

THE BROOKINGS INSTITUTION

MIDDLE EAST YOUTH IN THE 21ST CENTURY:

WINNING THE GLOBAL RACE FOR SKILLS

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P R O C E E D I N G S

MR. SHAIKH: Good afternoon, Your Excellencies, friends of Qatar University, and of course the BDC. Ladies and gentlemen, my name is Salman Shaikh. I'm the relatively new director of the Brookings Doha Center. I'd like to welcome you all to a very special Qatar University Brookings Doha Center joint event here at Qatar University on Middle East Youth in the 21st Century: Winning the Global Race for Skills with a highly distinguished speaker this afternoon, Mr. James D. Wolfensohn. It's lovely to see you here, sir. Thank you also for being here. It's exciting to see so many of you, especially on a Thursday afternoon, especially some of the students here. This event, and I'm sure Mr. Wolfensohn will say this as well, is very much focused towards you.

We're delighted to be partnering with QU for the first time. As you know, the University is a symbol of how Qatar has made great strides in improving higher education and opportunities in the country. It has over 60 specializations, seven

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colleges, 30,000 graduates. It is, as you know, the most thriving and representative institution of higher education in the country.

We hope that this event will mark the beginning of a long-term relationship between our institutions. In fact, let me inform you that it is our intention to establish a joint BDC Qatar University visiting fellowship program towards the end of next year in (inaudible). This event represents also our determined effort to increase collaboration within Qatar and in the region more generally.

Now, without further ado, it gives me the greatest pleasure to introduce you to the two distinguished people to my right, Mr. Wolfensohn and Dr. Shaikha Jabor Al Thani, vice president and chief academic officer at Qatar University, who has kindly agreed to moderate our discussion. Vice President Sheikha Al-Misnad, as some of you will know, has been called away on urgent travel.

Mr. Wolfensohn, as many of you may have already seen his bio but I'll just give you a quick

history, is the founder of the Wolfensohn Center and the Center's Middle East Youth Initiative research organization devoted to building a better future for young people in the Middle East. He's also the chairman of Wolfensohn and Company, LLC. He's perhaps, of course, best known through his role as president of the World Bank from 1995 to 2005. Throughout his career he's earned the reputation as a brilliant businessman and development practitioner with an abiding interest in lifting people out of poverty through human development and through education. He's also having served as a special envoy for the Quartet and the Gaza Disengagement from 2005 to 2006. Mr. Wolfensohn is very familiar with all the facets -- economic, social, business, and political -- of the Middle East region. In fact, I know he doesn't want me to say this but I would encourage you to look at his new book, *A Global Life*.

Dr. Shaikha is a graduate of Qatar University and a specialist in abstract algebra and mathematics. After pursuing her master's degree and

Ph.D., Dr. Shaikha returned to QU as an assistant professor in 1992 and held the positions of vice dean and dean of the College of Science before becoming vice president and chief academic officer in 1995. In fact, you can say that the University is very much a part of her DNA and vice versa. During her time here at QU, she's been instrumental in implementing reforms that have expanded the University's academic offerings. I'm sure a lot of you know that already.

Now, we're very fortunate to hear Mr. Wolfensohn's expert insights on developing the skills of the region's youth. This issue is one that has attracted a great deal of attention and is only becoming more relevant as the numbers of young people and the challenges they face grow in the region. I hope you enjoy our discussion.

Mr. Wolfensohn, the stage is yours. Thank you very much.

DR. SHAIKHA: I just would like to welcome everyone over here -- the faculty, the students, our guests from Brookings, and other places as well. I

see common faces. Also, I would like to welcome Mr. James Wolfensohn. It is really a privilege to have him speaking to us and Qatar University. I personally very much am fond of his Middle East youth initiatives. I've read a lot from his website. I've read a lot, a big number of the research that's been conducted by his research team. And I would encourage everyone to have a look at these publications. It touches on the lives of the young people of the Middle East, and I believe any policy developers should read these documents. They are very informative and it gives a lot of data that lacks and would be beneficial for any strategic planning.

I just would like to welcome Mr. James Wolfensohn again and we are very much interested to listen to him.

MR. WOLFENSOHN: Thank you very much indeed, Dr. Shaikha, and thank you very much Salman.

I was told, Dr. Shaikha, that this might be in the form of some questions and answers. So let me just start by saying that I am far from a great expert

on this subject. The reason that we've got some notice is that to my enormous surprise in work that we were doing at the Wolfensohn Institute, we picked a series of subjects ranging from the reform of the international system -- the U.N. and other subjects -- and because of my love of the region, we decided we'd take a look at this subject, thinking that there would be a tremendous amount of information that was already available, that many people would have done a lot of work, and that we could, in fact, read that and try and see where we could make a little adjustment here or a little adjustment there.

