Chairman’s Foreword

As we meet in Bali for the Annual Meetings of the World Bank and IMF, our thoughts, sympathy and solidarity are with the People and Government of Indonesia as they tackle the devastation wrought by the earthquake and tsunami in Sulawesi. We send our deepest condolences to those who have lost family, friends and loved ones, and we wish all those injured a full recovery.

The Parliamentary Network is this month launching a new pamphlet entitled “The Future of Work for the People We Serve”. As its editor, my colleague Liam Byrne MP (Birmingham, UK) write in his introduction:

“The future of work for the people we serve is one of the most complex and important challenges for parliamentarians around the world. Automation will change work forever. Old jobs will go. New jobs will come. But jobs will remain the drive-belt connecting the livelihoods of the billions of the citizens who elect us with the rising prosperity of the world economy. If we succeed in stewarding economies that create good sustainable work, we will raise living standards in ways that are faster and fairer, more stable and more sustainable.”
There will be both opportunities and challenges. For instance, AI alone may raise global GDP by a massive 14% by 2030 - that is $15.7 trillion. Quite a treasure trove. But equally, the world economy may need to create 600 million jobs in the next decade just to keep unemployment where it is today - and a massive 1.4 billion, of the world’s 3.2 billion workers are in vulnerable and precarious jobs, susceptible to some level of automation."

The authors come from across the world and from a wide range of professional backgrounds - and include a number of members of our Parliamentary Network. The articles draw out ten lessons from the analyses which they present.

1. Understand the impact – and opportunity – of automation for your nation.
2. Scope the opportunities of industries of the future.
3. Redouble efforts to unleash the power of enterprise and new firms.
4. Work hard to connect young people to jobs.
5. Develop new strategies to raise employment and enterprise rates among women.
6. In the labour market, rebuild systems for social protection and lifelong learning.
7. In capital markets, ensure financial services are a proactive force for creating good new jobs.
8. Ensure corporate governance is fit for the future.
9. Let cities pioneer change in industry and social safety nets.
10. Reflect on how the rules of economic institutions must change to ensure that new wealth is wealth that is fairly shared.

The pamphlet concludes with the four overarching objectives for policies on the future of work set out by the G20 under the Argentinian Presidency.

1. Harness the benefits of technology for growth and productivity.
2. Support people during transitions and address distributional challenges.
3. Secure sustainable tax systems.
4. Ensure the best possible evidence to inform decision making.
As Liam Byrne MP says in the summary ‘Putting it all together’:

“The way in which this agenda for change will come together in individual nations will vary widely. Different ideas will be priorities in different nations at different times.

The challenge for politicians everywhere will be to put together inspiring, powerful stories and programmes for change that knit these ideas together – and crucially modernise tax systems to provide the state with the resources to act.”

We already know much, or even most, of what will work to ensure that all our constituents, the citizens of our countries, can have fulfilling jobs and livelihoods. The key is the political will to cooperate – government, parliament, private sector and civil society – and to ensure that wealth is both created and fairly shared.

At a time when political and social division seems to capture the headlines in so many countries, parliamentarians can and must unite around programmes which bring real hope and opportunity, especially for the young people who are the future.

Read “The Future of Work for the People We Serve” here

Jeremy Lefroy is the MP for Stafford, United Kingdom, and a member of the Joint Human Rights Committee and the Committee on Exiting the European Union. He chairs the Parliamentary Network on the World Bank and IMF.
Malaysia to achieve the Sustainable Development Goals through palm oil industry

Shamsul Iskandar Mohd Akin, MP, Malaysia
Treasurer, Parliamentary Network on the World Bank & IMF

From its humble beginning as an ornamental plant, today the palm oil industry has progressed by leaps and bounds and has become one of the main pillars of the Malaysian economy in terms of its contribution towards the Gross Domestic Product (GDP), employment opportunities, poverty eradication and narrowing the income gap between urban and rural communities. In 2017, the palm oil and palm-based products contributed RM78 billion to the country’s export earnings and provided employment opportunities to more than 2 million people in all sectors including 650,000 smallholders.

Globally, palm oil supplies more than one third of the world population’s demand for edible vegetable oils. In 2017, a total of 67.4 million tonnes of palm oil were produced globally, representing 30.6% of the world’s production of oils and fats. In this regard, Malaysian palm oil registered a share of 20.5% in the global trade of oils and fats or accounting for 56.3% of the world’s palm oil export market. For Malaysia, these were achieved from utilising 5.81 million hectares of land, which accounts for a mere 2.1% of the total 286 million hectares of global land area under oilseed crops in 2017. As such, palm oil undeniably has become part of the lives of the world’s population in many ways than we can imagine. It provides sustainable, reliable and nutritious food essential to the human diet, and is one of the main raw materials for the global food and non-food industries, as well as a source of renewable energy.

Despite the immense positive socioeconomic impact and its contribution to the world, palm oil faces many challenges in the global market as it is continuously being associated with deforestation, loss of biodiversity and health hazard. Among the main challenges faced, is the recent European Parliament’s decision to phase out the use of first-generation vegetable oils and fats, including palm oil, in the transport sector by 2030. This decision was taken primarily to curb deforestation activities and to meet Europe’s more ambitious climate goals. However, the EU’s noble intention seems to be camouflage with the aim to further discredit palm oil through the new Indirect Land Use Change (ILUC) requirements. In this regard, many experts have raised concerns on the non-specific methodology and unreliability of the ILUC models for calculating the GHG emission rates. ILUC models gave inconsistent results as shown by studies undertaken and commissioned by the European Commission itself.

Malaysia has always been mindful of these challenges and has applied appropriate best practices, including environmental impact assessments, in the development and operation of its palm oil industry. We have committed to maintaining at least 50% of our land under forest and green cover. In fact, Malaysia is relentless taking steps to ensure mandatory nation-wide production of certified sustainable palm oil through the Malaysian Sustainable Palm Oil (MSPO) certification by end of 2019. Malaysia also
embrace the concept of the UN Sustainable Development Goals (SDGs) of 2030 that balances out social and economic progress with the environment.

