

WORLD BANK PRESIDENT DR. JIM YONG KIM ENVISIONS AN END TO WORLD POVERTY BY 2030

Dr. Jim Yong Kim
President
The World Bank Group

December 10, 2013

Excerpts from Dr. Kim's Remarks

Is your lack of background in finance or politics a help or a hindrance? Well, there's no question, I would have loved to have known more about finance and politics. I mean, my predecessors are some of those most accomplished people. And so it took me a while, but what I did was, I'm ultimately a student, and so I jumped right in and I started doing intensive tutorial sessions on the things I didn't know much about.

So I would do almost weekly sessions on global finance – what's happening, where does growth look like it's happening and why, and trying to understand the different phenomena that were happening. The good news is that we have a lot of great people who know a lot about both of those areas.

The thing that helped me the most is that I'm also the first president that has ever had development experience, and I've actually run projects in countries all over the world, in Africa and Latin America, in the Caribbean, even in the prisons of Siberia. I mean, I've actually spent quite a bit of time in Siberia.

Best advice from one of your predecessors? The person who has been an inspiration to me when he was at the Bank, Jim Wolfensohn, who had focused so much on poverty, Jim said to me that, you should just make sure you enjoy the job. He said that Bob McNamara had told him that the World Bank presidency is the best job in the world. He said, even if you have to pay to be in that job, it's worth it, right? [Laughter.].... And I have to say I always try to remind myself, I get to wake up every morning and go to work and my mission is to end poverty in the world.

What is the status of ending poverty in the world? Ending poverty in the world is different now than it used to be in the past, and so right now what we understand is that foreign assistance is about \$125 billion a year. So if you look at the needs in the world, Africa itself has \$100 billion of infrastructure needs every year. You throw in the BRICS countries – Brazil, Russia, India, China and South Africa – they have a \$4.5 trillion infrastructure deficit over the next five years. So there's just no way that foreign assistance by itself will do the job. So my job is to try to think about all the ways that we can help countries grow their economies, provide jobs, reduce poverty, and I get to do it in 188 countries in the world.

Will the U.S. continue to designate the World Bank president? I think that the precedent that was set with my election was that there will never be an uncontested election I think for either the IMF or the World Bank ever again. So there were two other candidates running against me and so I had to go through the whole process. And I won, but I had to campaign. I was in 22 countries in 14 days actually campaigning to win this job. And so I think that what is clear is that the assumption that the U.S. President will be able to simply appoint the president is no longer going to be the case, and that's probably how it should be.

Where does the Bank get its money? We have equity that was given to the Bank, you know, many, many years ago. And we've managed it well. And so, for any of you who are bankers, our equity loan ratio is 28

percent. So we've kept an extremely, extremely solid AAA rating. And so our borrowing costs are very low, probably around – you know, on any given day it's LIBOR Minus probably 25-30 basis points. So we borrow at very low levels and then we loan at very low levels, LIBOR plus maybe 50 basis points. And so those are quote/unquote market rate loans, which are of course lower than others. But we're usually the first people to get paid back. I mean, we're usually the primary in any kind of loan... We get paid back.

What would you like to see as your legacy? Well, a couple of things are really important. The first is that one of the things we did was we set a target, so our goal is to end poverty by 2030, which we know we can do. This is extreme poverty, less than \$1.25 a day. And the other is to boost shared prosperity. So this is a recognition that economic growth is critical, but we actually have shown that if the people in the bottom 40 percent don't share in that growth, that you actually lose GDP growth points; in other words, your economy doesn't grow as well if the bottom 40 percent are left out. So we got that.

And then the next thing we did was we had, just this past fall, the approval of a strategy for the entire World Bank Group. Now, you'd think, of course, I mean, everyone has a strategy, but we had never had a strategy that linked the public sector portion of the bank, the International Bank for Reconstruction and the International Development Association, with the private sector. So now, we have one strategy that brings the public and private together. And the public and private sector teams are working together in a way that they never have before.

So that's the legacy, I hope, because again, it's this realization that without private sector growth, we will have no hope of lifting people out of poverty. So now, what I hope we do is that as an organization, think about both the public and the private approaches to boosting economic growth in a way that's inclusive.

DAVID RUBENSTEIN: Welcome, members and guests of The Economic Club of Washington, welcome to this breakfast event at the Mandarin Oriental Hotel in Washington, DC. I'm David Rubenstein, president of the Economic Club. Welcome to all of you this morning.

We're very honored today to have the 12th president of the World Bank with us, Dr. Jim Yong Kim. Dr. Kim was nominated by President Obama in March 2012, quickly approved by the board of directors of the World Bank in April, and then took over in July. He is the first president of the World Bank without a political or finance background, but he has an extraordinary background, and let me just go through that with you for a moment.

He was born in Seoul in 1959 and then his parents came to Iowa. His father was a dentistry professor at the University of Iowa. And at the age of 5, Dr. Kim came to Iowa in Muscatine, Iowa. He went to high school at Muscatine High, where he was president of the student government, first in his class, captain of the football team, quarterback of the football team, and point guard on the basketball team. [Laughter.] He also did pretty well on his SATs. [Laughter.]

But he initially didn't apply to an Ivy League school. He went to the University of Iowa then transferred to Brown, where, in 1982, he graduated *magna cum laude*. He then went to Harvard Medical School, where in 1991 he received an M.D. and in 1993 he got a Ph.D. as well in anthropology.

