger of measuring the wrong thing when we talk about economic growth in countries, if inequality is as big a problem as it is?

DR. KIM: Well, I think measuring GDP growth is still very important, but we need to now measure other things. So, for example, one of the things we know is that, if you want to grow your economy, a healthier population is really important for you. There was just a study in The Lancet that suggested between 2000 and 2011, fully a quarter of the economic growth of the emerging market--of the developing countries was due to better health. So, we've never had this kind of powerful evidence that says that investing in your people so that they can have health care, they can have education, is actually critical to growing your economy. Now that we have all this evidence, we at the World Bank Group are going to move very, very aggressively, in saying, "Look, we now know inequality is bad for growth. We now know that, unless you invest in your people, you're not going to see the economic growth in the medium and the long term, maybe even the short term."

MR. VELSHI: You, before you were here at the World Bank, you were the President of Dartmouth, and before that you were involved with Partners in Health. You were involved in many cases with AIDS research and HIV transmission research and alleviation. You're trying to take some of those experiences and apply them to this mission to alleviate extreme poverty in the world. First of all, when you say eliminate extreme poverty by the year 2030, what are we talking about when we mean extreme poverty? I know that there are more people than we would think who live on less than \$1.25 a day, and even more when you get to about \$2.00 a day, you're talking about 80 percent of the world's population.

DR. KIM: Yeah. You know, we're talking, in the case of extreme poverty, when the concept was first introduced by Robert McNamara in the 1970s, it was a dollar a day; now it's increased to \$1.25 a day. But he described that condition as a state of depravity that almost goes beyond human imagination, and it still almost goes beyond human imagination. I've worked with many people living on less than that, and it's a condition that we should not tolerate any more on this earth. And so, in setting that target, what we mean is we want to lift everybody out of that condition of living on less than \$1.25 a day and bring that level to below 3 percent of the global population. Now, the reason we say 3 percent is because there are always going to be disasters and people are going to be going in and out of poverty and we don't think we can get it much lower than 3 percent, but right now the levels are--17.7 percent is the last number we have globally. And to get there, we're going to have to lift almost 50 million people a year out of extreme poverty.

MR. VELSHI: Between now and 2030.

DR. KIM: Between now and 2030, a million a week, Ali, that's what we're going to have to do. So, if the global growth happens in just the same way that it's happened in the previous 20 or 30 years, we're not going to get to 3 percent; we're going to get to about 7-7.5 percent. We have work to do. Economies have to grow, but also we have to think about how to invest in people, how to bring in programs that will actually lift more people. Going to 7.5 percent is assuming that the same level of distribution of wealth is going to persist. If that distribution of wealth changes and more is invested in the bottom 40 percent, then we're going to be able to reach that target.

MR. VELSHI: You know, we've been getting people to tweet in their questions. They really want to talk to you, because I told them that I'm going to ask you questions, and I've had a lot of responses. And you know, I've organized them so that they're written down, but I got this one about an hour ago from somebody who said, "No man can end poverty unless we kill politics."

MR. VELSHI: So, I thought that was worthy of not writing that--I thought I would just ask you that. Your view on that?

DR. KIM: Yeah, so, by our Constitution, we are not supposed to be involved in politics. So, maybe we are the right organization after all to tackle the end of poverty. You know, I see a shift in the political realm, in the sense that I think many, many more politicians are very much aware that they cannot ignore the poor, they cannot ignore the poorest. So, you know, one of the things that I've been talking a lot about is I was in Bolivia and President Eva Morales said, "I want to meet you. I want to spend the day with you, but you're going to have to go fly with me to 14,000 feet to play soccer." Literally, he said this to me. So, I went there, we went to a little small community, and it was the last community in Bolivia that spoke the original Bolivian language, a community of about 4,000 people. It was in the middle of nowhere. We took a helicopter, it was so isolated, and as we were landing they took pictures of us with their smart phones. He had put Internet access--they didn't quite have 4G yet, but they were going to get it. And in India, I went to Uttar Pradesh, and in the community—

MR. VELSHI: Which is the poorest state.