Nevertheless, more work is needed in terms of an effective and strategic communication plan to respond to negative perceptions and unfounded allegations. We need to be more aggressive in promoting the palm oil and its health benefits. Oil palm is the most productive and efficient oil crop, with a yield of ten times than that of soybean oil and five times that of rapeseed oil. In addition, studies have shown that palm oil is in fact a superior oil as it contains a bouquet of phytonutrients, including tocotrienols (Vitamin E) and carotenoids (Pro Vitamin A) which are natural antioxidants. Palm oil versatility and its many attributes have always been the manufacturers’ and consumers’ preferred choice. Palm oil is a balanced oil consisting of 50% saturated fatty acids and 50% unsaturated fatty acids. It is very stable and the best oil for cooking and frying purposes.

The Ministry of Primary Industries will also continue to work with relevant parties, especially in the EU, through various agencies, in order to counter campaigns against palm oil and clarify issues substantiated by scientific data and evidence. We will continue to work with oil palm cultivation countries, especially Indonesia, under the ambit of the Council of Palm Oil Producing countries (CPOPC) on addressing the challenges faced by the palm oil industry.

As wise man once said: “The journey, not the arrival matters”. It is my ardent hope that the journey of palm oil will uplift the status of small farmers and narrow the development gap.

Shamsul Iskandar Mohd Akin, MP, Malaysia; Deputy Minister of Primary Industries
Boosting Youth Employment in Sub-Saharan Africa: creating opportunities and building skills

Session 10: Going forward: addressing the gaps in youth employment architecture

Wilton Park Conference
11 – 14 July 2018, Magaliesburg, South Africa

Yunus Carrim, MP, South Africa
Chair of the Standing Committee on Finance; Board member of the Parliamentary Network on the World Bank & IMF

About the Parliamentary Network

I speak here as a representative of the Board of the Parliamentary Network on the World Bank and IMF (PN). But I’m also a South African MP, chairing our National Assembly’s Finance Standing Committee – and in this capacity, I extend a warm welcome to all of you, especially those of you from other countries.

Let me also congratulate Wilton Park for organizing this much-needed Conference – and for choosing South Africa as the venue. This country, after all, has amongst the highest rates of unemployment globally, and youth unemployment and unemployability is a very significant part of this.

The PN is a global knowledge-sharing and discussion network that seeks to empower MPs on development issues so that we are better skilled to monitor and, where possible, have a say on development projects in our country, including those funded or supported in other ways by the World Bank Group, International Monetary Fund and other development finance institutions. The PN seeks to contribute to MPs becoming more effective in our oversight of our governments on development issues. The PN provides MPs with a platform for coordinated parliamentary advocacy on international development issues. While we are not a representative organization of parliaments, with MPs joining us as individuals, we are seeking to be more activist in orientation without changing the character of the organization.

Network’s Booklet on Youth Employment

I’ve been asked to speak on the PN’s The Case for Urgent Action on Youth Employment. The stress, note, is on action! The booklet has been published jointly by the PN and Peace Child International, and we see it as an example of how international cooperation and knowledge-sharing can help governments address this issue. Different sections of the booklet focus on the employment crisis in the African continent and suggest possible solutions.
Key aspects of the PN’s position have emerged in the presentation by David Woollcombe**, who has been working closely with us on shaping our approach and building support for it.

Some aspects of our booklet that David has not dealt with include:

- Reeta Roy, President of the Mastercard Foundation, focuses on its Young Africa Works strategy, which aims to create 30 million new secure job positions in Africa by 2030. Ms. Roy suggests the following:
  1. Design country-specific strategies: invest in education but also adapt investment strategies to fit the specific characteristics of each African country to maximize results;
  2. Empower young women: eliminate additional job-search barriers faced by young women in Africa;
  3. Work with African-led organizations: make full use of their expertise and on-the-ground knowledge of regional situations;
  4. Use technology to drive impact and scale: connect young people and employers, boosting inclusion, development and reducing poverty;
  5. Foster evidence-based knowledge and innovation: create space to plan and implement innovative and creative solutions, share them, and maximize results.

- The PN supports a Systems Approach to Youth Employment – that is, tackling youth employment holistically through engaging partners in multiple policy interventions rather than piecemeal single efforts. In any case, in the last five years, the World Bank, the International Finance Corporation, the International Labour Organisation and the UN’s system-wide Global Initiative on Decent Jobs for Youth have all recommended it.

In April 2018, the Commonwealth Heads of Government meeting in London agreed on “the need to invest in a systems approach to support young people including through skills building, entrepreneurship, apprenticeships and the need for better data to target interventions effectively.” The World Bank refers to it as the ‘Integration’ or the ‘Combination approach,’ believing that “entrepreneurship training combined with access to finances provide the best impacts.” Since 2015, the PN Network has been calling on its parliamentary members to implement a systems approach to job creation. Piecemeal approaches, or waiting indefinitely for large tranches of inward investment, do not solve the immediate, pressing problem of large numbers of young people unemployed.

- The focus needs to be on low-hanging fruit such as:
  - Enterprise education;
Business plan creation training;
Easing access to finance;
Peer-to-peer career guidance; and
Skills matching between supply and demand side (labour market) actors.

• Stakeholder Boards should be established in each country comprising five key stakeholders – government, private sector, experts, investors/donors, and youth. These stakeholder Boards should:
  o Do a benchmarking exercise of the national policy landscape in their countries;
  o Get each stakeholder’s impression of the effectiveness of those policies;
  o Identify gaps in policies; and
  o Develop a National Plan of Youth Employment.

• Crucially, there also needs to be political will to deal with the issue of youth employment; coordination; and some means to measure the implementation and effectiveness of the National Plans for youth unemployment.

• The PN supports the idea of the global consortium - a group of mainly British Youth Job and Enterprise Creation NGOs, hopefully to be led by DFID, who want to stop talking about a Systems approach and start implementing it.

It is important to point out that the PN does not believe there should be yet another artificial global structure on youth employment that duplicates existing structures. We fully support the rationalisation of existing structures and much greater cooperation among them.

We are looking for cooperation with DFID in ways that are consistent with their mandate. It is significant that a global organisation of MPs this time is making youth employment its key focus – and we think that DFID would be interested in structured cooperation with us. We would certainly welcome that, and we hope that this Conference, and the discussion in this session will contribute towards that.

Our main goal is to encourage concerted action and significantly more effective cooperation among the key stakeholders both globally and within countries.