He then practiced medicine in Boston for about 10 years at Brigham and Women's Hospital. And while he was in medical school, with Paul Farmer he started Partners in Health, which is an extraordinary organization designed to give community health care to initially Haiti and now 12 other countries around the world, and now employs 13,000 people. He did that while he was in medical school and later he became executive director of Partners in Health.

Subsequent to that, he joined the World Health Organization and ran their HIV/AIDS program for several years, then joined the Harvard faculty and taught at Harvard Medical School, Harvard School of Public Health, and Brigham and Women's Hospital. Then he was recruited to be, in 2009, the 17th president of Dartmouth College. He did that for a number of years and then became, as I mentioned, the 12th head of the World Bank. So, a very impressive career.

Let me ask you first, you're minding your own business. You're president of Dartmouth College and all of a sudden somebody must have called you up and said, Would you like to be the head of the World Bank? How much notice did you have of this, and did you actually consider turning it down? Why did you say yes?

DR. JIM YONG KIM: Well, you know, my former board member Mort Kondracke is here in the room, and he will remember those days. What happened was it was the Monday before the Friday when President Obama was going to put his nomination in. I was not even following the proceedings, and on that Monday a Dartmouth Class of '83 called me, Tim Geithner, and –

MR. RUBENSTEIN: I've heard of him. He was Secretary of the Treasury, wasn't he? [Laughter.]

DR. KIM: And by the way, before him Hank Paulson was Class of '69 of Dartmouth. So everything good and bad about the global economy is really –

MR. RUBENSTEIN: All right.

DR. KIM: – related to Dartmouth. [Laughter.]

So Tim called and he – you knew both Tim and Carole were both Dartmouth graduates, and so I thought he was going to give me a name of somebody who he wanted to recommend for admission to Dartmouth. Those are the calls I usually get from alumni. [Laughter.]

And he said, Would you consider being president of the World Bank? And I just was shocked. I said, you mean "the" World Bank? I mean, I had been a development person all my life. I've been working in the field and so I'd worked with the Bank. I'd worked on grants from the Bank. I knew the Bank really, I thought, fairly well. But I loved my job at Dartmouth and we were about to start on a major campaign to really rethink and rebuild the academic mission there. I mean, Dartmouth is a great institution and these are jobs you take for a very long time.

But one of my mentors, Howard Hiatt – who happens to be the father of Fred Hiatt, who's the editor, of course, of *The Washington Post* – Howard said to me at a very young age, he said: You know, anytime someone calls you and asks you to think about a really great job, it's your responsibility to go talk to them. Even if you don't end up wanting the job and even if they don't want you, important jobs deserve people to come and then they get a better sense of the kind of person they really want.

So Tim said, Can you come down to Washington? I said, sure. I said, when? He said, how about tomorrow? So I flew down and I met with President Obama. And at that time there were still a bunch of candidates, I called my board chair, you know, the minute I got the phone call, and said that I'm going to go and I feel like it's my responsibility at least to talk to President Obama but that I thought the chances were very low. And then, like, on a Thursday they called me and said, so you're the guy; can you be down here for a Rose Garden ceremony? And I said, when? He said, tomorrow morning, right? [Laughter.]

So it was incredibly painful because I had become so close to the board members, to the faculty, to the students, and it really is a fantastic institution. But I just felt like, you know, if the president asks you to do this – and, you know, I had been doing development my entire life. In many ways I had prepared my entire life to take on the largest development institution in the world.

MR. RUBENSTEIN: So when you told your board and Steve Mandel, who is the chairman of the Dartmouth board –

DR. KIM: He's a fantastic, fantastic guy.

MR. RUBENSTEIN: – and you said, I'm leaving, they said –

DR. KIM: They said, Oh, no. [Laughter.] You know, it was a mixed reaction. I think it was mixed in the sense that, you know, there was some pride that the president of Dartmouth would be asked to take a job like this. There was some anger. There's no question about it; there was some anger. They had invested a lot in me. I had invested a lot in them. We had developed such close personal relationships.

But, you know, the good news is that they now have a fantastic president who is a Dartmouth graduate, former provost at Michigan. And, you know, these institutions like Dartmouth, they tend to do well. But what I told them was that, no matter where I am and no matter where I go, I'll still always be the 17th president of Dartmouth, and I hope to be able to do good things in the world in the name of Dartmouth.

MR. RUBENSTEIN: So, as I mentioned in the beginning, you're the first president of the World Bank – you've had 11 predecessors – and all of them either had a business background or finance background or a political background. They were government in some ways. Not having those backgrounds, is it an advantage or a disadvantage to you?

DR. KIM: Well, there's no question, I would have loved to have known more about finance and politics. I mean, my predecessors are some of those most accomplished, you know, people. And so it took me a while, but what I did was, I'm ultimately a student, and so I jumped right in and I started doing intensive tutorial sessions on the things I didn't know much about.

So I would do almost weekly sessions on global finance – what's happening, where does growth look like it's happening and why, and trying to understand the different phenomena that were happening. The good news is that we have a lot of great people who know a lot about both of those areas.

The thing that helped me the most is that I'm also the first president that has ever had development experience, and I've actually run projects in countries all over the world, in Africa and Latin America, in the Caribbean, even in the prisons of Siberia. I mean, I've actually spent quite a bit of time in Siberia.