DR. KIM: The poorest state in India, and people were watching Korean soap operas on their smart phones. So, the fundamental thing that's changed, and this is really in the last 5 to 10 years, is the poor know how the rich live. The poor know what they are aspiring to, and they're not going to back down from this. They've got the smart phones. They know how to organize, now. I mean, to start a social movement 30 years ago was incredibly difficult. You had to make posters and signs, and I'd done that, so I know how difficult it was. Now, it's much, much easier. So, I think the fundamental difference is that people know that the poorest of the world are not going to tolerate their situation. And so, the time is now to think about positive ways of moving in a direction where we grow economies and we also, at the same time, increase the participation of everyone.

MR. VELSHI: Tell me about your experience with HIV/AIDS programs that you think might have some application in ending poverty.

DR. KIM: Well, you know, one of the most important things about the AIDS movement is that people who received a death sentence--I mean, in the early and the mid-1980s, even up through the early 1990s, HIV infection was thought of as a death sentence. And so, you had this group of people, mostly gay men--mostly gay White men, frankly, who started saying, "Okay, we've lost everything. We've lost our friends. We are HIV positive. We are going to do whatever it takes to get a drug, get a treatment, get a cure." And so, they sat back and said, "What is everything we need to do to actually get to where we want to get to?" So, they, instead of sort of just marching on the streets, they stepped back and said, "The first target has to be basic scientific research." So, they went after NIH, the National Institutes of Health, here, that does more basic science research than any other institution in the world. They went after that group, got the funding increase. Then, they sat back and said, "Now, we've got to take all of these scientific findings, get them into industry." They made it easier for scientific findings to get into industry. Then, they thought, "Oh, my goodness, the Food and Drug Administration here in the United States takes too long to approve drugs." They shortened the time it takes to approve drugs. In other words, they did everything you need to do to get to where you want to get to. And so, that's what we're trying to do with poverty. What are all the things we need to do to actually get to the end of poverty by 2030? The other really important lesson I learned is they knew how to set really, really huge goals and then go after it with a clear deadline. And that's what we did when I was at the World Health Organization, we set a target of treating 3 million people in the developing world within a two-and-a-half year period. A couple hundred thousand were on treatment when we started. Everyone said, "Oh, my God. This is impossible." So, what we

learned was that setting goals that may seem impossible but are compelling, are important. Treating people who are dying of HIV is compelling and important, lifting people out of poverty is compelling and important. When you set that goal and you set a deadline, people then have to step back and say, "Oh, my God. They're serious about this." And so, if we're going to reach that, what are all the things we have to do? That's what I hope we can learn from the HIV movement.

MR. VELSHI: There was an article a couple of days ago in The Financial Post, a little bit critical of the World Bank, but it does actually serve to tell people, if they're reading it, what the World Bank sort of does or the mandate it's struggling with. But it, like any major organization, is an organization. It has structures and bureaucracies in place that some people, particularly on the receiving end of the work that you are trying to do feel impedes the type of work you're going to do. So, when you combine the structure and the bigness of the World Bank, you've got thousands of people who work here, with the fact that you're trying to get money and resources and loans to businesses and individuals in some cases, in countries that are full of bureaucracy and corruption, one wonders how effective you can be with the simple slogan, "End Poverty."

DR. KIM: Yeah. Well, Ali, when I came into this job, there was a chorus of public opinion, and the questions they were asking were fundamental ones: Is the World Bank Group relevant anymore? I came quickly to the conclusion that, not only are we relevant, but if we can get quicker, if we can move knowledge more effectively, if we can reduce our own bureaucracy, our relevance could skyrocket. And here's what I learned from the people inside the World Bank Group: I walked around this building and I met with people from all over our country offices, and I just asked them two simple questions: When have we been at our best and when have you been most proud of working at the World Bank Group? And then, two, what prevents us from being at our best all the time? And the stories I heard were that, in an emergency, when we get our best people who know all the other best people working on a particular issue, we are phenomenal. We have transformative impact. And so, the question was, why can't we be that way all the time? Everything we're doing is to try to get us into a position where we can be at our best every day, all the time. Now, you know, the change process here has been difficult, and it's been especially difficult for our staff, and you know, as I am sitting back watching, I empathize tremendously with the difficulty of uncertainty. But the whole point is that I think there are huge needs in the world of development that are not being met. For example, we want to be the organization in the world that captures all the great innovations in development and then