To our enormous surprise we discovered that the issue of youth, and in the case that we're looking at, we're looking at the cohort of people between 15 and 29, which is of the order of 110 to 120 million people in the regional population of around 350 million, with more than 60 percent, as you know, being under the age of 29 in the region. It's a very young population.

What we discovered to my enormous surprise

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was that there was very little work that was being done on a regional basis. There is quite a lot of work that is being done in individual countries. But even that is not being very well recorded. Maybe it's being quite well recorded here, but I have to tell you that when we started to look in the literature and tried to see who was doing what and where it was going, we realized that this is an issue which first of all is not being looked at on a regional basis, of course because there are differences -- significant differences between income levels and history and the various countries -- but we also found that even within countries -- and I've just come from Egypt -- you have the private sector, you have civil society, you have the universities, all of whom are doing some work.

And when I was meeting some of the business people who have put money into this question of employment and training of young people from 15 to 29, it was very surprising to me to find out that they didn't meet together either. These were whole series

of individual initiatives with very little drawing out of common lessons. And so we decided that we would try and put our material that we were discovering and some of the publications that we had onto a website and the extraordinary thing is that in three years we have had a million and a half hits on the website. It's just astonishing to me that a group of people that are not from the region, who of course are working with very skilled people in the region on a number of our subjects, would find ourselves being the most used website on this subject. And it is, of course, ridiculous. And one of the reasons that I'm in the region now is to say to a number of my friends in the region, it is lunatic to have this key subject being considered in Washington when you really should be doing it in the region. It's lunatic to have me giving some direction to it. You should have people from the region running this.

And so I'm here basically to get around to a bunch of my friends in the region to say don't you think it would be smart if you took everything that

we're doing and you relocated in the region because it's your problem, not mine. I'm 77 years old and I won't see the result of all this. And I must say that at the moment we're having, I hope, a pretty positive response. But of course, as you well know, in this region there are a number of complexities to bring people together in a common purpose. But I think that the issue is of such importance that if you have 50 percent of the people who are graduating or who are looking for jobs out of work for up to three years and you have the intelligent or the educated workforce looking for white collar jobs when they don't exist and not being willing to take other jobs for various social and other reasons, plus the issue of male and female graduates, which is a separate issue which I'm sure you know a lot more about than I do, these issues become really quite serious when you're looking at the stability of the region. Because if you have a whole bunch of young people -- if you have 5 million jobs required a year and you're getting maybe two and a half to 3 million jobs a year and people who are being

educated are taking three years to get work, it becomes a real stress on the society.

And that is really -- it's not a genius conclusion. It's something which is there really fairly straightforwardly to look at. And the numbers are totally revealing. They'll of course vary from country to country but as a generalization you would have to say that the issue of employment and the issue of engagement and the issue of training -- what are you training the kids for? What are university graduates' aspirations? What are they looking for is not the theoretical issue. It's an issue of stability. It's an issue of growth. It's an issue of competitiveness. And it's for that reason that I'm saying to my friends in the region it is crazy for this to be being done in Washington and trying to encourage some people to try and think of really resituating this whole effort, including the research and the website in the region.

So you now know the secret of what I'm doing because I'm not keeping it a secret. It is an attempt

to try and say I at least believe this is an issue. My institute believes it's an issue. And I'm coming to see a variety of people in the region to see whether they agree with it as being an issue, an important issue or not. Whether I just don't understand the culture, whether I just don't understand all the difficulties, and whether our conclusions are not valid. But we are putting the facts on the table and I hope today that there may be an opportunity to get some insights from people in the room as to whether you think the question of employment, training of this cohort of people, 50 million jobs being required, and in the year after 2020, more than 50 million jobs in the decade ahead with a very young average population age, as I think you know in the region, that this issue is more than just something for academics to play with. This is a question of stability. It's a question of economic advancement. It's a question really of peace and that is what I'm trying to examine, explore, and see whether we've come to the wrong conclusions or whether

it's worth picking up.

So that's really the introduction, Dr. Shaikha.

DR. SHAIKHA: I think the thing is really touching on unemployment, and I would say that the education system in the region is not really producing the graduate that would be able to be competitive with others. I think the employability of the graduate or the educated young people is the issue. And I think this is a concern for all of us and that's why Qatar as a country has worked on the K12 reform and the reform project for the university. So it's an opportunity for us to listen from the audience if they have any -- I mean, as Mr. James mentioned, he would like very much to listen to your insights, your opinion, your comment on it. It will be an opportunity for us to discuss it in his presence.

So anyone who would like to really start the discussion? Maybe I could (inaudible) maybe you had -
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SPEAKER: Thank you very much. I have just

one question for you, Mr. Wolfensohn. You have indicated to the lack of coordination at the national level and regional level as far as, you know, coming together -- the government and nongovernmental institutions in solving this problem. But my question to you, building on your own expertise, you know, how would you define the factors behind that lack of coordination, especially at the national level. You brought the example of Egypt. You know, what are -- where are those mistakes? You know, who should be blamed for that?