So the part that really helped me was that, when I went to the field, I had a very easy rapport with our staff, because we basically had been doing the same things. And so the fact that I had done development really helped me a lot. And then I've been working very hard to sort of get up to speed in the other areas.

MR. RUBENSTEIN: So some of your predecessors must have called you and they said, do this, do that. What was the best advice you got from one of your predecessors?

DR. KIM: You know, the person who has been an inspiration to me when he was at the Bank, Jim Wolfensohn, who had focused so much on poverty, Jim said to me that, you know, you should just make sure you enjoy the job. He said that Bob McNamara had told him that the World Bank presidency is the best job in the world. He said, even if you have to pay to be in that job, it's worth it, right? [Laughter.] And Jim said that his experience was also that it's the best job in the world. And I have to say I always try to remind myself, I get to wake up every morning and go to work and my mission is to end poverty in the world.

Now, you know, ending poverty in the world is different now than it used to be in the past, and so right now what we understand is that foreign assistance is about \$125 billion a year. So if you look at the needs in the world, Africa itself has \$100 billion of infrastructure needs every year. You throw in the BRICS countries – Brazil, Russia, India, China and South Africa – they have a \$4.5 trillion infrastructure deficit over the next five years. So there's just no way that foreign assistance by itself will do the job.

So my job is to try to think about all the ways that we can help countries grow their economies, provide jobs, reduce poverty, and I get to do it in 188 countries in the world.

MR. RUBENSTEIN: Well, when the World Bank was set up after World War II, clearly the world was different then. Among other things, the United States dominated some of these global organizations. Do you think that the United States' ability to, in effect, designate the president of the World Bank will continue forever, or how much longer do you think it will happen?

DR. KIM: Well, you know, I think that the precedent that was set with my election was that there will never be an uncontested election I think for either the IMF or the World Bank ever again. So there were two other candidates running against me and so I had to go through the whole process. And I won, but I had to campaign. I was in 22 countries in 14 days actually campaigning to win this job.

And so I think that what is clear is that the assumption that the U.S. President will be able to simply appoint the president is no longer going to be the case, and that's probably how it should be.

MR. RUBENSTEIN: So some people say that the World Bank is famous for, among other things, a big bureaucracy that's very difficult to move, and other people say that universities have big bureaucracies.

So what's worse, the bureaucracy at Dartmouth, Harvard – [laughter] – the World Bank? How do you compare those bureaucracies?

DR. KIM: Well, you know, universities have something very unique. Universities, for all kinds of really good reasons, protect the right of their professors to do and say anything they want. So it's essentially a system where the president can be fired by the faculty but the president cannot fire any of the faculty, right? So it's a very unique situation that you're facing, and so it's politically very complicated.

Now, you know, in international organizations like the World Bank and the U.N., it's hard to actually fire people because you can create international incidents by firing people, but you can actually move them around. [Laughter.] And –

MR. RUBENSTEIN: So your version of firing people is moving them places –

DR. KIM: Yeah, you could – you could –

MR. RUBENSTEIN: – they might not otherwise want to go.

DR. KIM: You can move them around, and it turns out that that makes a huge difference compared to universities. So, actually, when I walked in they said, ah, you know, it's crazy; it's a bureaucracy; you have no levers of control. And then I went in and I figured out that, compared to a great university, you have many levers of control.

MR. RUBENSTEIN: OK. So you have announced a reorganization of the World Bank. It is not the first announced reorganization of the World Bank. How is that being implemented and what is the purpose of the reorganization?

DR. KIM: Well, it turns out it's only the fifth major reorganization of the World Bank since 1952. So the last time there was a major reorganization was in 1997. Jim Wolfensohn did it early in his term. So it's been a long time since we've had it.

You know, as I looked at the organization, and with my own experience in development, I came to the realization very quickly that it's not our money that's going to make the difference. I mean, if you include all the work we do in terms of financial services, we're about \$70 billion but the lending is about \$50 billion, almost half of it in the private sector. So \$50 billion may sound like a big number – it's about half of official development assistance – but it's actually an incredibly small number compared to, say, you know, what China invests right now in Africa, for example.

So what became clear to me right away is that what's important about the World Bank is not the money; it's the knowledge that comes with the money. Somebody once told me we have more Ph.D.s at the World Bank than any other institution in the world. We have thousands of Ph.D.s.

And so the question I asked was, are we getting the best of global knowledge to the field almost instantaneously in a way that's usable by countries, because that's what's going to make the difference. If we're able to come in and someone says, well, I have a problem with roads, if we can, boom, tap in to all of our experience and global experience on road-building, bring it to the field and help them implement it, then no matter how small their money is, people would want to work with us.

MR. RUBENSTEIN: Can you do anything about the roads in the United States? [Laughter.] You know, you may have observed that our infrastructure isn't so wonderful. Are we qualified for any World Bank assistance, or not really? [Laughter.]

DR. KIM: No, but if we were asked we'd be happy to help.

MR. RUBENSTEIN: OK, well, who can – who would you – who would you like to ask –

DR. KIM: We have something called Reimbursable Advisory Services and we'd be happy to – [laughter] – happy to help.

MR. RUBENSTEIN: Who is the official asker? Who would that be? I'm –

DR. KIM: Well, you know, we're actually working in Greece. And so one of the questions that came to me right away was, would you be interested in working in high-income countries? And I said, sure, because, you know, what do we understand?

