Making Global Connections
IFC International Education Conference,
March 6-8, 2012, Dubai

Washington, D.C., April 10, 2012—IFC, the world’s largest multilateral investor in private education in emerging markets, brought together leading educators, policymakers, and service providers for its fifth International Private Education Conference, March 6-8, 2012 in Dubai.

In keeping with the conference theme, Making Global Connections, more than 200 participants from over 30 countries explored a variety of topics, including, the global skills agenda, managing quality through growth, understanding markets, the role of equity in education, and challenges to education in the 21st century. Experts and commentators led discussions that reflected the concerns of both private and public providers while focusing on private sector solutions.

Impact of Private Education

Private education has had an increasingly significant impact worldwide with many developing countries promoting private sector growth to expand educational capacity and access at all levels, while working to meet quality benchmarks. More entrepreneurs are investing in the sector, bringing fresh approaches and perspectives.

“There is a strong demand for more and better education services and many governments are embracing private sector participation as a way to increase quality and efficiency while also trying to ensure that such provision meets appropriate standards,” said Rashad Kaldany, IFC Vice President for Global Industries.

Private providers should be “integrated into national education plans and broader country objectives because of their flexibility and innovation,” said Alex Wong, Senior Director, World Economic Forum, Switzerland. Stressing the need for integration, Wong added that private providers “can become a parallel sector if they are not integrated.”

Innovation and Creativity

According to Jamil Salmi, former World Bank Tertiary Education Coordinator, education “is about innovation and creativity which means the ability to
invent, to experiment, to think outside the box, to take chances and to break the rules in order to learn from our mistakes. One of the most important new skills is creativity.”

Addressing the future of education, Charles Leadbeater, author, “Innovation in Education: lessons from pioneers around the world” and Visiting Fellow Oxford University Business School, said we no longer rely on innovation as something produced by creative elites or professionals. Great ideas are coming from passionate amateurs who suddenly have the tools to collaborate and innovate. Those who were once passive consumers are becoming adaptors, inventors, and innovators—not just consuming products and services but also contributing to the way those products are developed and produced.

Let us make learning more “motivating, involving, and challenging” through frugal innovation, noted Leadbeater, adding that, as the innovation space grows, our needs are changing fundamentally. Innovators should “pass, connect, and find space, he concluded, using football analogies.

**Importance of Investing in Human Capital**

There is an urgent need for countries to invest in physical and human capital, observed Salmi, giving the example of South Korea and Brazil which were at the same level of economic development in the 1960s. “But look at the difference today,” he said.

It’s interesting to look at the gap in human capital developments in both countries, Salmi added. “In Korea the majority of the population has finished primary and secondary school and about 40 percent of the population has obtained an academic degree. In contrast, in Brazil, only 7 percent of the population has an academic degree.” Salmi attributed the huge gap to the way South Korea has harnessed knowledge for its development.

**Jobs**

Linking higher education and jobs was one of the recurring themes heard at the conference.

“Today’s globalised world requires high quality and relevance of post-secondary education...to ensure that youth have the necessary soft and hard skills and tools to meet the dynamic needs of the private sector and market-driven economies in most countries,” said Dimitris Tsitsirago, IFC Vice President for Eastern and Southern Europe, Central Asia, Middle East and North Africa. “We all know that the jobs issue—especially access to ‘good jobs’—has taken centre seat in this region.”

Quality higher education and market relevance are particularly important in the Middle East and North Africa, with youth unemployment rates in the region averaging around 25 percent—higher than other regions in the world. Female youth unemployment is even higher, reaching over 30 percent, Tsitsiragos noted.
Unemployment is particularly high among graduates and even higher among educated women. “This is primarily because education systems in the region do not adequately address the needs of labor markets, ultimately producing graduates who are not competitive in the workplace,” he said.

It is not just the Arab world where jobs are an issue. Countries in Latin America, Africa, and Asia are also seeing high graduate unemployment and a mismatch between skills and jobs. Young people will need skills more appropriate to the private sector and institutions will have to cater to those needs, speakers said.