**Need for action, not just words**

Of course, the UN’s Sustainable Development Goal 8, Target 5 promises to achieve: “full employment for all young women and men by 2030.” That seems extremely ambitious. But we should still try to do our best.

Consistent with what’s already been raised, we need to consider these among other issues:
  • The lessons from the failures of approaches to tackling youth unemployment until now;
• Ways to tackle “silo” approaches and ensure more effective coordination of existing global programmes and structures, including those of the UN, ILO, and Commonwealth;

• More effective partnerships between governments, parliaments, the private sector, civil society and donors;

• Lessons from the failures of large-scale investment by financial institutions in youth unemployment in Africa;

• The urgent need for access to capital. A study conducted by Peace Child International (2017), on behalf of the Parliamentary Network, found that 91% of youth surveyed listed access to capital as the biggest obstacle in starting an enterprise. DFIs, the financial sector and government need to intervene with the correct policies to address this;

• The mismatch between school curriculum/ tertiary qualifications and the skills that the jobs market needs. The curriculum needs to be redesigned to meet the needs of jobs of the future post-4th industrial revolution;

• Tax Incentives for business to provide temporary or permanent jobs for young people;

• Youth despondency reflected in the estimated 620 million youth who are idle or not looking for work;

• Engagement of youth leaders as stakeholders in finding solutions to youth unemployment.

Being clear about what we have to do is vital. However, clarity cannot come just from words; it also comes from actions. Obviously, we at this Conference come from different backgrounds, play different roles and occupy different spaces and we can’t decide on a binding programme of action here. But we certainly can act – in our different ways and in our different spaces to contribute to youth employment. Ultimately, the success of this Conference will be in the extent to which this happens.

*This article is a reconstruction of Yunus Carrim’s speech at the conference “Boosting Youth Employment in Sub-Saharan Africa: creating opportunities and building skills” based on notes.

**David Woollcombe, Founder and Trustee of Peace Child International and Rachel Turner, Director for Economic Development, Department for International Development, made presentations in this session before this one.
National Strategies for Science, Innovation and Technology for Developing Countries

Lahcen Haddad, MP, Morocco
Board member, Parliamentary Network on the World Bank & IMF

According to the OECD, 166 countries have adopted National Science, Technology and Innovation Strategies. However, quite a few developing countries have either incomplete or ill-conceived strategies that are challenging to implement. Morocco, for example, has developed over the last decade sectoral strategies for innovation, digital technology, industrial acceleration, but not a national strategy with significant resources that would act as a catalyst and springboard for synergies between basic and applied sciences, research, technology and innovation.

Countries that have adopted effective strategies such as Brazil, Mexico, Turkey, Argentina, Hungary, Slovakia and others are hoping to slowly but surely bridge the gap that separates them from the most advanced hubs of innovation, like Japan, South Korea, the United Kingdom, the United States, Germany, China and others.

African, Arab and Central and Latin American countries should be more proactive in innovation research and development. The only way to create real added value is through knowledge-based economy; investment in science and research and technological applications is the most effective way to transform economic output and wean it away slowly from being based on extraction and raw materials towards value creation and more sustainable modes of production.

Efforts at this level are still shy in most developing countries; most African countries, for example, lack the right institutions to effectively and strongly pilot the strategy, hammer out the vision, mobilize resources and oversee the implementation, using clear and well-elaborated indicators.

A National Strategy for Science, Technology and Innovation will enable developing countries to find new relays and new sources of competitiveness. Innovation creates added value and builds strong bridges between research centers and the business community with strong benefits for the economy, the industry and knowledge institutions.

By targeting essential competitive sectors in the present and the future, the National Strategy should bring together the efforts of teaching, research funding, patenting, innovation incentives, and R&D.

Some countries like Denmark, Germany, South Korea, Australia, New Zealand and others adopt a strategic and internationally competitive positioning by considering the "green" transfers of industrial research, rampant digitalisation and automation, especially in the light of the explosion of research in Artificial Intelligence.
The main thrusts of this strategy should be: support for science, technology and mathematics teaching in schools and universities; promotion of research in the basic sciences; substantial support for R&D for private companies (including SMEs and start-ups); innovative ways to find funding for research initiatives; support for joint university/private sector research projects; the establishment of regional innovation fairs; the introduction of invention awards at local, regional and national levels; the creation of civil society organizations specialized in the promotion of science and innovation; the qualification of human resources in the field of innovation promotion and management; setting up institutions capable of promoting research effectively; and the mobilization of the media and public opinion in favor of a culture of research and support for creativity.

Countries that have adopted a National Strategy for Science, Technology and Innovation have put the financial and human resources in place, with a monitoring plan and management based on economic, technological and industrial intelligence. Quite a few developing countries have important assets in terms of human resources, universities, research centers and vibrant private sector companies. But that’s not enough: they must move faster and adopt a more aggressive approach in order to initiate change. That takes vision, political will and the right leadership.
Courting Crisis: Contextualising Chinese Credit to Uganda and its implications

Nathan Nandala-Mafabi, MP, Uganda
Vice-Chair, Parliamentary Network on the World Bank & IMF

Growing infrastructure development in much of Sub-Saharan Africa has become closely connected to China in recent years. Construction of major infrastructure work is largely controlled by Chinese companies who even negotiate loans on behalf of governments from Chinese Banks at commercial interest rates. The conditionality for these loans is that the works shall be done by Chinese companies.

Uganda is a typical example of growing Chinese influence on the continent, turning to China for most of its development needs. The China-Africa relationship leaves a lot to be desired. Many questions arise from this relationship - whether in trade, investment, development aid, loans or educational scholarships. These represent the multiplicity, diversity and complexity of the Chinese strategy on the continent, with potential pitfalls.

It is not clear if African governments are prepared to comprehend the depth of their ties with China and the implications for Africa’s development future. Watching from Uganda, it is difficult to imagine that there is any understanding of the nature of ties being weaved by China and government officials. The main question is, is Uganda capable of regulating Chinese engagement in the country? What is the attraction to China’s otherwise very expensive loans to Uganda and other countries on the African continent? What is the attraction for China to these otherwise very poor nations? What are the implications for freedom of choice and development priorities?