So, for example, we have some of the best people in the world who can look at public-sector expenditures and say, we have a lot of data on which kinds of public sector expenditures actually make a difference for your people and which don't, and we can come and actually help you actually cut back on those public sector expenditures that don't help anybody. I mean, for example, fuel subsidies in some of the developing countries don't help anybody. They're extremely hard politically to remove. But we have actually helped countries, first of all, put in a social protection program for the poorest so that they continue to get low rates on fuel subsidies, but then raise it for everybody else. And so they get money back into their governments to spend on better things. There's so many better things that they can do than getting fuel subsidies. And so we actually know how to do that, and so we'd be very happy to help any country in the world with this evidence-based approach to things like public sector expenditures.

MR. RUBENSTEIN: Now where do you get your money? Do you borrow it on the public markets, or do countries give you the money?

DR. KIM: We have equity that was given to the Bank, you know, many, many years ago. And we've managed it well. And so for any of you who are bankers, our equity loan ratio is 28 percent. So we've kept an extremely, extremely solid AAA rating. And so our borrowing costs are very low, probably around – you know, on any given day it's LIBOR Minus probably 25-30 basis points. So we borrow at very low levels and then we loan at very low levels, LIBOR plus maybe 50 basis points. And so those are quote/unquote market rate loans, which are of course lower than others. But we're usually the first people to get paid back. I mean, we're usually the primary in any kind of loan –

MR. RUBENSTEIN: But you do get paid back. I mean, your loans aren't canceled.

DR. KIM: We get paid back.

MR. RUBENSTEIN: You really do get paid back.

DR. KIM: You know, Jim Wolfensohn did something really important. There were a bunch of countries that were so indebted that there was just no way they were going to be able to pay it back. So there was something called the Highly Indebted Poor Country Program where they forgave in one chunk of time a bunch of debts. And it was critically important for those countries. But for the most part we get paid back. And we're actually a good business. We have a margin of about \$2 billion a year in our public sector lending, and we make about \$2 billion a year in our private sector work. So we manage the money very, very well, and so we borrow and we lend. We also make equity investments.

MR. RUBENSTEIN: So go back to your background. Growing up in Iowa, there probably were not a lot of Korean-Americans there at the time – or am I wrong, were there?

DR. KIM: No, very few.

MR. RUBENSTEIN: OK. So how did you actually have the time to do what I describe, or how can you actually be the quarterback of the football team, president of the student government, and first in your class? How do you do that?

DR. KIM: Well, as quarterback of the football team we had the longest losing streak in the nation. [Laughter.] Fifty-six games.

And, you know, it was a country school. Muscatine's a town of about 25,000 people. And that's a big town, in Iowa. So we played in 5A, you know, the highest level. And for me athletics was an incredibly

important part of my growing up experience. You know, it's very different. The United States is different from any other country in the world in that sense. So it was a really important part of my growing-up experience.

But, you know, I had a father who was a dentist and a mother who was a philosopher. She had a Ph.D. in philosophy and religion from the University of Iowa. So I had these two really strong influences in my life. On the one hand, you know, dentists are probably the most practical people in the world, and a philosopher mother who had me reading, you know, Martin Luther King's works when I was 10 years old. So I had these two influences, and it was a great opportunity both to play sports and have a good academic career. In Korea, it's not like that right now. If I had grown up in Korea, I would have no opportunity to do any sports.

MR. RUBENSTEIN: So, you know, you had a pretty good career in high school. Normally people with those careers might apply to some really great colleges. You went initially to the University of Iowa, which is a very good school but a state school. And I'm just curious, how did you choose to go to the University of Iowa, initially?

DR. KIM: I had taken the ACT, which is what you take in Iowa. And at the very last minute, one of my teachers said, you know, they're giving the SAT today. You should take that. So I ran in and I got signed up; I took it.

MR. RUBENSTEIN: You didn't take any preparation courses for six months or something?

DR. KIM: I didn't even know what it was. I didn't even know what the SAT was. And so my SAT scores came back, and I did fairly well. And my counselor said, hey, Jim, these SATs are really good. You should apply even to the University of Wisconsin, in addition to Iowa. [Laughter.] So I thought, you know, why would I go to Wisconsin because, Iowa, the Hawkeyes, were killing the Badgers back then. And that's really how we thought. My mother had been pushing us to go to the University of Iowa summer science camp, right? I was the quarterback of the football team. I said, summer science camp, are you kidding me?

But I went after my senior year in high school and I met all these kids from Long Island who came out, who were just focused on getting into the Ivy League schools. And they said, a Korean kid from Iowa, valedictorian, and you're going to Iowa? What is the matter with you? And I sort of felt like I had found my tribe of people, you know, these kids from Long Island.

MR. RUBENSTEIN: Probably the right tribe, yes.

DR. KIM: [Laughs.] So they said, you have to apply for a transfer. So I did.

MR. RUBENSTEIN: All right. So you went to Brown. And you graduated *magna cum laude*. Did you think the people at Brown were as smart as you thought they would be, or not as smart?