can move them anywhere where they might be needed. So, for example, if something great is happening, say, in climate smart agriculture in Costa Rica, we want to be sure that folks in Africa, in Asia know about it right away. We weren't really structured to be able to do that, but this is what we're going to be. We're going to be the organization that, if you come to the World Bank Group, we're going to know about all the great innovations, and we're going to know how they were implemented--not just what to do but how they did it. And if we can provide that to every country in the world, then I think the demand for our services will grow. Also, if we can be quicker, if we can move more quickly, and we're working very hard now to reduce our bureaucratic processes so that people in the countries feel a difference. This is about, very specifically, helping countries to end poverty and boost shared prosperity.

MR. VELSHI: Typically speaking, though, in order to receive financing and support from the World Bank, countries have to--like anybody who is getting a loan have to do certain things. You are in a world now where there's so much money floating around that there are others who are willing to make money available--probably not at lower interest rates, but with fewer rules. For instance, China, which, by the way, also is a client of the World Bank--so, how do you square that, first of all, that China is getting money from anybody, and that China goes into places like Africa and is able to provide funds for countries--governments that want to do things, without too many strings attached?

DR. KIM: Well, first of all, China is a very important client of the World Bank Group. And China continues to come back to us and work with us and, indeed, take loans, because they know that if they work with us we will do immaculate project preparation. We will do all the analytic work before we start in on a project, and then we will do the analysis of what the impact was after we do the project. So, with China, we are almost a kind of partner that tackles important pilot projects. And what we've noticed is that when China decides that something is really working and worthwhile, they will scale it up. But for us, we also have a huge stake in this, because when we work with China, we learn things about how to do development that we then share with everyone in the world. I mean, there's the Loess Plateau Project that we worked with the Chinese that was brilliant. And we are now taking the lessons from that project and sharing them with everyone else. So, we very much hope that China will continue to be our partner. Now, in terms of the availability of money, there's no question, and we're actually in very deep discussions with the Chinese to see how we can work more effectively together, because they are investing in those countries. But here's the great secret that everybody in the developing world knows but most people in the

outside world don't know, and that is that even with very--at a time when we had historically low interest rates, access to long-term finance for infrastructure was still really difficult to get. Over the last three or four G20 meetings, this is all we've talked about, how can we possibly you know, develop sources of long-term financing for infrastructure. You know, all of official development assistance, all of foreign assistance is about 125 billion a year, but if you look at the needs, Africa itself has 100 billion in infrastructure needs. India, over the next five years, a trillion in infrastructure needs. So, the official development assistance money available will never meet those needs. And so, we need to then find a way of us providing that long-term financing in some cases, but I think even more importantly one of the things we're talking about is can we leverage our dollars to crowd in private capital so that we can put together what we call the bankable projects so that you look at them and think, "Okay, this is long-term finance for central--someplace in Central Africa." It's going to have an impact on many countries at once and, on the face of it doesn't look bankable. We think that we at the World Bank Group, we have so much experience in making these projects bankable that we think we can create all new sets of partners who will be interested in those kinds of projects, because still it is necessary. I mean, just look at energy in Africa. I mean, energy in Africa, for the entire continent of Africa, about 150 gigabytes [sic] of installed capacity. That's just about the amount of electricity that, for one billion people, that Belgium offers to its 11 million people. I mean, we need to move on this. There's just no way we're going to be able to end poverty and boost shared prosperity if we don't move on these projects. And I still--when people talk about easy access to capital, tell that to the people who are trying to build infrastructure in Africa.

MR. VELSHI: There was some criticism of a project in Lesotho, a hospital, and you know, obviously, a lot about health care, where it's a public-private partnerships that you describe, but the criticism is that so much energy has gone into this particular hospital that it's taking up about two-thirds of Lesotho's entire health budget. And someone's offered that as a criticism of public-private partnerships gone awry. What is your take on that?