MR. WOLFENSOHN: Well, I don't know whether it's a question of blame. Let me start by that. I'm not looking for villains in this subject. And there are some obvious reasons that people don't feel that an experience in one country is the same as an experience in another. If you mention Egypt compared to your country, it's a country of close to 80 million people. Average per capital income I think of \$2,600 compared with your population, which is 1.6, 1.7 million, and according to the statistics, average per

capital income of something over \$70,000. Those are the U.N. statistics. They may be wrong but that's comparable in terms of what they are.

So it wouldn't immediately occur to the minister of education in Egypt who has a problem that is 40 times as big in terms of people as your problem to instantly come and talk to the minister of education in Qatar. And there are all sorts of social reasons, which all of you know much better than I do, in terms of the interface of different groupings within the Arab world that put up other barriers which make it sort of difficult to imagine that there would be a free flow of information.

The difference is that in the United States, when you get -- when you get a dozen universities, you already have five groups trying to bring them together. And there are an inordinate number of ways in which people meet, both domestically and internationally. But it's a question really for all of you, not for me. I don't know the answer. But I do see that if you've got an issue of 350 million

people in the area that will double in a certain number of years, two and a half percent growth a year, and if the region is regarded as a region, and even though you may not have close ties around you it is a region. A problem in any single or any couple of countries destabilizes not just those countries but destabilizes the region.

The other thing which we've found in our work is that young people today have far less geographic limit than people that grew up in my age for obvious reasons. They have computers. They have jet aircraft. They have educational capabilities of traveling overseas. They have many groups of young people that are multinational in scope. It has clearly become an international world. Not completely but an international world for a group of people. And not just a national or a city or a village world. And so it seems to me that if I were living in the region, and the reason I'm hesitant about it and try to get my Arab friends to take it up is because they live here, you live here, and I'm an outsider, but I see the

issue and I'm trying to get them to pick it up on a regional basis.

And I have to say that in the last days there has been a great deal of interest by leading figures in the community in different countries to at least get together to look at this on a regional basis. I cannot promise that they will conclude that it's worth doing, but I can, I think, indicate that the most senior people that I've talked to and the most influential of the people that I know, all seem ready to take a look at this. And so far, interviewing very many people, no one has said to me this is a silly idea. And I've encouraged them to tell me it's a silly idea because I have nothing to gain from this. You know, if I'm being stupid, maybe in the room here you can also tell me if I'm being stupid for reasons.

DR. SHAIKHA: Okay, (inaudible) because (inaudible) has also a lot of (inaudible) regarding categorization and she's a person that's really very much interested about the future of the labor job

market.

SPEAKER: That's a good introduction for one comment on the question.

Okay. Actually, I have a comment to start with. Actually, when I received the invitation I understood that we are talking about the (inaudible) education and labor market and the MENA in general. And to be very honest with you, when I listened to your speech about the unemployment, the gap between educational outcomes and the problems within the labor market demands, you know, there is a gap and it's not matching and the unskilled labor force and the incompetent graduate and so on and the high rate of unemployment, it's not new issues to us, at least to my generation. Most of the facts that you had mentioned, we've been listening, reading a lot about it. Conferences, literature, a lot of many, many things have been highlighted over the (inaudible). This is only a comment. And actually, I'm not saying that you're not coming up with anything new. No, what's been highlighted since a long time --

MR. WOLFENSOHN: I agree with you.

SPEAKER: What's next? This is the thing that we need to solve. We need not a magic stick but we need a solution.

Now, my question, I would like to talk more particularly about the GCC countries because it's a unique part of the MENA. It has its own situation politically, economically, and even socially. And going within the same context of today's issue, I would like to say, emphasize even, that the GCC recently over this current decade had really took radical changes structurally in its education and labor market. To the extent I can see it very nicely in this world, the divorce relationship doesn't exist anymore between education and labor markets but very nice, excellent relationship, healthy between the education and labor market.

And I'm not saying this because I'm from QU representing the education sector. No. But because I have a very excellent background and (inaudible), I've worked very closely with the labor market not only in

Qatar with even with Bahrain, in Merrut and Amman and Kuwait. Most of those employers are so satisfied (inaudible) those countries will have educational reform. So satisfied with the current educational outcomes. I'm talking about skills, competencies, general. When it comes to specifically human capital, it's not the education sector role; it's the industry. Because in this case every single industry has to specify, tailor their own unique needs but definitely will vary from sector to sector. In this case we cannot still keep talking about the (inaudible) about the specified (inaudible). Thank you.