The first issue is regulation. It is evident that Uganda does not have the capacity to regulate China’ engagement within their jurisdiction. They have become beholden to China for the financing of expensive capital projects like roads, power dams, optic fibres etc., partly because of lack of accountability and transparency which have led to accumulation of debt that is untenable from previous partners, much of it lost in corruption rather than spent in the intended way. The Ugandan government and others on the continent do not therefore want to deal with the questions that arise out of effectiveness of loans taken before and fiscal austerity. As such, China becomes a partner that appears indifferent to the track record of paying back and efficient use of the borrowed resources – governance issues that are the main condition of Western donors and lenders.

Through this mechanism, officials in government lose the moral authority to question the Chinese and perform due diligence, rendering them incapable of providing adequate regulation. This is the real reason of the Ugandan government’s attraction to China’s expensive loans and technical support.
The second issue is that much of China’s engagement happens in an opaque manner, making it impossible for citizens to question the choice of projects or demand value for money for these projects. Much of what happens is outside of the knowledge of citizens. In order to appreciate this, one must examine the manner in which China varies strategies, from trade to investment in various projects and to providing aid and loans simultaneously. Within infrastructure projects, transfer of technology and even human resources happens in a clandestine manner. This secrecy complicates attempts to regulate China’s engagement, but also limits Uganda’s choices. One must also think about the role of the government or at least some of its actors, in possible connivance with the Chinese government. Museveni’s response to purported delays in clearing Chinese companies to operate in Uganda over scrutiny of tax exemptions are an indication of some of the things that remain unclear in this cooperation between China and Uganda.

While asking what the attraction to China’s expensive credit might be is important, it is also crucial to question what the attraction for China is to these otherwise poor countries, within the context of helping them. While it cannot be disputed that China is a huge economic power, its motives and methods cannot be trusted. It is clear is that China has moved from being a trade partner, which dominates trade anyway, to a key stakeholder in infrastructure development and lender to Uganda. What is the attraction? Of course, like colonialism’s simple allure, natural resources and minerals are the key attraction, let us make no mistake.

It is almost as if China is leading a fresh attempt at re-colonisation of Africa, moving beyond the neo-colonial narrative. China is thus using Africa’s governments with their hunger for personal accumulation of wealth, their desperate desire to cling to power, and its own economic power to take advantage of these countries. With the guise of non-partisan involvement, China is getting away with assisting the ruling elite and political class in dispossessing the African people.

The implications of this are numerous. Recent media reports about the takeover of a Zambian Corporation by China over the failure of the Zambian government to pay back some loans and the takeover of a port in Sri Lanka are just some of the beginning signs of what has been going on for years. It will not be surprising if China begins to control strategic ports in Africa. Much of these loans are far too expensive for developing countries to service effectively, which leaves such takeovers inevitable in the future. A multi-million-dollar project which is mismanaged and lacks local content can be very dangerous for a country. Moreover, these loans are put in projects with limited capacity to deliver a high rate of return in the near future with real impact for the poor of these nations. There is an urgent need to contextualise these loans and the potential for them turning into death traps for poor people.

Unless honest cooperation with China in transparent and accountable way is cultivated, eliminating the current secrecy that surrounds much of what is done, then we can say we are courting crisis. There will be a generation of Ugandans that will have
no idea how to redress any wrongs. We may need to redefine our jurisdictions if our independence and sovereignty is to be upheld in future. Most importantly, we must look beyond the official narrative and what is obvious, and to seek to understand the deeper meaning of China’s engagement in Uganda and Africa in general.

Today, Africa is allowing China to shape the conversation on their economic development in what is clearly an unequal partnership. Only China stands to massively benefit from such a partnership in the long run, with limited possibility for socio-economic transformation of Uganda and other African countries. Africans need to develop a sceptical attitude towards these investments and development support. While for China this is a matter of hegemony and power, it is a matter of life and death for the majority of Africa’s poor inhabitants.

Multinationals need to come to Africa’s aid to avoid the worst crisis in the nearby future.
Growing corporate responsibility is following the direction of history

Claude Béglé, National Councillor, Switzerland

Who can be indifferent to mercury pollution or to child labour? Asking corporations for a better respect of human rights and environment protection is a good thing. If many companies already act in that direction, the ongoing legislative developments in several countries are pleasing as well. However, some approaches go too far, like the Swiss law project that is under discussion. It is an opportunity to stress that we need to consider two different timings, on one side, a certain legitimate popular impatience, on the other side – the complex reality with which the companies have to cope in the field.

Most large international companies are committed to respecting decent labour conditions for their employees regardless of their location, while preserving environment. Thus, three out of four largest companies listed throughout the world publish a Corporate Responsibility report, according to a KPMG inquiry led in 2017. Nestlé, Novartis, Roche, Trafigura are Swiss-based companies which have committed to concrete measures. The booming sustainable finance sector in Geneva which focuses on smart investments to help poor countries and to favour environment-friendly projects is another example of the importance granted by the economic sphere to that topic.

On an international level, the year 2011 has been a tipping point in terms of Corporate Responsibility. In May, the OECD published its “Guidelines for multinational enterprises”. These are far reaching recommendations supported by 44 countries which represent 85% of direct investments abroad. In June, United Nations Human Rights Council adopted unanimously its “Guiding principles on business and human rights”. These principles are grounded on three key concepts, “protect, respect, remedy” which require increased due diligence. Companies will have to answer for damages caused abroad in the court of their home country. These guidelines have had a major international resonance.

Right now, about 25 States are working on their implementation. France has voted a “Due diligence law for parent companies” in 2017. Goods that have been produced in unworthy working conditions cannot be sold in the UK since that country adopted the “UK Modern Slavery Act” in 2015. In the Netherlands, the « Child Labor Act » projects the plans to ban the sale of any product made by children, while the European Union’s “Conflict minerals regulation”, coming into force in 2021, aims to stem the trade of gold, tungsten, tin and tantalum when it finances armed conflicts or uses forced labour.

In Switzerland, the government works actively in that same direction since 2011. However, the law project “Responsible Enterprises – protecting human being and
“environment” emanating from a popular committee, has been fuelling an ongoing debate for two years, pushing the concept of corporate responsibility very far. That project demands that Swiss based companies should be responsible for all damages caused by all their subsidiaries and subcontractors and that they should analyse, prevent and report on their social and environmental impact all over the world.