DR. KIM: Well, I'm looking at this particular project very carefully. It's not two-thirds in the terms of the number that we know, but it's a reflection of a much, much bigger problem. So, every single country that I have visited, every single country I have lived in, including this one, has a problem with health care. And in most middle-income countries, the problem looks like this: It's a half First World problem and a half Developing World problem. The First World problem is that in almost every emerging market country, costs in the cities are skyrocketing. Again, everyone has a smart phone, everyone knows Grey's Anatomy. They

watch, know how these great hospitals work, that's what they expect, and they're getting that in the cities and costs are going through the roof and the Ministers of Finance are deeply concerned about it. But then, they're also having trouble getting health care to their most rural and most sort of outward regions. So, this problem exists everywhere. We know that there is going to be a role for the private sector and we know that the public sector is going to play a critical role in every country in the world. And so, for Lesotho, like every other country, this is what we're trying to figure out: What's the right mix of public and private? Lesotho was a very innovative project when it happened. Now, do we need to go back and make some tweaks to make sure that it works out?

MR. VELSHI: Just tell our viewers what the project was.

DR. KIM: It's a project--it's to bring a private sector operator into a public sector hospital. And so, the hospital is really beautiful, it's a nice hospital, but I think there are fundamental questions we have to ask about the right mix of public and private in Lesotho as in everywhere else, and we have to understand much more clearly you know, sort of nerdy issues like capitation and shared risk and population health. Those things we have to take on. And I'll tell you, Ali, this is a great opportunity with our reorganization, because we've—you know, we recently named one of the great thinkers in health systems, Tim Evans, to be lead in that group, and we are going to be the group where you come to us, we're going to be able to say to you, "Here's how public-private have worked out in 100 countries in the world. Now, we're not sure which of these models is going to work for you, but we'll work with you to find the right mix to get the system working as effectively as it can."

MR. VELSHI: Are you believer that the smart phone is going to revolutionize the access to health care for rural impoverished people?

DR. KIM: There's no question. I mean, I think--you know, one of the things they're talking about even in China is that they used to have the barefoot doctor, and they moved away from that, but now they may have the iPad doctor. And the level of resolution and the ability to do diagnosis, the ability to take video, it's pretty stunning. I think that's going to have a huge impact.

MR. VELSHI: I want to ask you about--I know it doesn't fall entirely into your basket, but the daily developments between Russia and Crimea. One of the most important ones is that the activities are slowing down Russia's economy dramatically. I remember when this first

started, people were talking about, if Russia were to go into recession, and it didn't seem likely at the time, it's entirely possible at this point. I mean, this is a country that was growing very, very well, was fully integrated in the world, remains integrated in the world as an exporter of goods and a trader. What do you see happening?

DR. KIM: Well, you know, we've recently done a reassessment of our prospects for growth for Russia, and if the situation in the Ukraine has a limited and short-term effect, we think that growth this year will be around 1.1 percent, which is about half of what we had predicted some time ago. But if the effect is more--is deeper and if the effect is broader and lasts longer, we think that this year Russia's economy could contract as much as 1.8 percent. We think they would go back to growth in 2015, but this is a serious situation. We continue to work with both Russia and the Ukraine; we will continue to work with both Russia and the Ukraine. We're working right now to prepare a very large package with the Ukrainian Government right now.

MR. VELSHI: I want to go to questions that we've taken from social media and the Web. We've been recruiting questions, and as I said, people really do want to ask you questions. Michael in the United States asks, "What type of technical or financial authority or tool that the World Bank now lacks do you think would be most useful for its mission and for the health of the global economy?"

DR. KIM: Hmm, that's a--well, one of the--it's partly a tool but it's partly people, we're really thinking hard about how we're going to be able to do just what I said, which is to capture innovation in one place and share it with people in another place. Now, there are all kinds of great ways of doing this. I mean, Sal Khan revolutionized teaching with his very simple use of technology. And so, we're trying—

MR. VELSHI: He's the one from the Khan Academy.

DR. KIM: The Khan Academy. And what we're trying to now understand is, how do you do that? How do you take things that are often tacit knowledge? I mean, it's not--when you get to a thing--when you get to the point of saying, well, what should you do? We have great books and textbooks and evidence-based primers on that, but when you get to the question, so, how do you do that given complex political economy and the specificities of particular Regions, that's much harder. So, if we can find a way to use technology to link people together so that someone who has solved a problem somewhere can help someone

solve a problem in another place, then I think we would be really on the path to being the kind of what we call solutions bank that we want to be.

MR. VELSHI: I want to ask you this question--by the way, when you played soccer with President Morales, are you a good soccer player?