MR. WOLFENSOHN: Well, let me first say that there is no way that I have claimed or would claim to know as much about the area as you do and I'm sure many other people in the room. And so my observations are not intended to be discoveries for you; they're discovery for me in terms of where we came into this subject. And the only difference that I would have with you is that I can say with some assurance now after some weeks of talking to people in the region

that there are a number of people who are leaders of industry and government who regard the issue of the type of trading that people are being given in the region and the accompanying job market as being unbalanced. That the training that is being given in some countries makes a group of kids, for example, who only want white collar jobs, even though blue collar jobs are available. And I've not been told that once. I've been told that many times. And it is particularly true in Egypt in the major cities but in Cairo it is a big issue. I was given many examples of how they tried to get someone who was a white collar graduate and put him in another place to give training and it lasts a month or it lasts three weeks. Now, these are not -- this is not scientific research. It's examples that leaders of industry have been telling me.

And the second point that I want to make is that all that I believe I've articulated is a superficial case which I believe on the examination that I've been able to do merits examination. And

before I would dream of talking to anyone here about it I can tell you that I've done some weeks of discussions with leaders of industry and political figures who over dinner told me that they really worry about the question of the next generation in terms of its employability and in some cases in terms of the particular training they're getting, which ranges from the arts to religious training to scientific training with much less scientific and engineering training than at least this group of people believe would be useful. And in particular, manual training to work in factories and the social structure that applies to doing that sort of work which is more tolerable in some other countries.

Now, all this I repeat again, is hypothesis. I'm not stating it as fact. My life does not depend on this. But the work that we've done for three years has led us to this conclusion. And the stage that we're at is to say to colleagues in the region of seniority and distinction, maybe we should get together regionally because I can say I think

categorically that there may be Gulf coordination. But within the Arab world in general there isn't a lot of coordination between let's say Egypt and the Gulf according to what I've been told by the people that I've seen in the last days.

And it just seems that given that it is a region, it might be worthwhile to have at least an organization that is concerned regionally with the question of employment and education together. That does not exist now. And so the hypothesis is should we get the people together, the business people and the academics, plus a few people from the states and England and Australia that may have had this experience in their countries, put them together for a couple of days and see whether anything comes out of it. If nothing comes out of it, I can close our work. And I'll be very happy to do that and get onto something else because I'm not -- because if it's not relevant, I don't need to do it.

But the reason that I'm putting myself out on a limb a little bit is that it does seem to me that

there's a lot of evidence that there is an issue here. And I readily admit that the wrong person to raise this is a foreigner who is coming into your university to tell you something that you know much better than I do.

DR. SHAIKHA: I believe just touching back on this discussion, Qatar University has set as an objective ensuring employability of our graduates six months time from their graduation from the university. This has been an objective for the university. And Qatar University is not unique in doing such a thing. A number of other universities are doing it because it's an issue. I mean, getting a job after getting the degree. And, of course, it's not, of course, consistent across different academic programs but it is an issue and this is why everybody is trying to incorporate it within their strategic planning.

So touching again, maybe students. I would guess the student there in the back.

SPEAKER: Good afternoon. My name is (inaudible) and I'm a student in the International

Affairs department. My question to you is do think the current trend of simply mimicking the western education system indiscriminately are working for the region?

MR. WOLFENSOHN: I should ask you that question. I don't know is the answer, and I don't know whether you're mimicking or not mimicking. To be quite honest, I know too little about it.

In the discussions I've had with educators in the region and businessmen in the region, I have tentatively concluded, particularly in light of this lady's knowledge on the left here, it's now become more tentative what I'm saying, but my tentative conclusion is that it is not a good mix between the education system and the employment opportunities in some countries. And that the statistic is not six months in Egypt, it's more like three years. And there's a big difference between six months and three years in the life of a young person. And that statistic I was given in Egypt. So you can blame the minister if I have got the wrong statistic but that's

my answer to your question. And I see lots of hands coming up. I'm going to have to escape.

DR. SHAIKHA: I'll be biased. Let me just say, let me mention that I'll be biased to students. Okay, because I believe that's the -- Mr. Livingston (sic) has purposely come to Qatar University to have (inaudible) with the students. So let me just see. The student there in the back. The gentleman in the back.

SPEAKER: (inaudible) match between academics and businessmen. What are the other criteria, the factors that might contribute to solve the matter in at least the very near future? Thank you very much.

MR. WOLFENSOHN: Well, I think that it's not just a question of the education system. I think it's a question of the society creating opportunities for entrepreneurship, for training, for movement of graduates and undergraduates into industry and into service industries. And what I saw in Egypt is that there are some 30 or 40 industrial enterprises that

each have some activity which is designed to facilitate the flow of young people into their businesses. And, you know, one told me of the scholarship program they've got internationally. The other they talked about the training program they have to get people involved in engineering and in some of the skills that are involved, setting a program for them. So there's a lot going on but it's not connected. That much I can assure you. They're individual initiatives. And I think for me those are the things that are necessary because no one doubts that the overall statistic of 5 million kids who are getting into the job market every year, getting at least 2 million jobs less than they should -- than they would like. And that is a problem it seems to me.

