

Report: Why children learn less than they did a decade ago

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For years, the global development playbook has been clear: build more schools, expand healthcare, invest in skills. The assumption was simple: improve systems, and people will thrive.

But a new World Bank report is quietly challenging that logic.

Across much of the developing world, progress in health and education is no longer moving forward. In some places, it is slipping backwards. Children are learning less than they did a decade ago. Health indicators are stagnating. And labour markets, once expected to turn education into opportunity, are failing to deliver.

The report, *Building Human Capital Where It Matters*, suggests the problem may not lie in schools or hospitals alone. It may lie much closer to home.

Human capital, the foundation of economic growth, is not built only in classrooms or clinics. It is shaped every day, in homes, in neighbourhoods, and in the workplaces where people spend their lives. And in those spaces, inequality takes root early and deepens over time.

By the time many children reach school, the gap has already opened. Those from less-educated households arrive with weaker language and numeracy skills, differences that often persist into adulthood. The reasons are both material and emotional: access to nutrition, books, and stable income matters, but so does something less tangible, care. Interaction, attention, and early stimulation can shape a child's development in ways money alone cannot.

Even when education systems function, these early disadvantages can be hard to reverse.

Outside the home, geography begins to exert its own quiet force. Two children born into similar circumstances can grow into very different adults depending on where they grow up. The quality of schools, access to healthcare, exposure to violence, even the expectations set by those around them, all shape what is possible.

In some countries, the difference is stark. Evidence shows that children raised in better-off neighbourhoods can go on to earn twice as much as those who grow up in poorer areas, even when their family backgrounds



Pupils in class

are similar.

Then comes the workplace, often assumed to be the final step in building skills. But here, too, the system is faltering. In many developing economies, most jobs offer little opportunity to learn. Millions of people work, but do not progress. They remain in low-productivity roles

where experience does not translate into higher skills or better pay.

The result is a slow erosion of potential.

Human capital, people's health, knowledge, and abilities, accounts for roughly two-thirds of the income gap between rich and poor countries. When it stagnates, so does development.

The report's message is not that traditional investments in education and health no longer matter. It is that they are not enough on their own. A well-funded school cannot compensate for malnutrition at home. A strong health system cannot offset the effects of unsafe neighbourhoods. A job cannot build skills if it offers no opportunity to learn.

What is needed, the report argues, is a shift in how policy is designed. Not around sectors, but around lived environments. Homes, neighbourhoods, and workplaces must be treated as interconnected systems, not separate problems.

That means combining support for families with investments in local infrastructure. It means improving not just access to jobs, but the quality of work itself. It means recognising that human potential is shaped not by a single intervention, but by the accumulation of everyday conditions.

For decades, development has focused on building systems. The next challenge may be something more complex, building the environments in which people actually live.