**Aligning Curricula with Industry Needs**

Conference participants presented innovative ways to get graduates into jobs, special preparatory courses to make students more employable and aligning curricula more closely with industry needs.

“Thirty percent of employers globally say they do not find enough people for the jobs that they have,” said Gassan Al-Kibsi, Managing Partner, McKinsey and Company, Saudi Arabia.

Top-up courses for graduates, devised with industry in mind, can bridge the gap between academic courses and working life. Such courses are organized

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**Facts about IFC’s Activities in Education**

- IFC is the world’s largest multilateral investor in the private education sector in emerging markets.
- Over the past 10 years, we have invested more than $600 million in education companies in emerging markets (February 2012). We have 69 projects in 33 countries with over $1.5 billion in total project value.
- Thirty-seven percent of our portfolio projects are located in the world’s poorest developing countries.
- IFC-supported education projects educate about 1.5 million students annually and employ about 16,000 people in developing countries.
- IFC introduces its clients to an unrivaled network of international contacts in the field of education.
- We consistently receive high-satisfaction ratings from our education clients and several of our projects are undertaken on a repeat basis.
to supplement university degrees and are often provided by private or non-profit institutions.

In Egypt, an innovative non-profit foundation is bridging the gap between graduate qualifications and business skills. Future Generation Foundation (FGF) trains students in basic business skills using specialists. FGF has grown into one of the largest organizations of its kind in the Arab world, enabling 100,000 or 93 percent of its graduates to find jobs.

“The classical problem in the Arab world, and Egypt is... that the university graduate does not have much to do with business requirements,” said Moataz Al-Alfi, CEO, Americana Group, Egypt and Vice-Chair, FGF.

In Latin America, IFC clients are designing university courses with employers in mind. The link-up with institutions of higher education is critical for companies, so that training requirements can be identified.

Paula Caleffi, Dean, Estácio Participações S.A., a leading for-profit education company in Brazil, said that Estacio is “serving lower-income groups and actively supporting opportunities in the labor market.” Caleffi added that the company’s success is due to a decentralized network of conveniently located campuses and updated course offerings which reflect the changing demands of the market.

Colombia’s Uniminuto—Corporación Universitaria Minuto de Dios is offering academic programs to students in poor neighborhoods in big cities and indigenous regions, so that they “remain in their towns and work for the development of the region,” said Rector, Leonidas López. “We work together with the different sectors such as coffee and rice, and we develop a curriculum that is relevant to these sectors.... We are very close to employers.”

Jaime Alcalde, Rector, Duoc UC, Chile, added, “There must be closer proximity between companies and institutions of higher education in order to train the workers.... This is where technical training takes on a vital role.”

Duoc UC has 70,000 students on twelve campuses, many of them from disadvantaged backgrounds. Alcalde said a competency-based curriculum and links with industry were behind the success of Duoc UC.

**Vocational and Technical Education**

There continues to be a stigma attached to vocational jobs, although the perception is improving. “Technical and vocational education is not regarded in a very positive light in many parts of the world but those attitudes are changing,” Alcalde noted.

Dahlia Khalifa, IFC Regional Head, e4e Initiative for Arab Youth, agreed that there is “a lack of awareness of the high returns of vocational training.”
Creating Opportunity

Why is IFC Involved in Education?

- To expand access to affordable quality education to people from middle- and lower-income groups, thereby enhancing social mobility.
- To introduce innovative means of financing and delivering education services.
- To improve standards of quality and efficiency and facilitate the international exchange of best practice.
- To help students and institutions obtain access to finance.
- To provide job opportunities for skilled professionals.
- To complement the public sector to achieve national education goals.

IFC client, Philippine-based First Cravings and the Asian School of Hospitality Arts (ASHA)—whose degree and diploma course offerings are focused on hotel, restaurant, and hospitality management training—is expanding to keep up with strong local demand and the large number of hotels being built in the Philippines.