Today, an alternative project restrains the due diligence duty to companies hiring more than 500 employees and with a turnover superior to 80 million francs. The corporate responsibility doesn’t include subcontractors anymore. Regarding human rights violations, this new project circumscribes them to prejudice to life, body integrity and property. The new version still needs to be approved by the Senate.

The Swiss debate perfectly illustrates the difficulty addressing the corporate responsibility matter. On the one side, we have the law project carried by 80 NGOs. The latest surveys show about 80% of Swiss citizen support it. The many media reports denouncing unacceptable abuses have of course an immense impact on public opinion. On the other side, many companies have strengthened their due diligence protocol on a voluntary basis. Last but not least, these international companies often face complex local political, economic, religious and military contexts, where their potential of influence to initiate a change is sometimes very limited.

In the end, I am very optimistic. I think that corporate responsibility will keep on growing because it is following the direction of history. But it is very important to coordinate that evolution at an international level.
The role of parliamentary diplomacy in driving the Sustainable Development Goals agenda

Adan Keynan, CBS, MP, Kenya

Background

The blurring of the lines between domestic and international relations has given more scope to the role of parliamentarians as actors in international affairs. As noted by the Inter-Parliamentary Union Report (2005) “Parliamentary involvement in International Relations”, legislatures everywhere are under pressure to debate an ever more transnational agenda.

According to DFID (2015), the Sustainable Development Goals provide an opportunity for innovative multi-stakeholder partnerships between groups that may not have traditionally worked together. Increasingly, mechanisms of development cooperation and innovative partnerships between parliaments, non-governmental organizations (NGOs), development partners and the private sector are key to offering exciting models to build and achieve sustainable development with the help of adequate funding.

Implementation of the SDGs calls for a holistic multi-stakeholder approach, including the government, parliament, the judiciary, civil society and the public among others. The new set of objectives needs to be domesticated, translated into national policies and implemented in order to stimulate the desired development outcomes.

The overall objective of parliamentary diplomacy is to develop strong bilateral relations that seek to create a positive synergy on a much wider scale and aim to achieve economic diplomacy that is summarized in the 17 SDGs. The achievement of this objective will foster the linkages between political stability, economic welfare and cultural harmony for global development.

The role of parliamentarians in fostering economic diplomacy through implementation of Sustainable Development Goals

To enhance bilateral parliamentary relations and achieve economic diplomacy that will foster new economic and commercial areas of global cooperation, parliaments need to coordinate the following areas:

i. The Hanoi Declaration commits parliaments to translating the goals into enforceable laws and regulations at the national level, notably through the budget process. This will require institutionalizing the goals through model laws that assist different legislatures to mainstream all deliberative processes over the entire 15-year implementation period.

ii. Parliamentary involvement in the execution of SDGs takes the following forms:
- **Legislation.** Parliaments enacting legislations that translate the SDGs into enforceable national laws that respond to country specific development priorities. Further, this involves ratification of international agreements that are linked to the aforementioned legislations.

- **Oversight.** There is a global call for evidence-based oversight and decision making through monitoring and evaluation of the implementation of SDGs by parliamentarians. Inter-parliamentary cooperation can help to ensure that bureaucrats are accountable to the people regionally and globally, in particular through voluntary national reviews on the implementation progress of the SDGs.

- **Budget making.** Parliaments need to ensure that financial resources are allocated towards the achievement of the post- 2015 programs and projects and that sustainable development objectives are reflected in national and local budgets.

- **Representation.** Parliaments can bring the SDGs to the attention of the public and the media by enforcing accountability at all levels and holding regular positive international dialogues on SDGs. Further, parliaments can make sure that international experience and best practices are integrated into a national development vision that informs an inclusive and participatory political dialogue at international and local levels.

- **Political reforms.** The SDGs will succeed if there is a strong international and national political good will and an enabling environment for their implementation. This calls for the international community to leverage on existing parliamentary diplomacy and ensure that democracy, adherence to the rule of law, respect for human rights, transparency and good governance are respected.

**Conclusion**

Even though the amount of resources that need to be mobilized in order to implement the SDGs calls for a holistic multi-stakeholder approach, parliaments play a critical role in meeting these requirements through their constitutional mandate for legislation, budgeting, oversight and representation of their constituents. Partnerships created through parliamentary diplomacy lead to economic diplomacy and sustainable development in the following ways:

I. Strengthening parliamentary cooperation and diplomacy in multilateral fora;

II. Organization of high-level bilateral parliamentary meetings that focus on economic diplomacy;

III. Strengthening the existing and building new networks for parliamentary cooperation and friendship guided by a win-win principle for all parties involved.
Protecting rights, freedoms and national security

David McGuinty, MP, Canada
Chair, National Security and Intelligence Committee of Parliamentarians

Canada’s new National Security and Intelligence Committee of Parliamentarians (NSICOP) is preparing to deliver its inaugural annual report to Prime Minister Justin Trudeau, a milestone in the country’s effort to modernize and strengthen independent review of the national security and intelligence community.

Established in June 2017, the multi-party committee of lawmakers from the House of Commons and Senate is vested with the responsibility to review the legislative, regulatory, policy, administrative and financial affairs of the national security and intelligence establishment. Canada joins its closest intelligence allies (US, UK, Australia and New Zealand) who all have legislative bodies that review national security and intelligence matters.

The National Security and Intelligence Committee of Parliamentarians Act, 2017, grants NSICOP broad statutory authority to access highly classified information, hold in-camera hearings, and report findings and recommendations to the prime minister.

The initiative is the cornerstone of a revamped external review structure intended to help bridge the gap between Canada’s current regime and the integrated and networked activities of modern security and intelligence work.

The committee’s primary focus is strategic security and intelligence issues and efficacy. It is the sole review body with jurisdiction to follow and explore national security and intelligence issues and activities across the whole of government. Its remit covers eight core organizations and 14 federal departments and agencies with national security responsibilities.

Previously, the activities of only three agencies have been routinely audited by three small, independent bodies that focus on compliance with the law and deal with public complaints. Direct oversight remains a function of ministerial accountability.