DR. KIM: Oh, it was – it was incredible. That experience was just amazing, to meet such a diverse group of people. And those were the early days when you had as much chance of meeting a fourth-generation, you know, Brown student as you would meeting a kid from a single-parent home in the South Bronx whose family was on food stamps. I mean, that was just at the time when they were bringing so many – the diversity had gone up tremendously. So I learned a lot. I hung out at a place called the third-world center a lot with a lot of minority students. And I also met the fourth generation Brown students.

MR. RUBENSTEIN: All right, so you applied to medical school and I guess you got into a lot of medical schools.

DR. KIM: I did.

MR. RUBENSTEIN: You went to Harvard. How did you have time to start Partners In Health while you were in medical school? And can you describe what Partners In Health really was conceived to do?

DR. KIM: Well, that's another interesting story because I had gotten accepted to the University of California in San Francisco and also to Harvard Medical School. And back in those days, the awakening of your ethnic identity was really important back then. So I thought, San Francisco, all these Asian people – I'm going to be down with my people. And then my father – my Korean dentist father said: Oh, University of California San Francisco? You're not going to go to Harvard? Good luck paying your tuition – [chuckles] – if you're going to go. [Laughter.]

And it turned out to be a great choice because the minute I got there I got into this M.D. /Ph.D. program in anthropology. And there I met Paul Farmer. And I had finished up my Ph.D. dissertation research in Korea. I had been studying the health care system in Korea for my dissertation research. And I, frankly, came back wondering – you know, going to Korea to do my dissertation research was really about my identity. I had forgotten Korean, I didn't know anything about Korea. And here I was, trying to say that I'm this Asia-American sort of person.

So I went back to Korea, spent time there. And it was the years of incredibly rapid growth of the Korean economy. And I came back thinking, you know, I really have nothing to contribute to the Koreans. You know, there's nothing I can do. They're growing so fast. The doctors are so good. There's no narrative here about me going back and helping my country. So I met Paul. And Paul said, oh, so you think you're Asian-American? You think that's the most important part of you? Come with me to Haiti.

So in 1988, I flew to Haiti with him. And when we got on the ground and we drove out to the project site, which was in the middle of Haiti, all the kids looked at me and started saying blanc, blanc, which means white, but it basically means foreigner, right? Now, at the Third World Center, anyone who called me blanc, white, right, those were fighting words. You know, we were down with the people. And then I realized something really important in Haiti. For all intents and purposes, I was blanc. I was a person who had access to resources. I was a person who could fly in airplanes. I was a person who was in medical school.

And so the nature of the question that I asked myself changed fundamentally. You know, up until that time it was sort of, well, who am I? Am I Korean? Am I not Korean? What's the nature of my responsibility to my people? Then the question changed fundamentally, which was as a person of unbelievable privilege, what's the nature of my responsibility to the world? And that's the question we've been asking ourselves at Partners In Health since 1987.

MR. RUBENSTEIN: So you've expanded beyond Haiti now to, I think, 12 other countries. And you have 13,000 employees. And what does Partners In Health do now?

DR. KIM: So still Partners In Health is the organization that tries to take on the most difficult problems and tackle the ones that everyone says are impossible to tackle. So my whole career – in the late 1980s and the early 1990s we tackled drug-resistance tuberculosis. This is the most difficult to treat form of tuberculosis. And the World Health Organization in the early '90s had basically declared a death sentence on anyone in a poor country with drug-resistant tuberculosis. They literally said: Drug-resistant tuberculosis? Can't treat it in developing countries.

And so for Paul and me, that was exactly what we needed to hear to take on the challenge. And so we began treating patients with drug-resistant tuberculosis in the slums of Peru. And we caught the attention of this guy named Bill Gates and got a grant, and were able to show that you can actually treat it. And then we realized that the problem was high drug prices.

So we went to Eli Lilly and Company, and those guys were incredible. They actually helped us to lower the price of the drugs for drug-resistant TB from \$30,000 a year – that’s why they said it was impossible to treat – as high as \$30,000 a year to about \$1,000 a year. And this was Eli Lilly and a bunch of other groups, but Eli Lilly had a huge role in it. And we actually convinced the world to lift this death sentence and treat drug-resistant TB.

And then after that, the next thing we took on was HIV treatment, and most people don’t remember, there are 10 million people in HIV treatment now in Africa and everywhere. You don’t see these people, you know, dying of HIV anymore anywhere in the world, very, very much. But back in 1999, 2000, the conventional wisdom was, it’s impossible to treat HIV in developing countries. The drugs are too expensive and, you know, it’s just too complicated.

And so we started doing it in Haiti and had such good results that we were able to convince, frankly, President Bush, who then started the President’s Emergency Program. It was Paul Farmer’s slides and presentation to the White House that were part of the effort to convince President Bush to support HIV treatment.

So that’s what we do. The next thing we did was surgery; you know, can you do surgery in developing countries, and now cancer care, right? So Partners In Health is really at the forefront of trying to defang these myths about the possibility of treatment that actually end up really deadly to poor people.

MR. RUBENSTEIN: So as a physician, what type of physician were you? You weren’t the surgeon; you were

DR. KIM: Internal medicine and infectious disease.