DR. KIM: I'm not. I've never played in my life.

MR. VELSHI: Because there are apparently a lot of pictures of it.

MR. VELSHI: I want to ask you this question because I want to add something to it. Arnaud from the Netherlands says, "I see the enormous debt of the United States as a major threat to the future economic stability of the world." And I know the issue of U.S. interest rates creates problems for a lot of developing nations. Give me your take on this.

DR. KIM: Well, first of all, we're very optimistic about growth in the U.S. economy. We think the numbers look good. We think that this will be sustained. And the growth in the U.S. economy is going to be very good for everybody. Now, the issue for us is as the U.S. Fed begins to taper the unconventional monetary policies, the question is, what will happen to interest rates. Now, there are two forces going on. So, the growth of the U.S. economy is great for exports for many of the emerging market countries, but then the increase in the interest rates is going to make it difficult, more difficult, to get capital. So, as long as the taper is smooth, and every indication suggests that it will be, the overall capital flows into the developing countries--right now, it's about 4.6 percent of GDP. We think that, over the next couple of years, that will go down gradually to about 4 percent, as long as the tapering is smooth. So, if the tapering is smooth, we're fine, because the growth in the First World economies is going to offset the rising interest rates in a very-in areasonable way. What we're all hoping for is not some sort of spike that will throw everything off, because if there is, then we could be trouble in the developing world.

MR. VELSHI: This next question is from Shafiqur in India, and it's meant to create trouble between you and Christine Lagarde: "Is there any need for the IMF? What is special with the IMF which the World Bank cannot deal?"

DR. KIM: A trillion dollars is the biggest difference. You know, Christine and I have worked very, very closely together. And, you know, their instrument is to help countries with balance of payments, and that's critically important. I mean, look at the situation in

Ukraine. They're talking about something like a \$14- to \$18 billion package that's been in the news. That's going to be critically important for the Ukraine, and I frankly think there will always be situations like this. And the other thing that I'm especially grateful for is that Christine has really pushed the boundaries of the IMF. She started talking about climate change. I mean, you know, global economic stability will be affected by climate change, that's why it makes perfect sense and it took great courage for her to do that, but it's great that she's doing it. Christine is talking about inequality. And again, she's saying, "We're talking about global economic stability." And inequality does have an impact. So, I think there's a hugely important role, there will continue to be, and you know, as they deal with the big issues around balance of payments, you know, the broader financial system, and I'll just illustrate: So, they'll come in and they'll help immediately with a large package and they'll help with just having access to capital for Ukraine. We're going to go in and work on things like health programs and education programs and you know social protection programs. So, I think it's a very good one-two sort of punch, and you know, we'll never be as big as the IMF, and what we learned during the European economic crisis is that they played a critical role. And I'll tell you, Christine herself played a critical role, first as Minister of Finance of France and then as the head of the IMF.

MR. VELSHI: I want to go back to this inequality thing. You've seen this Oxfam report that says that the 85 richest people in the world have more wealth than the bottom 3.5 billion. And I've seen something that says that the 400 richest Americans have the same wealth as the bottom half of the entire American population. And then, you see statistics that indicate that, wow, that can be true. Those sound like outrageous statistics. When you talk about inequality in income or in assets, it implies to those with the money that we're talking about redistribution of wealth, which may actually be what we're talking about, but you know, around here, that's a bad word. What is the--draw me a picture of this. Is this a really serious issue that--I mean, are we seeing a hollowing out of this global middle class? I know you're trying to push people into it.

DR. KIM: So, you know, one has to step back, Ali, and one has to say, so, for the wealthiest people in the world, what kind of world do they want to see? Do they want to see a world in which the economy is growing and in which there are more consumers to buy their products if they make products? Do they want to see a world in which there is less conflict? Do they want to see a world in which more people get to participate? Or do they want to see a world in which the economies are shrinking, but they're maintaining their piece of it? Now, for the people who say, "We don't care if the economy grows or shrinks,