The committee can examine any activity organized by a department that relates to national security and intelligence or any matter relating to national security or intelligence referred by federal ministers. It has statutory authority to demand any information under the control of a department and related to the committee’s mandate including information protected by litigation privilege or by solicitor-client privilege or the professional secrecy of advocates and notaries.

It is prohibited from accessing Cabinet confidences, the identities of confidential sources, information on the federal Witness Protection Program and details on active police investigations that may lead to a prosecution. It also cannot review matters that the appropriate minister believes would be injurious to national security or information
the minister constitutes as special operational information, as defined in the Security of Information Act. The committee has no right of appeal, but must report the number of times annually, if any, a minister rejects such requests and may note its dissatisfaction in its annual report.

The Minister of Public Safety and Emergency Preparedness, the Hon. Ralph Goodale, and I held discussions with the United Kingdom, the United States, France and New Zealand to examine their Parliamentary committees. We came to view several elements of the British model – the Intelligence and Security Committee of Parliament (ISC) – as the preferred template.

NSICOP is not a traditional parliamentary committee, but an independent committee of parliamentarians not subject to parliamentary rules and procedures and not constrained by the inability of parliamentarians to access state secrets.

The committee resides within the executive branch, generally meets in private and submits its reports to the prime minister. Members have Top Secret security clearance, are permanently bound to secrecy by Canada’s Security of Information Act and cannot claim parliamentary privilege in defence of any criminal breach. We are supported by a small secretariat of public servants with expertise in the federal security and intelligence domain.

A public version of committee reports, redacted for information injurious to national security, defence or international relations, must be tabled in both houses of Parliament. The committee can also, at any time, submit special, ad-hoc reports related to its mandate to the prime minister and appropriate minister.

Our relationships with Canada’s other three review bodies are vital to the goal of building an integrated and complimentary system equipped to review 21st century security and intelligence activities. The NSICOP Act empowers other review bodies to provide the committee information under their control and related to the committee’s mandate. The legislation instructs our committee and the three review bodies to take all reasonable steps to cooperate and avoid unnecessary duplication of work.

Proposed government national security legislation, Bill C-59, now before the Senate of Canada, would create a new National Security and Intelligence Review Agency (NSIRA), responsible for ensuring Canada’s national security agencies are complying with the law. As well, a new and independent Intelligence Commissioner (IC) would ensure that ministerial authorizations related to foreign intelligence, cybersecurity and the collection and retention of datasets are justified and reasonable.

Our overarching intention is to help ensure that both national security and Canadians’ rights and freedoms are protected by lawful, appropriate and effective means. We remain committed to contributing to an informed continuing public conversation about the state of our national security.
The Human Capital Gap: Getting Governments to Invest in People

Dr. Jim Yong Kim
President of the World Bank Group

Foreign Affairs July/August 2018 Issue

Governments in pursuit of economic growth love to invest in physical capital—new roads, beautiful bridges, gleaming airports, and other infrastructure. But they are typically far less interested in investing in human capital, which is the sum total of a population’s health, skills, knowledge, experience, and habits. That’s a mistake, because neglecting investments in human capital can dramatically weaken a country’s competitiveness in a rapidly changing world, one in which economies need ever-increasing amounts of talent to sustain growth.

Throughout the World Bank Group’s history, our development experts have studied every aspect of what makes economies grow, what helps people lift themselves out of poverty, and how developing countries can invest in prosperity. In 2003, the bank published the first annual Doing Business report, which ranked countries on everything from taxation levels to contract enforcement. The findings proved hard to ignore: heads of state and finance ministers faced the possibility that foreign direct investment could go down as companies chose to invest in countries with a better business climate. In the 15 years since, Doing Business has inspired more than 3,180 regulatory reforms.

Now we are taking a similar approach to marshaling investments in people. The staff of the World Bank Group is developing a new index to measure how human capital contributes to the productivity of the next generation of workers. Set to launch at the World Bank Group’s annual meetings in Bali this October, the index will measure the health, as well as the quantity and quality of education, that a child born today can expect to achieve by the age of 18.

Scholars know a great deal about the many benefits of improving human capital. But their knowledge has not turned into a convincing call for action among developing countries. One constraining factor is the shortage of credible data that make clear the benefits of investing in human capital, not just for ministers of health and education but also for heads of state, ministers of finance, and other people of influence around the world. That’s why an index of human capital across countries can galvanize more—and more effective—investments in people.

Over the past three decades, life expectancy in rich and poor countries has started to converge. Schooling has expanded tremendously. But the agenda is unfinished: almost a quarter of children under five are malnourished, more than 260 million children and
youth are not in school, and 60 percent of primary school children in developing
countries are still failing to achieve minimum proficiency in learning. In too many places,
governments are failing to invest in their populations.

PEOPLE POWER

The value of human capital can be calculated in several different ways. Traditionally,
economists have done so by measuring how much more people earn after staying in
school longer. Studies have found that each additional year of education increases a
person’s income by about ten percent on average. The quality of the education
matters, too. In the United States, for example, replacing a low-quality teacher in an
elementary school classroom with an average-quality one raises the combined lifetime
income of that classroom’s students by $250,000.

But cognitive abilities are not the only dimensions of human capital that count.
Socioemotional skills, such as grit and conscientiousness, often have equally large
economic returns. Health also matters: healthier people tend to be more productive.
Consider what happens when children no longer suffer from parasitic worms. A 2015
study conducted in Kenya found that giving deworming drugs in childhood reduced
school absences and raised wages in adulthood by as much as 20 percent—lifelong
benefits from a pill that costs about 30 cents to produce and deliver.

The different dimensions of human capital complement one another starting at an early
age. Proper nutrition and stimulation in utero and during early childhood improve
physical and mental well-being later in life. Although some gaps in cognitive and
socioemotional skills that manifest themselves at an early age can be closed later,
doing so becomes more expensive as children reach their teens. It is no surprise, then,
that focusing on human capital during the first 1,000 days of a child’s life is one of the
most cost-effective investments governments can make.

How does all of this relate to economic growth? For one thing, when the benefits of
individual investments in human capital are added up, the overall impact is greater
than the sum of the parts. Going back to those schoolchildren in Kenya: deworming
one child also decreases the chances of other children becoming infected with
parasites, which in turn sets those children up for better learning and higher wages.
Some of the benefits from improved human capital also accrue beyond the generation
in which the investments are made. Educating mothers about prenatal care, for
instance, improves the health of their children in infancy.

