

RESEARCH NEWSLETTER

Closing the Human Capital Gap

February 2019

FEATURE STORY



From left to right: Adam Wagstaff, Asli Demirguc-Kunt, Annette Dixon, and Shanta Devarajan

Research Offers New Ideas to Confront the Global Human Capital Gap

In October 2018, the World Bank launched the [Human Capital Index](#), a tool to accelerate investments in the health and education of the next generation of workers, as part of the broader Human Capital Project. Dozens of countries have enthusiastically signed on as early adopters, but closing the human capital gap will depend as much on whether money is well spent as on how many new resources are mobilized.

At a recent [Policy Research Talk](#), World Bank Research Manager Adam Wagstaff highlighted a bonanza of new research on human capital—in particular research related to [the metrics](#) tracked by the Human Capital Index. Wagstaff and researchers from across the World Bank working with developing country partners have unearthed valuable insights that can help countries better measure, manage, and build their human capital.

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RESEARCH HIGHLIGHTS

✓ [Enhancing Young Children’s Language Acquisition Through Dialogic Reading and Local-Language Storybooks: A Randomized Trial in Rural Kenya](#)

Heather A. Knauer, Pamela Jakiela, [Owen Ozier](#), Frances Aboud, and Lia C.H. Fernald, *World Bank Policy Research Working Paper 8733, February 2019.*

An inexpensive intervention—a short training for parents, combined with a bundle of several children’s books adapted for a low-literacy population—increased the vocabulary of children of illiterate mothers, thereby reducing inequality in child development.

✓ [Variations in the Quality of Tuberculosis Care in Urban India: A Cross-sectional, Standardized Patient Study in Two Cities](#)

A. Kwan, [B. Daniels](#), V. Saria, S. Satyanarayana, R. Subbaraman, A. McDowell, S. Bergkvist, R.K. Das, V. Das, [J. Das](#), and M. Pai. *PLoS Med* 15(9): e1002653, September 2018.

Adults were trained as actors (“standardized patients”) to portray tuberculosis symptoms in visits to representatively sampled private health care providers in two major Indian cities. Quality of care proved to be suboptimal and variable—a critical issue to address if India is to eradicate tuberculosis by 2025.

✓ [The Aggregate Income Losses from Childhood Stunting and the Returns to a Nutrition Intervention Aimed at Reducing Stunting](#)

[Emanuela Galasso](#) and [Adam Wagstaff](#), *World Bank Policy Research Working Paper 8536*, August 2018.

Childhood stunting is estimated to impose a per capita income penalty of 7 percent on average across developing countries via its impact on years of schooling, cognitive skills, and height. However, a 10-pronged package of nutrition interventions could reduce stunting by 20 percent at a modest cost of US\$3.85 per capita.

✓ [The 2018 Health Equity and Financial Protection Indicators Database: Overview and Insights](#)

[Adam Wagstaff](#), [Patrick Eozenou](#), [Sven Neelsen](#), and [Marc Smitz](#), *World Bank Policy Working Paper 8577*, October 2018.

The 2018 database on [Health Equity and Financial Protection Indicators](#) provides data on equity in the delivery of health service interventions and health outcomes and on financial protection in health. The database makes many types of analyses possible, including inequities in maternal and child health coverage, inequities in women’s cancer screening, and trends and inequalities in the incidence of catastrophic health expenditures.

✓ [Incentivizing Safer Sexual Behavior: Evidence from a Lottery Experiment on HIV Prevention](#)

[Martina Björkman Nyqvist](#), [Lucia Corno](#), [Damien de Walque](#), and [Jakob Svensson](#), *American Economic Journal: Applied Economics* 10(3): 287-314, July 2018.

A financial lottery in Lesotho with relatively low expected payments but a chance to win a big prize conditional on negative test results for sexually transmitted infections resulted in a 21.4 percent reduction in HIV incidence over two years.

✓ [Tuberculosis Detection and the Challenges of Integrated Care in Rural China: A Cross-sectional Standardized Patient Study](#)

[Sylvia](#), [Sean](#), [Hao Xue](#), [Chengchao Zhou](#), [Yaojiang Shi](#), [Hongmei Yi](#), [Huan Zhou](#), [Scott Rozelle](#), [Madhukar Pai](#), and [Jishnu Das](#). *PLOS Med*. 14(10): 1–20, October 2017.

Unannounced actors (“standardized patients”) presented with tuberculosis symptoms in three Chinese provinces across all

three tiers of China's rural health system. There were significant quality deficits among village clinics and township health centers, and poor clinical performance arose only partially from a lack of knowledge—a phenomenon known as the “know-do” gap.

✓ [Incentivizing Schooling for Learning: Evidence on the Impact of Alternative Targeting Approaches](#)

Felipe Barrera-Osorio and Deon Filmer, Journal of Human Resources 51(2): 461–499, Spring 2016.

In Cambodia, both poverty and merit-based primary school scholarships had positive effects on enrollment and attendance, but only the merit-based scholarships had a positive effect on test scores. The asymmetry was not driven by recipients' characteristics, and analysis suggests that the framing of the scholarships led to the difference in impact.

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RELATED BLOGS & ARTICLES

What Burkina Faso can teach us about scaling up early childhood programs

[Damien de Walque](#), *Apolitical*, 11/30/18.

When Damien de Walque started working on a trial of cash transfers in rural Burkina Faso, some of his colleagues at the World Bank were sceptical. “People were saying, are you just crazy?” he recalled. “How are you going to distribute cash in remote villages without a banking system?”

But de Walque and his team didn't only manage to successfully run their trial. The work they did has since been instrumental in the design of a nationwide cash transfer program.

[Read the article »](#)

Bill and Melinda Gates publish their annual letter

The Economist, 2/16/19.

...Such [development] problems can be roughly divided into three categories (following a taxonomy by Lant Pritchett of Harvard and Michael Woolcock of the World Bank). Some require the exercise of ingenuity and discretion by small teams (eg, inventing a new vaccine); some demand the programmatic mobilisation of legions of people (immunisation drives). Others require both.

Improving education falls into this third, difficult category. It is not a problem that a small team of brilliant people can crack. Nor can a good education be delivered, like a vaccine, by following a strict protocol to the letter. Instead it requires legions of teachers to respond thoughtfully and conscientiously to pupils' needs. Mr Gates left his BAM circle wishing every classroom could emulate its intimacy and respectfulness. But that is hard to bottle...

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UPCOMING EVENTS

- **March 4, 2019:** [Policy Research Talk | Structural Change in Space: Employment Transition and Urbanization in Developing Countries](#)
- **March 25–29, 2019:** [Land and Poverty Conference 2019: Catalyzing Innovation](#)
- **June 17–18, 2019:** [Annual Bank Conference on Development Economics 2019—Multilateralism: Past, Present, and Future](#)
- **June 24–28, 2019:** [2019 Overview Course of Financial Sector Issues](#)

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IN CASE YOU MISSED IT

Research Digest: Winter 2019 Issue on Sustainable Energy

This issue features recent World Bank studies on sustainable energy, which is inextricably linked to nearly every major development challenge the world faces today.

[Read the digest »](#)

World Development Report 2020: Sneak Preview

[Pinelopi Goldberg](#) | *Let's Talk Development*, 01/31/2019.

The next World Development Report (WDR) on [Global Value Chains: Trading for Development](#) is well under way. Check out our website for a sneak preview.

Since the Bank's last report more than thirty years ago on [Industrialization and Foreign Trade](#), the world has been transformed, mostly in positive terms from a development perspective. Several low and middle-income countries can now participate globally thanks to global value chains (GVCs).

[Read the blog »](#)

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