DR. SHAIKHA: There in the back.

SPEAKER: This is (inaudible), International Affairs student.

The region is facing unemployment, especially after the economic crisis. Well, what did

the World Bank do? How did the World Bank act in order to overcome this rather than just the statistics and reports?

MR. WOLFENSOHN: Well, I got fired from the World Bank after 10 years so it's very clear that I did a lousy job you see. So, because they have a very good president now and I'm sure he's doing a lot of wonderful things.

But the thing I learned at the World Bank is that although you're called the World Bank, you actually don't run any country. And it would be nice to be king or sheik or queen or something. But that is not the role of the World Bank. So all the World Bank can do frankly is to provide assistance and some sort of guidance to countries about the experiences that they've had elsewhere. And if the country then wants some help, the World Bank is in a position to provide it both in terms of intellectual contribution and some financial contribution.

But the thing that needs to be understood is that the World Bank is not the government of all these

countries. It can try to be persuasive. It can try to influence. And sometimes gets blamed for not getting stuff done that it would like to get done. But I think the World Bank is an extraordinary resource, particularly in the field of education for people that want to use it. But you have to have the political will to use it or it's not going to get used.

DR. SHAIKHA: I think the students had their share so probably now we'll have faculty participating or any guests. So, please. The gentleman.

SPEAKER: (inaudible), International Affairs.

I have maybe one question or two then maybe a few observations. First of all, thank you very much for the insights on this. And I would say that sometimes ideas are better looked at in the region if they come from a foreigner.

Obviously, you talked about the situation and one of my colleagues talked about the possible solutions, but I would go from the beginning. Why did

we get here? Obviously, I would have liked to have seen some reasons that your research work has unveiled of why did we come to the institution (inaudible)? And the reasons that we have heard -- the countries are so young, (inaudible), et cetera, et cetera. And it seems to me that it's a very, very big problem. You talked also about the problem of unemployment being the way towards instability in the region but I will tell you -- I agree with you but I will tell you even some of the training programs are the way towards stability. I am originally from Algeria, and I can tell you that over the years the numbers of students have increased in higher education as a way to absorb unemployment with the standard of teaching dropping and with the possibilities of unemployment being reduced so much.

Secondly, you touched upon it but I would have liked to have seen a little bit more about the culture. Everybody, at least in Algeria or in North Africa, everybody wants to see his or her son being a doctor but nobody wants to see them as a plumber or a

carpenter. It's the type of training. Not everybody should go to the university. In Algeria, for instance, if you want to go and see a medical doctor, turn a penny. You can choose whichever you like. If you have a problem in your house and you need a plumber, you need (inaudible). Basically, you need someone who knows someone who knows a plumber. And you have to provide everything for them. So again, how many universities in Algeria? Maybe 35, 48. I can't remember. But how many professional training centers? Very, very limited. And that's basically my comments.

MR. WOLFENSOHN: Well, I think you've made your own answer. I agree with you that the aspiration level and the need is not balanced. And that technical training and training for jobs is of crucial importance and given inadequate attention in most countries, including the United States, by the way as a matter of interest. I think if I were starting again I probably would become a plumber. I think it would be a lot easier than running the World Bank, and

probably better paid. But when I started out I thought of other things.

Look, I think you've made very good comments. I don't think I can respond other than to say that I agree with you in what you're saying.

DR. SHAIKHA: (inaudible)

SPEAKER: It is just a reminder of the role of supreme education comes here in Qatar. My name is Cesar. I am a former Supreme Education Council employee. I am not here representing Supreme Education Council, but I'm speaking on behalf of myself. I would like to say that it would be very difficult to speak about the future of the students in Qatar without mentioning the initiative of education for a new era. Independent schools I think are still lacking the necessary support from the parents, the educators, and the education institutions like Qatar University wasn't accepting students who came from independent school background like two years ago. So I am just calling for more support to Supreme Education Council's effort in helping students in

having a better education.

DR. SHAIKHA: Okay. This is a priority for Qatar University. We cannot really separate K12 education from a university-level education. And we believe in order for all of us to excel we need to work together and definitely we need to work with them and the College of Education has been working diligently with them and there is a lot of cooperation in that respect.

Dr. Hamet?

DR. HAMET: Welcome to Qatar University, Mr. Wolfensohn. It was a pleasure to hear your early comments. And there is a serious problem that you are aware of for years in the Middle East particularly, and that is how do you basically settle the issue of economic development and political stability when an institution of lending, such as the World Bank, knows quite well once they lend the money that the money is going to go for economic subsidies, not political, not economic developments, which are basically what creates jobs. Right? So now we have governments that

basically are telling you I can't do both. You gave me the money; I have to stabilize society by giving subsidies because poverty, as you know, is very obviously everywhere, especially in the non-Gulf-Middle East countries. So my feeling is that somewhere the World Bank and other institutions must make clear that there is a way to balance these two because so far most of them haven't.