Individual investments in human capital add up: development economists have
estimated that human capital alone explains between ten and 30 percent of
differences in per capita income across countries. These positive effects also persist over
time. In the mid-nineteenth century, the state of São Paulo, in Brazil, encouraged
the immigration of educated Europeans to specific settlements. More than 100 years later, those very settlements boast higher levels of educational attainment, a greater share of workers in manufacturing as opposed to agriculture, and higher per capita income.

Education yields particularly large returns, so it plays an important role in decreasing poverty. Ghana’s success story is a testament to this relationship: throughout the 1990s and early years of this century, the country doubled its education spending and drastically improved its primary enrollment rates. As a result, the literacy rate went up by an astonishing 64 percentage points from the early 1990s to 2012, and the poverty rate fell from 61 percent to 13 percent.

Investments in education can also reduce inequality. In most countries, children born to more affluent parents start having access to better opportunities early in life, and these lead to lifelong advantages, whereas children born to poorer parents miss out on these opportunities. When governments take steps to correct that problem, economic inequality tends to fall. One study released this year drew on a trial conducted in North Carolina to estimate that if the United States made effective early childhood development programs universal, U.S. income inequality would fall by seven percent—about enough for the country to achieve Canadian levels of equality.

The societal benefits of investing in human capital extend even further. Staying in school longer reduces a person’s probability of committing a crime. So do programs that improve noncognitive skills. In a 2017 study in Liberia, drug dealers, thieves, and other criminally inclined men were enrolled in cognitive behavioral therapy in order to build skills such as recognizing emotions, improving self-control, and navigating difficult situations. The program, when combined with a small cash transfer, significantly reduced the odds that these men would fall back into a life of crime.

Human capital is also associated with social participation. In the mid-1970s, Nigeria introduced universal primary education, sending a large cohort of children through primary school who otherwise wouldn’t have gone. Years later, those same people were more likely to pay close attention to the news, speak to their peers about politics, attend community meetings, and vote.

Investments in human capital increase trust, too. More educated people are more trusting of others, and more trusting societies tend to have higher economic growth. They are also more tolerant: research suggests that the large wave of compulsory school reforms that took place across Europe in the mid-twentieth century made people more welcoming of immigrants than they were before.

Read the full article here.
Honored guests, ladies and gentlemen—good morning and welcome.

Our event today is the penultimate leg of what we call our “Voyage to Indonesia”—the final leg being our Annual Meetings to be held next week in Bali.

This is a challenging moment for Indonesia, a country that has transformed itself in recent decades, unleashing its economic dynamism and harnessing the incredible ingenuity and diversity of its people. A country that is so often dealing with the hardship of natural disasters.

We can all learn so much from Indonesia and its ASEAN partners—especially when it comes to building resilience, embracing openness, and reaching out across borders.

One important lesson is that if countries work together, they are far more likely to enhance the well-being of their people than if they go it alone.

We saw this clearly during the global financial crisis.

This multilateral spirit is captured well by a beautiful Indonesian phrase—“gotong royong,” “working together to achieve a common goal.”

This spirit is needed more than ever to meet the challenges ahead.

This morning, I will talk about three of them: (i) building a better trade system; (ii) guarding against fiscal and financial turbulence; and (iii) rebuilding trust in policymaking and institutions.

Trade, turbulence, and trust.

1. Changing Economic Weather

Before I get to the challenges, let me present a brief “lay of the land” on the eve of our Annual Meetings.

First, the good news. Global growth is still at its highest level since 2011 when economies were rebounding post-crisis. Unemployment is still falling in most countries.

And the proportion of the global population living in extreme poverty has dropped to a new record-low of less than 10 percent.

In other words, the world continues to experience an expansion that holds the promise of higher incomes and living standards.

So, is everything fine? Well, only up to a point.

For most countries, it has become more difficult to deliver on the promise of greater prosperity, because the global economic weather is beginning to change. What do I mean by that?
A year ago, I said, “the sun is shining—fix the roof.” Six months ago, I pointed to clouds of risk on the horizon.

Today, some of those risks have begun to materialize.

Indeed, there are signs that global growth has plateaued. It is becoming less synchronized, with fewer countries participating in the expansion.

In July, we projected 3.9 percent global growth for 2018 and 2019. The outlook has since become less bright, as you will see from our updated forecast next week.

A key issue is that rhetoric is morphing into a new reality of actual trade barriers. This is hurting not only trade itself, but also investment and manufacturing as uncertainty continues to rise.

For now, the United States is growing strongly, supported by a procyclical fiscal expansion and still easy financial conditions—which can become a risk in a maturing business cycle.

In other advanced economies, however, there are signs of slowing, especially in the euro area and, to some extent, in Japan.

Emerging Asia continues to grow at higher rates than other regions, but we see indicators of moderation in China, which will be exacerbated by the trade disputes.

Meanwhile, challenges have been mounting in a number of other emerging market and low-income countries—including in Latin America, the Middle East, and Sub-Saharan Africa.

Many of these economies are facing pressures from a stronger U.S. dollar and a tightening of financial market conditions. Some of them are now facing capital outflows.

To be clear, we are not seeing broader financial contagion—so far—but we also know that conditions can change rapidly.

If the current trade disputes were to escalate further, they could deliver a shock to a broader range of emerging and developing economies.

So, what should be done?

At times like these, policymakers might take inspiration from the great American poet, Oliver Wendell Holmes Sr., who once said:

“To reach a port, we must sail sometimes with the wind and sometimes against it—but we must sail, and not drift, nor lie at anchor.”

My key message today is that we need to manage the risks, step up reforms, and modernize the multilateral system.

Or, to put it in shipping terms, we need to steer the boat, not drift!

Read the full speech [here](#)
Visit to Kosovo – September 18th-19th 2018
Jeremy Lefroy MP – Chair of the Parliamentary Network on the World Bank & IMF and
David Woollcombe, Founder and Chairman, Peace Child International

Introduction
We visited Kosovo at the invitation of Vjosa Osmani MP, member of the Parliamentary Network on the World Bank and IMF. We are grateful to her and her parliamentary colleagues, as well as to all those who kindly gave up their time to make us feel most welcome.