we just want to keep our piece of it." You know, I think we at the World Bank Group would say, fundamentally, we disagree with you. So, if the wealthiest people in the world want to see a world that's both growing and also, at the same time, including more people, then I think we have a lot of ideas about what we need to do. First of all, you need to invest--first of all, we need to figure out a way to stop conflicts before they happen. I've been working very closely with the UN Secretary-General, Ban Ki-moon. We've been traveling together. We're trying to get to a point where we're saying security issues and development issues go hand in hand. And if we can begin development programs early in the process of a conflict, maybe that development, the possibility of jobs, the possibility of health care, education, will actually lessen the possibility of further conflict. We are trying to do that. But then, we know things like investing in health and education of--especially among the poorest is the surest way to invest in people in a way that will grow the economy. These are things that we now know. This is not an ethical or moral position. You know, as you know, Ali, I've been working on this issue and arguing that health care for the poor is a moral issue. Now, we have evidence and no less than Larry Summers is telling us that investing in education is one of the best things you can do for economic growth. So, I would tell the richest people in the world this very message, and people you know, like Bill Gates and Warren Buffett, they're doing that right now. That's what they're trying to do. They're trying to put their riches to focus on things like health and agriculture and education and I think that's the right message.

MR. VELSHI: What do you say to people like Tom Perkins who argue that this kind of talk just inflames people against the rich?

DR. KIM: Well, I think that the access to media, the access to media at 14,000 feet in Bolivia, that job has been done and it's not us doing it. The access to what's happening in the world and who has what and who has a share of what is not something that I can ever stop or that he could ever stop.

MR. VELSHI: You mentioned climate change. Marco from Slovenia asks, "How is climate change going to affect the World Bank's goal of ending extreme poverty by 2030?"

DR. KIM: It could stop it completely. Right, so, what we know is that if the current levels of carbon emission continue and if we don't invest in both mitigation and adaptation, this is going to be one of, if not the major impediment to our reaching the goal. So, this is why we're working so hard on climate change. And you know, you asked about the lessons

from HIV. When I first took this job and started learning about climate change, I asked the same question. I said, "Do you have a plan to attack the problem of climate change that's as good as the plan we had to tackle HIV?" And unfortunately, most of the leaders in this field said, "Well, what do you mean? And what do you mean, a plan?" And so, I went through the whole thing, basic science, industry, testing, getting it out and going to scale, and there really wasn't a plan. So, we've been working very closely with leaders in this field and we're trying to come up with a plan but, my goodness, we have a long way to go. We're doing a summit here with the Secretary-General, with Christine Lagarde, with Mike Bloomberg in the next day or two, and we're going to try to make the point that this is a critical task that we've got to just jump on right now.

MR. VELSHI: We have one question that says, "As the World Bank watches the end of the working class via austerity, will they infuse capital to improve conditions?" This is a variant on many questions, right?

DR. KIM: Yeah.

MR. VELSHI: There are a lot of questions that say organizations like yours, including the IMF, impose conditions in some cases that cause the poor to get hurt more in the process of fixing an economy.

DR. KIM: So, Ali, you know, I said this to you before, I think, my first trip to Washington after college was to come to Washington to protest the World Bank Group, and back in those days, you know, the thing that we talked about most was that you're focusing so much on GDP growth but you're not focusing enough on investing in people. And so, that position has changed fundamentally, both based on experience and based on evidence. We now know that investing in people is critically important. So, is fiscal discipline important? Of course it's important. I mean, getting your spending and your public finance and your expenditures in order, investing in the right things and not the wrong things--for example, investing in health and education and removing fuel subsidies. These are things that every country has to do. Do you have to manage your debt effectively? Of course you do. There are basic macroeconomic fundamentals that every country just has to pay attention to. But the fundamental difference in where the World Bank is today versus 20 years ago is we are now at the front cheerleading about investing in people because we know it's what's critical for growth.

MR. VELSHI: But one of the other differences is you look at the IMF package for Ukraine, for instance, and what one could argue they're competing with is the financial influence of Russia, or you look at some African nation where you might be negotiating something, knowing that China is lurking there in the background with available money that may not have the same conditions. So, you're competing with others for the resources that you want to contribute.