So what do you think should be done in order to make sure that economic stability, economic development go hand in hand and also the issue of subsidies, not to be altogether thrown out of the picture because it is a cause of political instability?

MR. WOLFENSOHN: Well, I think the World Bank is a -- is really a tiny element in the global scene. In the last 5 years I think it's averaged between 20- and \$30 billion of lending a year, which is a drop in the bucket in terms of the trillions of dollars that have been invested. It can have an influence on policy, and I have no doubt that in some

of its loans the money is not constructive, although the countries think it is. And I have no doubt that in some projects they are very constructive. I've seen both.

But I think the issue is not the World Bank. The issue, and I kept saying this to my government friends, the issue in Country X is the role of the government of Country X. The World Bank does not run these countries. You're treated nicely as the president, particularly if you've got a checkbook, but whether it's Qatar or whether it's Egypt or whether it's any other country, the running of the country is a national issue. And to be quite honest, in some of the poorest countries where the World Bank has thought that it has an influence, the probability is that the money is taken in some way or other and they avow that they're going to do what they tell you they're going to do and then they don't do it. And I've seen examples of that, too.

So the World Bank is not world government. It is a resource. Sometimes it's very effective. In

other cases it's less effective. But it's well intentioned and it's got a lot of very bright people who work very hard. But it is not the answer to this question. And I think -- I spent 10 years when I was running the World Bank listening to every conceivable criticism of the World Bank. I don't think there is any that I haven't heard more than once. So I'm immune to the criticism, not because I haven't done something about it but because the criticism itself has a certain pattern in terms of the way that people criticize the World Bank.

But the thing is that the World Bank doesn't run anything. The World Bank is a service institution. It doesn't run Qatar. Thank God for Qatar. It doesn't run Nigeria or it doesn't run Ethiopia. It doesn't run anything. It is a service organization. And it can have a certain influence but even on the poorest countries, I have to tell you there is always someone running it. And so I don't think this is a debate today for the World Bank so I won't get off into it, other than to say that I think

the World Bank is a resource. I think it's a pretty good resource. And it has better management now than it did when I was there. So.

SPEAKER: Thank you. I have a comment. I don't think -- I think what is particular about the gap between the graduates and the number of jobs available in the region, which makes it different from say European common market or South America or whatever, I'm sure every region of the world has its own problems. I think our problem is -- and the professor from Nigeria touched on it -- I think it is very, very much culture. There is a need for all sorts of jobs, but when you have -- I don't know. Maybe we have more hospitals than nurses. We have a problem when -- we don't have hospitals more than nurses, but we have a problem with technicians -- lab technicians and nurses. I distinctly think of building more hospitals.

I think the issue, if we can solve this culture barrier between -- within our generation, parents, to teach our children that to be a plumber

is really a very decent job the way we look at it.

I come from Lebanon. When I went to the States for my graduate work, the first shock to me was the chairman of the Math department was almost every day going out with another man to the cafeteria to have a snack and they would discuss football or baseball. At one time I asked the secretary of the Math department, I asked her what does this professor teach that goes with the chairman? And she said, no, he's not the professor. He's the janitor of the building. If we come close to something like this, really the unemployment problem in the region I believe we will be solved. Thank you.

DR. SHAIKHA: So we have the MENA representatives all over. Algeria, Egypt, Lebanon issues have been discussed. (inaudible), please.

SPEAKER: I am Egyptian, but I want to be sure that you say that the living standard will compete in Egypt. \$2,600 or Egyptian pounds?

MR. WOLFENSOHN: Dollars.

SPEAKER: So I want to know from you,

please, the rate of growth in Egypt in the last 30 years if you have, how many Egyptians percentage under the poverty line? You spoke about the educational system but you shrugged off the main factors. I mean, Conspiracy International told us before five or six years that corruption cost our country 600 (inaudible), and it's equal to 20 million jobs in Egypt last year, 70,000 causes of corruption. So I will not add to much because of the audience wants to speak how the main factors (inaudible) top but not on the bottom. Our main factor in Egypt is corruption and despotism. Thank you.

MR. WOLFENSOHN: Well, I think that on the issue of corruption, sir, the first public utterance on corruption -- and I'd be grateful if you'd listen to the answer as well as looking around -- the answer is that the first attempt to address corruption was made by me in my second speech at the World Bank. And I put corruption straight on the table as being an issue. I was warned by a number of the directors that I shouldn't raise the question of corruption. No bank

president had ever uttered the word before I got there because I was told that many of the directors on the board were corrupt and representing corrupt countries, and therefore I shouldn't do it. But I decided that that was not a good reason not to do it and that I could always get another job. I thought I could get another job. And so I made a speech on the cancer of corruption and we started a major problem on corruption. And we have major investigations and we have major investigative activities. We stopped many projects that we found to be corrupt.