MR. RUBENSTEIN: Internal medicine, OK. And so later, you ran the World Health Organization’s HIV AIDS program and today, you would say that the medication that’s available, if you can get it, is likely to keep people from getting AIDS if they get HIV, is that –

DR. KIM: So back in those days or in 2000, there was an intense argument about whether or not we should treat anybody in poor countries with HIV. And what they were saying is, we should focus on prevention instead. But what we know now is that absolutely the best prevention is to treat the infected people. So you know, there’s no vaccine – I mean, we’ve been working on a vaccine for, you know, 30 years now and there’s still no vaccine. And there are some things that seemed to work – circumcision, a few other things that seemed to work at about a 60 percent, 70 percent level. But if there is a couple and one has HIV and you treat the person with HIV, there’s about a 96 percent prevention of transmission of HIV, right?

So now, treatment is the best prevention, but back in 2000, nobody believed that you could do this. Now, you know, it was President Clinton, actually as soon as he left the presidency, he sent Ira Magaziner to see Paul and me. And Ira said, so what should we do? Should we do something on AIDS? And I said, Ira, you guys should tackle drug prices. So President Clinton got involved in one area of it, tackling the drug prices at first. It was about \$12,000 when we started, and through President Clinton’s efforts – and he really worked with the drug industry directly – the price went down to \$70 a year.

So our focus has always been on what are the practical things we can do to actually remove barriers to doing these kinds of things?

MR. RUBENSTEIN: So President Mbeki of South Africa once said that HIV did not lead to AIDS and people weren't encouraged to get treatment in South Africa. Was that a mistake?

DR. KIM: It was a mistake and I said so, and he kicked me out of the country for saying it. He was very unhappy with me, because when I was head of the HIV department, I went to South Africa once. And his Minister of Health was saying, you know, don't take these out-of-territorial medicines; you know, instead, use traditional medicines. So she was recommending lemon peel, beet root, and olive oil, right? And I went on South African television saying, lemon peel, beet root, and olive oil, even in triple combination, don't do anything in HIV; you should take the medicines. And I actually said in a newspaper report, I said, you know, President Mbeki is a hero of mine. He was a hero fighting for social justice, and I can't understand why, you know, this treatment is not one of these issues.

And so I got in trouble – [chuckles] – for saying it, because you know, people were dying in huge numbers in South Africa. The good news is that he changed his mind over time, and the subsequent Health Ministers came in, and now there are many, many people on treatment in South Africa, and they're doing much better.

MR. RUBENSTEIN: So you went back to Harvard, and you were teaching and, you know, having a good academic life and being a physician, and then somebody from Dartmouth called you and said, we'd like you to be president of Dartmouth. You had not attended Dartmouth. I assume you didn't know Dartmouth that well. What propelled you to leave Harvard and the work you were doing as a physician to go to Dartmouth?

DR. KIM: Well, there was a great former president of Dartmouth named John Sloan Dickey, and John Dickey was the first head of public relations for the State Department in FDR's government. And so when he, at the age of 39, went from the State Department of the United States to Dartmouth – and this was in 1945 – at his very first commencement address, John Sloan Dickey said to the students, I just want you to remember two things: First, the world's troubles are your troubles; and second, there's nothing wrong with the world that better human beings cannot fix. And so he set that tone for his presidency of Dartmouth.

And so he did – he had something called the great issues course, and he brought in the greatest speakers. You know, and of course he knew everybody from being in the State Department, Dean Rusk. Martin Luther King, Jr., came to speak twice. Thurgood Marshall came to speak 14 times. And he would bring these great figures to the campus of Dartmouth and bring the world to Dartmouth and say to his students, this is your task in life: your task in life is to go out and tackle the really big problems. I was so inspired by that mission, and then the board member said, that's exactly what we want you to do; we want you to now turn the heads of the kids toward the problems of the world once again and create a whole, you know, legion of young people prepared to go out and tackle the world. I thought that was pretty compelling.

MR. RUBENSTEIN: But before they could do that, they had to be sober, and you focused a lot of your efforts on the fact that there was a high alcoholism problem at Dartmouth and other colleges. And did you make any progress in that regard?

DR. KIM: You know, we found that Dartmouth had about a 40 percent binge drinking rate. And so what it is, is you ask students, on a confidential questionnaire, have you had – for women, it's four drinks within two

hours, and for men, it's five drinks within two hours – in the last two weeks. And so about 40 percent of the students said yes to that, which is, unbelievably, the national average. So Dartmouth had the national average. And yet I went in there and I thought, oh, my God, as a physician, my worst nightmare is having to make that phone call to a parent and saying, I'm sorry, but we lost your daughter or son as a result of alcohol.

So I had become a real student of quality improvement. Don Berwick was a friend and teacher of mine, and he had brought sort of the Toyota production system model, quality improvement, Edwards Deming kind of work to health care. And I had done that with him. I had worked on a quality improvement project. So I thought, can we do that with binge drinking? And the principles are pretty simple. You go around and you say, so what are all the things in the world that have worked in reducing binge drinking? So you bring all the experts together, the scholars, but you also bring together the presidents and deans of students of the institutions that have actually made progress, and we brought them all together, and then we invited 32 other schools to participate. And it's a learning collaborative. And so the 32 schools try to act as, say, a Toyota plant would, by constantly testing little – and make little small changes and measure the difference and small changes and measure the difference, and then you share this information so that everybody knows if anything has happened among those 32 schools that's worked.

So we started this, and at Dartmouth, we've had really good results. The number of kids who come into the hospital with higher than a .25 blood alcohol content, which is three times the legal limit, has gone – has been cut in half. And we understand it's being cut even more. So we actually – we actually made a difference. But this is hard stuff.

