Statement by
H.E. Bambang P. Brodjonegoro
Minister of National Development Planning
Indonesia

Representing the Constituency of Brunei Darussalam, Fiji, Indonesia, Lao PDR, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga and Vietnam
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98th Meeting of the Development Committee
October 13, 2018
Bali, Indonesia

Investing in people has become critically important with the current speed of technological progress. A competent and skilled workforce determines the success of development strategies to accelerate inclusive and sustainable growth, as well as foster resilience to global shocks and threats. We need to invest more in people to enable reforms and address institutional challenges to reap the benefits of disruptive technologies. Strong macroeconomic fundamentals are essential in ensuring sustainable financing for human capital development. As such, it is important for low-income and developing economies to take decisive actions to manage high levels of public debt.

*Human Capital: A Project for the World*

Experiences in the past decades suggest that countries which have focused more on human capital investment demonstrate high economic growth in the long term. We agree that it is time for developing economies to scale up efforts in a massive way to deliver better human capital outcomes. We are greatly supportive of the Human Capital Project (HCP) as we see value in using this evidence-based, structured approach to encourage countries to invest more effectively in building human capital. The HCP’s whole-of-government strategies would also serve to boost institutional capacity to better manage public policies. We encourage the sharing of results and best practices of “early adopters” in time to come. As the HCP is set to evolve into an integral development tool, we need to ensure that no member country is excluded due to data quality or availability issues.

*Disruptive Technology: Creating Opportunities—Mitigating Risks*

New and disruptive technologies are changing the nature of work, presenting challenges and opportunities in businesses and labor markets. Countries must step up their efforts to harness the potential of these opportunities to deliver productivity gains while mitigating risks. At the same time, the traditional path to development needs to go hand-in-hand with investments in the new economy. This includes building foundational infrastructure to support a digital economy and expanding the capacity of institutions, firms and individuals to adopt technology.

The “Build-Boost-Broker” framework rightly aims to leverage the strengths across the Bank Group to ensure that client countries take advantage of this new pathway of growth. We are highly supportive of the role of the Bank in this agenda and have asked for a strong follow-up to mainstream this approach. We also welcome the Bank Group’s commitment to upgrade its own capabilities to support this area of work.
The Bali Fintech Agenda

We are also very supportive of the Bali Fintech Agenda. Fintech is a key pillar of disruptive technologies and offers inclusion and efficiency opportunities, particularly in low-income countries where financial systems are often underdeveloped and access to financial services is low. As the host country, we are humbled by the privilege to carry the name and to have such an important initiative launched in Bali. The Agenda strikes the right balance between enabling financial innovations and mitigating risks. It also emphasizes the importance of developing suitable infrastructure and regulatory frameworks that would contribute towards establishing foundations of the digital economy and supporting the disruptive technologies agenda. We welcome this valuable collaboration with the IMF and would like to call on the Bank and Fund to continue concretizing the elements to operationalize this fintech agenda.

Aside from advancing partnerships with other international bodies to effectively unlock the potential of fintech, the Bank and Fund could also support Governments to be more proactive in ensuring that fintech would lead to financial development, inclusion and efficiency to support economic growth and poverty reduction. This would require greater engagement and participation from all segments of society, supported by transparent policymaking processes, business-friendly compliance guidelines, tax-friendly policies that promote broad usage of digital financial products and services, as well as public-private partnerships to develop infrastructure for fintech.

Debt Vulnerabilities in Emerging and Low-Income Economies

Fiscal sustainability and macroeconomic stability are critical in ensuring the success of forward-looking policies. Our constituency is deeply concerned about the high public debt levels in emerging markets and low-income countries as well as their deteriorating debt outlooks. Affected economies need to act decisively to contain the rise of debt vulnerabilities. We welcome the multi-pronged approach developed by the Bank and Fund to help member economies address this issue by strengthening debt analytics and early warning systems, as well as improving debt monitoring, debt transparency and debt management. We support the concrete actions by both institutions on debt reduction for low-income countries. We also call upon both institutions to strengthen their engagement and coordination with non-Paris Club bilateral and multilateral creditors to expand solutions for debt issues.

To conclude, we would like to thank the World Bank Group Management and the Board of Executive Directors for their hard work in bringing these important development issues to our attention. We wish the Bank Group every success in implementing the proposed initiatives.