But I have to say this to you, sir, that we are not a world government. The Egyptians have to solve the corruption problem in Egypt if you want to. There's no outsider that can do it for you or for any other country. And it would be nice to blame the international institutions but I regret to tell you that it is a domestic issue. And I agree with you that it is a pernicious, terrible problem, but it's not my problem; it's your problem.

DR. SHAIKHA: The gentleman in the middle.

Yes.

SPEAKER: Thank you, Shaikha, for recognizing -- I know I'm a student but in James' company perhaps we're all students.

I have an observation as well as a question. The first observation is that this is a hugely important topic and Qatar has recognized it. I don't know whether you're aware of the initiative of Her Highness Sheikh Mozah on Silatech. This is very important in this regard.

Let's come to the question then. Perhaps there is a paradox within the region in this area and affecting, if you like, in the poorer men and countries, supply side constraints facing young people. And in the richer, perhaps the Gulf States, despite the high rates of return to education, demand side constraints in terms of the demand for particular types of jobs. Recognizing the idea that you've mentioned the plumbers and technicians are the backbone of any economy, what a country is trying to do in the national development strategy is to create

multiple pathways from education to employment with a big emphasis on technical education. But perhaps you can address this paradox that I have alluded to.

Thank you.

MR. WOLFENSOHN: Well, I think, first of all, I should tell you that in my own foundation we are already working very heavily with Silatech on the issue of employment and have a joint venture with them, which has led me to conclude that Sheikha Mozah and the Silatech people really have a forward looking view and it's not just in the country; we're working in the region, which I found to be extremely interesting in terms of their willingness to look at regional issues as well as national issues because this country is also dependent on the region. And so I just want to pay tribute to that, not because I'm here and Sheikha Mozah is not here to hear it, she's out of the country, but I think it's very impressive.

Now, in terms of the broader issue of education and the mismatch between education system and the jobs which I think is the issue that you're

addressing, it's also a matter of culture. And again, I say this rather hesitantly but the research in the region, and in particular in terms of the university education, and I speak particularly now of Egypt which is an 80 million country, is that you're finding the statistics that I have is that the kids that are going -- 50 percent of the unemployed are the educated new entrants with different levels of education. But the ones that are finding it most difficult to get jobs are the ones that are the most educated because they're educated in white collar universities with the aspirations of white collar activities and, in fact, the jobs are not white collar. They're different.

And yet there is a strong social pressure, both in terms for the men of marriage and I guess for the women also, but that's a whole separate subject. But in terms of the education system, as a very leading Egyptian told me in my meetings yesterday, they're doing everything they can to try and change the system and the culture but it's incredibly difficult. And they think it's changing. The

ministers that I spoke to said they thought it was changing but I don't think anybody has declared victory yet.

So you have this mismatch between the educational system and the job opportunities. And that's a very -- there's a very cultural aspect to it because a lot of people don't want to do the jobs that are there. And that's why you can't get a plumber and you can get a neurosurgeon. It's very different. Yes.

DR. SHAIKHA: I just would like to highlight the Silatech Initiative. And I believe it is a very well established venture set up by Qatar. And I believe they have a lot of research work and documentation and some of the publications that I would encourage people just to have a look and I believe you will find it very useful because it touches heavily on issues. And of course, it covers the MENA region all across. And it's not a matter of collecting data and enlarging it and having it presented to the people but also it works on creating

solutions and ways to get around the high unemployment of the youth in the region.

Also, I think we need to touch on the solutions. Are we -- shouldn't we be touching on the ability of the youth to create the jobs by their own rather than depending on the government to absorb all of these graduates? Youth, I'm not sure, because it seems all the discussion has been based on the culture and the education but shouldn't we be focusing on the ability of the individual to create the job for himself and to do his own business rather than depend on the government to provide him with the job opportunity. Maybe this if somebody is -- and I believe the entrepreneurship, I think, is important to bring it to the discussion.

So more questions? Okay. The gentleman.
The student. Yes.

MR. HAJME: (inaudible), good afternoon and welcome to Qatar University. This is Mohammed Hajme from the International Affairs department and a delegate for the International Youth Congress 2010-

2011. Since we started talking about the World Bank and you stated, sir, that we are not the government or it's your problem and all these comments, let me just start with a paraphrased quote by Kathleen Caufield, who wrote a book called The World Bank and Poverty of Nations. She -- I'm paraphrasing here -- she mentioned that one of the assumptions -- one of the assumptions was that poor and developing countries cannot modernize by their own initiatives but with money and advice from abroad. Just like what is happening today. And this was written in 1996. So comparing to today's life, exactly the same problems happening. And we will continue talking about the World Bank.