First Impressions
For a country that is barely a decade old, Kosovo has well-led, well-functioning ministries, good hotels, retail outlets, restaurants and infrastructure, a very positive outlook and excellent prospects;

David Woollcombe remembered Kosovan youth in the 1990s as well-educated, very bright and engaged, speaking the best English of the former Yugoslav youth. The young people whom we met on this visit confirmed that impression.

Therefore it was surprising to discover that Kosovan children came 3rd from bottom in the PISA Math & Science Tables, and equal bottom in reading. (see PISA Table at end) It was equally surprising to hear that 56% of children do not have books at home, and 80% are functionally illiterate.

Employment situation
We knew that Kosovan Youth Unemployment rates were high – 38% for young men, nearly 80% for young women. We learned from the Chamber of Commerce that many Kosovan youth simply do not have the right skills and that several companies are seeking recruits from overseas. One company leader whom we met had recently hired from South Asia – because he was unable to find a suitable Kosovan recruit.

Reasons for high unemployment
Many mentioned that the education system was poor, the vocational education system under-resourced and not popular amongst students and their parents (very many of whom want their children to go to university). Career Guidance is patchy and ad hoc – and, because there is such a large Kosovan diaspora sending remittances, some Kosovan young people lack motivation.

Many MPs and government ministers stressed that “Education, Education, Education” is a major priority for investment – and the Minister for Education, Shyqiri Bytyqi, has prioritised vocational education and skills-matching. Skills-matching that was mentioned by many, especially the Chamber of Commerce who have made this issue one of their three priority concerns.
There was openness to the idea of youth agency – youth-to-youth career counselling; peer-to-peer mentorship and teaching; and there was a welcome openness to the idea of guidance, and coherence building across the youth job creation field. There has been some work in the field – Helvetas is a good example of donor-supported youth employability training; and organisations like TOKA are eager to step up to the plate and do more in this field. So – an injection of new ideas was likewise welcomed.

As founders of the Global Coalition for Youth Employment (GCYE), Jeremy and David were pleased to learn of home-grown Kosovo initiatives, such as the Democracy training done by TOKA – and the Volunteer certification and digital register initiative carried out by the Ministry of Culture, Youth and Sport. Thus – we fully expect to learn as much, if not more, from our engagement with Kosovo as they can ever learn from us.

Next Steps:

- A full report, recommendations and “Systems Approach Diagram” to be prepared by GCYE and sent to Vjosa Osmani MP by October 31st 2018;
- A decision by Vjosa Osmani MP Kosovo Ministers and her PN Network Partners as to whether or not they want to formally convene a formal or informal Kosovo Coalition for Youth Employment;
- A 2-day facilitated Retreat of the KCYE in Q 1, 2019: to review and synergise different approaches by Kosovan Government ministries and NGOs to the challenge of reducing Youth Unemployment – with input from International GCYE Partners, and Kosovo youth leaders.

There are also a number of steps which can be taken immediately irrespective of progress on the above:

- Jeremy Lefroy MP will raise with the UK Government, the EU and the World Bank the question of short-term visas for Kosovans.
- Jeremy Lefroy MP will discuss with business contacts the possibility of engagement of greater engagement with Kosovo on digital entrepreneurship.
- Jeremy Lefroy MP is willing to speak with Kosovan Parliamentarians and the Government over his experience of how an active equipment leasing sector can boost job creation and entrepreneurship.
South African Parliament Considers Forming Network Chapter

Yunus Carrim, MP, South Africa
Chair of the Standing Committee on Finance; Board member of the Parliamentary Network on the World Bank & IMF

A joint meeting of the Finance and Appropriations Committees in the two Houses of the South African Parliament – the National Assembly (NA) and the National Council of Provinces (NCOP) – met on 28 November to consider forming a Chapter of the Parliamentary Network on the World Bank and IMF (PN).

The meeting was chaired by the NA House Chairperson, Cedric Frolick, and PN Board member, Yunus Carrim, who explained the role of the PN and the importance of establishing a Chapter. It was also expressed that although it is close to the end of the fifth parliamentary term, with elections pending in May 2019, it was important to establish a PN Chapter now for the following reasons:

- The 6th term of Parliament will be able to proceed with activities of a PN Chapter under a new leadership;
- The institutional memory of MPs that have been active in the PN, particularly in the PN Board, in this fifth term of Parliament will not be lost; and
- There is an effective “handover” to the relevant MPs in the 6th term of Parliament.

The meeting decided that the approval of the NA Speaker and NCOP Chairperson be sought for the formal launch of a PN Chapter by mid-February 2019. Pending the approval, an Interim Chapter was set up and interim executive committee elected. It was agreed that instead of electing specific individuals to the interim committee, it would include:

- Those who occupy a particularly relevant positions in Parliament;
- Reasonable representation of MPs from both Houses; and
- Reasonable multi-party representation.

The Interim Committee comprises:
**Chairperson:** NA House Chair for Committees, Oversight and ICT - Cedrick Frolick

**Deputy Chairperson:** NCOP Chair for Committees, Oversight and IGR – Jomo Nyambi

**Secretary:** NA Chairperson of Standing Committee of Finance – Yunus Carrim

**Deputy Secretary:** NA Chairperson of Select Committee on Finance – Yvonne Phosa

**Treasurer:** NCOP Chairperson of Standing Committee on Appropriations – Charel de Beer

Additional Members: Farhat Essack (Demoratic AllianceA), Ahmed Shailk Emam (National Freedom Party), Lerato Theko (Afican National Congress) and an additional opposition party member.

The interim committee will meet when Parliament re-convenes early in February 2019.
NOTE FROM THE EDITOR

I thank the authors of this issue for their valuable contributions. If you have suggestions for improving the publication, please contact me at jpo1@parlnet.org.
Claudia Quintana, Editor, the Parliamentary Network Review

CALL FOR SUBMISSIONS

If you would like to contribute an article to the Parliamentary Network Review, or have any other questions regarding the Network, please contact Coordinator Gergana Ivanova at givanova@parlnet.org.

The views and opinions expressed in this publication are those of the authors and do not necessarily reflect the official position of the Parliamentary Network on the World Bank & IMF.

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