ASHA Director Angie Blanco said that graduates are able to get immediate jobs with “learn and earn” programs, on the job training, and paid internships. Veritas Luna, Managing Director, Center for Culinary Arts, added that “more hotels means more staff needed.” The company is connecting with other vocational schools globally through IFC’s network.

Maintaining Quality

Speakers stressed the need to maintain quality and ensure that standards did not diminish when companies expanded.

Carl Bistany, President, SABIS Educational Services, Lebanon—a company that operates 15 schools worldwide with 60,000 students—said that the biggest challenge facing education was maintaining quality in growth by “emphasizing results, not processes” and by “engaging in ongoing research and development to remain on the cutting edge.” SABIS uses data to drive decision-making, ensure accountability, monitor progress, assess performance and achieve quality assurance, Bistany added.

According to Atul Temurnikar, Co-Founder and Chairman, Global Indian International Schools (GIIS), Singapore, GIIS is the only school network in the world to have won 13 international and national education awards for quality and excellence in Asia-Pacific, India, Malaysia, and Singapore. Temurnikar
noted that GIIS is nurturing “global citizens” using the “nine gems” approach: project-based learning; development of personality, creativity, leadership/entrepreneurship, and sports; community action and service; ethics and discipline; clubs and hobbies; fine arts, performing arts, and languages.

**Education Hubs**

On the final day, conference participants visited the new state-of-the-art multi-faculty Manipal University campus at Dubai’s International Academic City, a hub for overseas universities. Manipal University, one of the largest private educational institutions in India where it has set up medical schools and university campuses, has built branch campuses in Antigua, Malaysia, and Nepal.

“We recognized that there is an enormous opportunity for us to start looking at setting up branch campuses,” said Anand Sudarshan, CEO, Manipal Global. “We will go where large numbers of youth are aspirationally driven towards strong education.” Sudarshan said that when the Dubai authorities were considering which universities to invite to set up education hubs, “India was a logical choice, largely because the higher education system is very good.”

**Conclusion**

“Education is at the heart of IFC’s efforts to create opportunities for people to improve their lives in developing countries. We have an obligation to be innovative and search for new ideas for expanding access to high-quality education,” said Atul Mehta, IFC Director, Global Manufacturing, Agribusiness, and Services at the conclusion.

IFC’s biennial education conference—the last one was held in May 2010 in Washington, D.C.—was an opportunity for participants to exchange ideas and current practices. In the past, attendance was restricted to IFC clients and other invitees. 2012 was the first year the conference was opened to external delegates.

The conference had been “an excellent opportunity for participants to consider how new and emerging models might be used in other countries and contexts,” said Guy Ellena, IFC Director for Eastern and Southern Europe, Central Asia, Middle East and North Africa for Manufacturing, Agribusiness, and Services.

Feedback from Delegates:

“The conference was very well put together. Usually, I end up spending most of my time at such events in the coffee / networking area during the sessions. Not this time. The sessions were engaging and a lot of real knowledge was exchanged. The quality of speakers was high and I walked away with new thoughts / ideas to ponder over.”

“Thank you for including us in IFC’s education event. It was truly world class!”

“The fact that it was in the region allowed the involvement of many quality players which enriched all of the discussions throughout the two days. Your varied choice of speakers and subjects was also remarkable and kept the conference moving and interesting.”

“Thank you to IFC for an excellent private education conference. Informative, relevant, future-focused.” (on Twitter).

Why Work with IFC in the Education Sector?

• Long-term financing on terms suited to the project
• Global experience in the education sector
• Financial, technical, and strategic value-added
• Understanding of local markets and measure of political risk cover
• IFC has a team of specialists dedicated to investment in private education
• IFC is uniquely positioned to mobilize donor financing for advisory services
• IFC’s presence reassures foreign investors, local partners, and governments
• IFC is committed to the growth of private education in developing countries