MR. RUBENSTEIN: But would you be in favor of lowering the drinking age to 18? Because it's often said that by having it at 21, you kind of have a tendency to do binge drinking quickly and get it out of the way, and if it was 18, maybe you wouldn't have a binge drinking phenomenon?

DR. KIM: Well, you know, again, in my training in medicine, we looked at that. And the evidence suggests that if you lower the drinking age, like in say, in the state of New Hampshire, that could help on university campuses, but the number of traffic-related deaths for the rest of the state would go up. So it might be good for us, but it would be bad for the state, and also, if you do that, then you lose all your money from the Department of Transportation.

MR. RUBENSTEIN: So the law could be changed, but you wouldn't think the law should be changed.

DR. KIM: You know, the evidence is just so overwhelming about traffic accidents that there really is not evidence right now to suggest it should be lowered.

MR. RUBENSTEIN: OK. So as a person who's a physician – and you're the head of the World Bank, you're the former head of the HIV program at the World Health Organization – what do you do to stay in shape? I mean, you don't eat anything that's bad. You don't eat potato chips. You – [laughter] – you don't – I mean, you don't drink anything bad. What are you –

DR. KIM: I only eat chemical potato chips. [Laughter.] You know, again, there are just things that I love to do. I mean, I grew up in Iowa, in the corn fields of Iowa. But I grew up playing golf, you know, because I started when I was, like, seven years old, so I still have a very bad golf habit. I don't get to play very much, but I love to do it.

You know, I try to now think about, with very limited amount of time, what are the things that you can do that really have a clear impact on your overall well-being? And so if you look at the evidence, the things that really help you as you get older, one is yoga. So I do yoga. I do yoga on a pretty regular basis. And the other thing that I do is meditation, right? So – and not in a religious way. But the evidence on what some people have called mindfulness meditation and not only changing your brain physiology but actually changing your anatomy – it actually changes the anatomy of your brain. And this has been studied at the University of Wisconsin and even at Dartmouth. There is a group of psychology professors who are studying this. So I actually as often as I can try to do mindfulness meditation and yoga. And I work out. I still, you know, lift weights and run. But those are the two things that I do based on evidence.

MR. RUBENSTEIN: My theory is if you look at the equipment, it might – [laughter] – by osmosis. [Laughter.] So I have a lot of equipment, I just look at it, but it doesn't work that well.

DR. KIM: No, if you meditate on the equipment, then you're in great shape. [Laughter.]

MR. RUBENSTEIN: So you have to travel the world now in your current job, but the World Bank famously has no airplanes, so you're flying commercial everywhere. And how do you stay in touch? What kind of electronic devices do you use? You have, you know, iPhones and BlackBerrys and iPads; what do you do to keep in touch with the World Bank when you're traveling?

DR. KIM: All of the above. So iPhones, iPads. And I'm still totally committed to my Windows system. But we – yeah, we keep in touch. You know, the great thing about technology is now anytime I have a Wi-Fi connection, I can do FaceTime with my kids. So I actually can do videoconferencing with my kids.

MR. RUBENSTEIN: You have two children. And, you know, you've set a high bar, you might say. Are you pressuring them to be quarterback of the football team, first in their class, president of student government, or things like that?

DR. KIM: You know, at Dartmouth, I looked a lot into what is it that makes kids successful going forward. And there is a great book, if any of you have time, called "Willpower." Roy Baumeister is the author, and he's one of the great social psychologists. And Baumeister argues, and the evidence on this is pretty overwhelming, that you cannot change your IQ. My kids are pretty bright. And so IQ doesn't change over time. And so basic intelligence as we measure it doesn't change. But what can change dramatically is discipline and willpower. And it turns out that there are all kinds of ways that you can improve your discipline and willpower. It really acts almost like a muscle. So if you do willpower weightlifting, as it were, you actually get better at it. And there are all kinds of things that decrease your willpower. If you make a whole bunch of decisions in a day and you get to the end of the day, your ability to make a decision goes down. As your glucose levels in your blood go down, your ability to make good decisions goes down. So we know about it. So the one thing that we're trying to work on with the kids is to have discipline and willpower.

MR. RUBENSTEIN: So the secret to having successful kids is discipline them and make sure they have more willpower, you would say.

DR. KIM: And they have to do it. I mean, they have to find the sources of it. I mean, you know, there's other great stuff, like, you know, in order to achieve mastery, a couple of psychologists – and it's been popularized by Malcolm Gladwell; you know, 10,000 hours to mastery. And so the difficult thing is that kids get discouraged after the first 10 or 20 hours. And what you really need to do is get them to the point where they've done it enough so they can begin to see the benefit of having the discipline and the willpower.

MR. RUBENSTEIN: So as the president of the World Bank, it's a five-year term, you can have an infinite number of additional terms, but it's a five-year term – let's suppose you have one term. What would you like to see as your legacy?

DR. KIM: Well, a couple of things are really important. The first is that one of the things we did was we set a target, so our goal is to end poverty by 2030, which we know we can do. This is extreme poverty, less than \$1.25 a day. And the other is to boost shared prosperity. So this is a recognition that economic growth is critical, but we actually have shown that if the people in the bottom 40 percent don't share in that growth, that you actually lose GDP growth points; in other words, your economy doesn't grow as well if the bottom 40 percent are left out. So we got that.