DR. KIM: Well, again, so, it's easy to step back and say, "Well, you're competing with China everywhere." But then, I would just remind you that all of Africa has as much energy as Belgium. So, there's plenty of work to go around for everybody, and our role is to-- because we have such a close and strong relationship with China, because we have such a close and strong relationship with African countries, with the United States, with everyone else, we want to be the people in the middle who make those deals happen. How are we, for example, going to fund the Grand Inga Project that could double the amount of electricity that currently exists in Sub-Saharan Africa? What do we need to do? That, without question, is going to be a multi-group, public-private, you know, China, the United States, many, many groups that will have to be involved to make that happen. We want to be in the middle because of our unique multilateral organizational structure to make those things happen.

MR. VELSHI: There's a good question here: What are the top five drivers of inequality or poverty in the world?

DR. KIM: So, I think still the most devastating is conflict. I mean conflict is a huge driver of poverty. But then, you know, all the things I've talked about already, lack of access to electricity, infrastructure, this is a really, really important one. Investing in human beings, this is really a critical aspect of it. But then, at the end of the day, all those things, the investments in infrastructure and human beings have to lead to growth. And so, you know, what are the ways for us to spur the kind of inclusive growth, as we talk about it--and we're asking that question right now: What have we learned that suggests to us that certain kinds of investments lead to more inclusive growth versus the growth of just particular industries or enrich particular individuals. We're asking ourselves that question right now and, as we go forward, we really want to be the organization that is the champion of those kinds of investments that lead to a more inclusive growth.

MR. VELSHI: When you talk about inclusive growth and you talk about inequality and ending extreme poverty by 2030, I suppose if your threshold is \$1.25, it's not going to cost the world all the much to do, but does this involve some sort of wealth distribution? And Ronald has asked this question on Facebook, this is translated from French: "The main obstacle to ending poverty is the inequality of wealth distribution." What do you do to address that?

DR. KIM: Well, so, in the poorest countries, we've had very specific projects. Both Brazil and Mexico showed us that something that we call conditional cash transfers have had a huge impact. Not only have they lessened the poverty of the household, but they've increased attendance in schools. They've improved even sort of weight for age for young children. So, these programs have been shown to work. And so, simply moving cash, literally, to some of the poorest households and in the countries who can manage the bureaucracy of measuring, putting conditions on it, has had a huge impact. And countries that are so poor that they cannot even manage tracking whether they go to the public health institute, whether they go to school, just giving unconditional cash transfers have also been very effective. So, we would say that that kind of redistribution, the evidence is overwhelming, these are good programs. These actually help societies to grow. Now, you know, there's no simple answer here. So, you know, the answer in France is different from the answer in Lesotho or Malawi, and you have to look at, relatively speaking, what kind of programs you put in place and what you don't. Now, one of the things that we're very good at is assessing the quality of public expenditures. So, you go into a country and, for example, one like Egypt where 8 percent of GDP was devoted to subsidies, right? And this is not a good way of spending money. So, in that case, we would say stop spending money on subsidies and invest it elsewhere. That's really the issue. It's not austerity versus investment—

MR. VELSHI: It's the return on the investment.

DR. KIM: It's the return on the investment, and every country in the world can get better at that, including the richest countries.

MR. VELSHI: Including the United States. I mean, that's the issue. We talk about it in terms of real tax rates, but in fact, if one could argue that you're getting a better return for this investment than another, people might be happier.

DR. KIM: Well, we don't provide advice to the United States, but we've got some awfully good people in the World Bank Group and I think they'd have ideas about ways of improving public sector expenditures. I mean, that's the whole point. Look, the competitiveness of the future--what is going to make a country competitive going into the future? If you are not asking yourself that question intensively, every day, I think you're, relatively speaking, going to be in trouble. So, countries like Korea and Singapore, China, Japan, they're asking themselves this question all the time, and I think the leadership here is asking that question all the time, but you see an entire sort of public conversation about competitiveness in Korea. I mean, this is the country I was born in. South Korea was the part of the peninsula that had no natural resources, it was the agricultural part. And so, they have an incredible sense of paranoia about whether they're going to be able to continue to be able to grow. So, they're looking at every possible way of investing in people, of spurring innovation. That's what everyone has to do. It's going to be a major issue going forward for every country in the world.

MR. VELSHI: That's a perfect note on which to end it. I want to thank you, President Kim, for having us and Al Jazeera here at the World Bank and for the work you want to do, and I wish you, and all of you at the World Bank, the greatest success. We will all be around to celebrate in 2030 when you have eradicated extreme poverty in the world.