



Who We Are

**FEATURE STORY** | **SEPTEMBER 28, 2019**

How Countries in Southeast Asia are Working Together to Accelerate Human Capital Development





ASEAN officials and development partners at the High-Level Meeting on Human Capital Development in Bangkok, Thailand, on September 9, 2019.

**Chadin Tephaval/World Bank**

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#### STORY HIGHLIGHTS

- *ASEAN countries have made great socio-economic progress, but children born there today will only have about 60% of the productivity compared to children born in regions with high-performing health and education systems.*
- *Leaders from ASEAN came together on September 9, 2019 to discuss strategies for human capital development, displaying the political commitment to prioritize public investments in people.*

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In their decades-long efforts to spur strong economic growth and significantly reduce poverty, countries in the Association of Southeast Asian Nations (ASEAN) also successfully improved education and health outcomes for their people. However, key indicators on education, skills development, and health are below what is expected of its current income level, which can undermine future growth and prosperity in the region.

To thrive in the global economy, where new technologies will create industries that have yet to be invented, the nature of work prizes higher-order skills, ASEAN countries will have to go back to basics – and invest in human capital.

The challenge is significant. Almost a third of children in the region have stunted growth due to chronic malnutrition, which is highly prone to life-long cognitive and physical limitations. These can lead to poor school performance and lower productivity overall. And though schooling rates are high across ASEAN, limited education quality generates large learning gaps. Children have low reading comprehension skills at the end of primary school. Some 15% of 15-year-olds living with chronic diseases, mainly due to noncommunicable diseases such as diabetes, cancer, and cardiovascular and respiratory diseases, are a result of unequal access to basic services, including healthcare and education, which in turn contribute to social and economic inequalities.

ASEAN countries, while linked geographically and economically, have varying levels of life expectancy and human capital quality. At the core of these challenges is the need among all countries to accelerate human capital development. In Bangkok, Thailand, leaders from the region came together to discuss how to take this further.

“Disparity, poverty, education and health, remain a challenge in ASEAN. We have to make Human Capital Development a priority of our development,” ASEAN Secretary-General Lim Jock Hoi told the ASEAN High-Level Meeting on Human Capital Development on 9, 2019.

Organized by Thailand’s National Economic and Social Development Council (NESDC) and Ministry of Education, Youth and Sports and UNICEF, the high-level meeting was designed to facilitate dialogue among member states to share best practices and emerging challenges, as well as help identify new approaches to human capital development and set clear, yet adaptable, policy directions.

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**"On pursuing UHC: Don't wait to get rich, get committed."**

*Deputy Prime Minister and*



A panelist speaks during one of the sessions on human capital development.

**Chadin Tephaval/World Bank**

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ASEAN has their work cut out for them. The World Bank's Human Capital Index projects that upon a today will be just 59% as productive as they could have been. To change this, political commitment right places is critical.

Thailand, for example, reduced the rates of child stunting from 25 to 11% over the last 30 years through nutrition programs in areas with high levels of poverty. The successful approach brought together health and sanitation by close community-level coordination to address malnutrition.

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Anutin Charnvirakul, Deputy Prime Minister and Minister of Public Health, shared how Thailand kicked its Universal Health Coverage (UHC) scheme in 2002 even though it was still regrouping from the 1997 Asian Financial Crisis. It provided every Thai citizen to essential health services, and coverage reached 100% in 2018.

"UHC is about national commitment. We don't have to wait until we are rich to get UHC. We just have to have the will."

Other countries in the region have also performed well in various areas. Vietnam stands out with its high literacy rates due to its commitment to education reform and substantial public spending, while Singapore initiated a program to encourage companies to hire and employ older workers.

Experts presented delegates with data that illustrated how globally, investments in health and education generates high returns on productivity. It gives the future workforce the necessary cognitive and social skills for a knowledge-based economy. The meeting ended with recommendations for accelerating human capital development through: fighting malnutrition with nutritious foods and quality healthcare, orienting the entire education system towards the young and lifelong learning for adults, and achieving UHC to provide everyone with quality health services and protection from health-related shocks to their income.

But as Laurence Chandy, UNICEF's Director of Global Insight and Policy Office, reminded participants, "Success will have to make "fiscal commitments and more importantly set clear policies for implementation to ensure that the investments are effective and sustainable."

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