And then the next thing we did was we had, just this past fall, the approval of a strategy for the entire World Bank Group. Now, you'd think, of course, I mean, everyone has a strategy, but we had never had a strategy that linked the public sector portion of the bank, the International Bank for Reconstruction and Development and the International Development Association, with the private sector. So now, we have one strategy that brings the public and private together. And the public and private sector teams are working together in a way that they never have before.

So that's the legacy, I hope, because again, it's this realization that without private sector growth, we will have no hope of lifting people out of poverty. So now, what I hope we do is that as an organization, think about both the public and the private approaches to boosting economic growth in a way that's inclusive.

MR. RUBENSTEIN: So when you finish your term, whenever that might be, have you ever considered doing something that some might consider the highest calling of mankind, which is private equity? Have you ever – [laughter] – or do you think you might just stay in the medical, helping everybody else, part of the world?

DR. KIM: Well, you know – and David, this is the point I want to make – I was in Japan, and I spent the whole time trying to convince, you know, Japanese pension funds and sovereign wealth funds and private equity folks that they should really think about investing more in developing countries. I did the same thing in Korea and spent basically half the time there talking about it. So I've become a salesman in a way for trying to attract equity investment.

So it's important. And I hope that any of you in here will really consider working with us in the developing world, because there's great opportunity — let me give you a couple of examples. There are so many win-win-win opportunities. For example, in Burkina Faso, a country that pays 74 cents a kilowatt hour, that's about seven times what we pay Pepco here – 74 cents a kilowatt hour, and yet, they've been growing at 6 to 7 percent a year over the last five years, even during the economic crisis.

So what they need is long-term capital. They need access to capital so that they can purchase – really, it's going to be the solar micro and mini grids that will provide them energy. And so an investment in energy in Burkina Faso could make you a very good return, lower dramatically the cost of energy for Burkina Faso, and actually spur their own economic growth into the future.

So there are investments like that in Liberia, in Nigeria, all over the world, and we're trying to be the dealmaker. We also have something called MIGA, which is the Multilateral Investment Guarantee Agency. We do both credit enhancement and we provide political risk insurance, so that if you invest and the company is nationalized, we actually provide you insurance. So it's a big part of the solution in the developing world.

MR. RUBENSTEIN: Whenever you do leave the World Bank, please give me a call; sounds like you understand private equity pretty well. [Laughter.]

But thank you very much, Dr. Kim, for a great conversation.

DR. KIM: Thank you. [Applause.]

MR. RUBENSTEIN: I'm going to give you a copy of the first map of District of Columbia.

DR. KIM: Thank you.

MR. RUBENSTEIN: Thank you very much, it was great.

DR. KIM: Thank you. [Appplause.]

Dr. Jim Yong Kim

Jim Yong Kim, M.D., Ph.D., became the 12th president of the World Bank Group on July 1, 2012.

A physician and anthropologist, Dr. Kim has dedicated himself to international development for more than two decades, helping to improve the lives of under-served populations worldwide. Dr. Kim comes to the Bank after serving as president of Dartmouth College, a pre-eminent center of higher education that consistently ranks among the top academic institutions in the United States. Dr. Kim is a co-founder of Partners In Health [PIH] and a former director of the HIV/AIDS Department at the World Health Organization [WHO].

As President of Dartmouth – an institution that comprises a liberal arts college and professional schools of medicine, engineering, and business, as well as 19 graduate programs in the arts and sciences, a staff and faculty of 3,300, and a budget of \$700 million – Dr. Kim earned praise for reducing a financial deficit without cutting any academic programs. Dr. Kim also founded the Dartmouth Center for Health Care Delivery Science, a multidisciplinary institute dedicated to developing new models of health care delivery and achieving better health outcomes at lower costs.

Before assuming the Dartmouth presidency, Dr. Kim held professorships and chaired departments at Harvard Medical School, the Harvard School of Public Health, and Brigham and Women's Hospital, Boston. He also served as director of Harvard's François-Xavier Bagnoud Center for Health and Human Rights.

In 1987, Dr. Kim co-founded Partners In Health, a Boston-based non-profit organization now working in poor communities on four continents. Challenging previous conventional wisdom that drug-resistant tuberculosis and HIV/AIDS could not be treated in developing countries, PIH successfully tackled these diseases by integrating large-scale treatment programs into community-based primary care.

As Director of the World Health Organization's HIV/AIDS Department, Dr. Kim led the '3 by 5' initiative, the first-ever global goal for AIDS treatment, which sought to treat 3 million new HIV/AIDS patients in developing countries with antiretroviral drugs by 2005. Launched in September 2003, the ambitious program ultimately reached its goal by 2007.

Dr. Kim's work has earned him wide recognition. He was awarded a MacArthur "Genius" Fellowship [2003], was named one of America's "25 Best Leaders" by *U.S. News & World Report* [2005], and was selected as one of *TIME* magazine's "100 Most Influential People in the World" [2006].

Born in 1959 in Seoul, South Korea, Dr. Kim moved with his family to the United States at the age of 5 and grew up in Muscatine, Iowa. Dr. Kim graduated with an A.B. *magna cum laude* from Brown University in 1982. He earned an M.D. from Harvard Medical School in 1991 and a Ph.D. in anthropology from Harvard University in 1993.

He is married to Dr. Younsook Lim, a pediatrician. The couple has two young sons.