Actually, I have many points but I believe that I do not have enough time so I'll just -- the former chief economist in the World Bank, Mr. Joseph, and this opinion that I'm going to say now was supported in 2002 by Dr. Jeremy Maclinney. He said that the so-called free market reform policies which the Bank advocates are often harmful to the economic

development implemented badly and he started introducing something called shock therapy. Exactly what's happening today in the case that we're discussing today.

My last point is what about the perspective of the generations here? What about the perspective? What about the youth? Okay. I think, and maybe I'm wrong because as you know I'm still -- and I'm full of mistakes now. My process of learning but don't you think that the World Bank is an instrument for -- to promote for youth and western interests first? Honestly.

DR. SHAIKHA: We are not here to discuss the World Bank. We are talking about the Middle East youth issue. I believe we are just drifting away from the topic of the whole session. So, thank you.

MR. WOLFENSOHN: It would have been very unfortunate if someone hadn't said that though. I wouldn't have felt at home.

SPEAKER: I have two issues. Two things I want to comment. First there is a time lag between

what happened in the industry and the time needed to go back to academic. Like, for example, the financial services. Whenever there is a change say in the market, it takes like three years or four years until it's already in academic, until it's already researched and published and then go back and being taught to students.

The second thing is about the quality of graduates. There are so many graduates in the MENA region which graduate -- and they're highly qualified as they look on paper. But once you interview then you find that there are lots of things that they should have learned that they don't know. I work in the financial services and I interviewed many people but they can't read a balance sheet although they are a business graduate and not from the region. They are U.K. and U.S. business graduates from very good universities. So this is one of the things that make mostly the private sector hesitate to hire people that are locals and they don't have the experience. And that's why they will be looking more into expatriates

with proven track record and experience to hire.

MR. WOLFENSOHN: I understand that. I've been to a few financial institutions in the last few days and they're full of expatriates. You're quite right. It's an observation which I think is very sad which nonetheless appears to be true. And I don't know the reason for it.

I'd just like to make another, if I may, just to remind you that I have not come to criticize the region. I have come because in the last three years of the work which my little institute has done and for which I have put up my own personal money and from which I will not benefit because I'm not trying to get a job in the region. I'm not trying to get recognition in the region. It's just a subject that interests me. It appears to me that there is a problem for the employment of youth going forward and that at 5 million jobs required a year and 2- to 3 million jobs being made available, there is a real problem that needs to be addressed. That's the simple proposition I'm putting. And I am suggesting to a

bunch of my friends who I've have had the privilege of knowing working in the region for 15 years that it is not my problem; it is a Middle Eastern problem. And that if it were possible to get some sort of institutional initiative that would look at this issue with all the differences between the Gulf and Egypt and other parts of the area, that having a permanent establishment or even more than one that would focus on this issue and keep it in the forefront of people's minds would be a useful thing for the stability of the region.

It's a very modest proposition. And I'm perfectly happy if a group of people I bring together tell me that it's nonsense and go away. But it does seem to me, and I have to say that I've had some experience after 10 years at the Bank, it does seem to me to be an important issue. It's not my issue. And I was asked to come here to talk about it. I didn't ask to come and talk about it. So please understand that you're all welcome to leave, as I will in a minute, but I'm not trying to get a job. I'm just

trying to expose an issue which I think is a real issue.

DR. SHAIKHA: I just would like to take the last question and it's a quick one.

SPEAKER: Thank you. I'd like to talk to the solution a little bit. We talked lots about the problem.

MR. WOLFENSOHN: Please.

SPEAKER: But to me there are two different issues. One is the education system and whether we're preparing the students with the knowledge, skills, and abilities needed for the job market. And the other one, which is more important to me, is the lack of jobs available for highly skilled graduates once they graduate. And those are two separate things. The countries who have not addressed the education system, they have to do that. I mean, that's part of the solution. But the job is a little bit more difficult because many young people are relying on government jobs rather than an entrepreneurship spirit, small business, creation of things, be innovative, creative,

et cetera. So we have to be able to instill with them the entrepreneurship spirit, help them move, and more important to me, remove the barrier to movements among these countries. In some cases there are lots of barriers of movements, whether it's labor or capital or otherwise or knowledge, so I think that has to be removed a little bit.

Thank you very much. It's a very important topic. We really appreciate you being here.

MR. WOLFENSOHN: Thank you so much.

DR. SHAIKHA: I think with this we will be concluding the session. I just would like to extend our thankfulness for Mr. James Wolfensohn. It's been really a privilege to have him speaking to our students, faculty, and our guests and friends. It's an important topic and no one could just agree more than this should be at the forefront of the people and the leaders in these countries. Definitely no one could argue about this important issue. And we are really appreciating all the work that has been extended toward that end, and I'm sure that Qatar

University would be very much interested to be part of this work. I think it's very much relevant and it is important and definitely would be part of this.

MR. WOLFENSOHN: Thank you so much. Thank you all very much. (Applause)

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