

# World Bank and IMF Spring Meetings 2024

Global Parliamentary Forum, 15-16th April



The Global Parliamentary Forum is meeting the official parliamentary network which oversees the work of both the World Bank and International Monetary Fund, the two main international economic agencies created by the Bretton Woods agreement following World War Two. While the World Bank is specifically focused on economic development in low to middle income countries, the IMF has a broader remit in global economic governance and both bodies are influential contributors to policy consensus and innovation in areas of policy ranging from the economy, to income inequality, education, health and the environment.

The GPF meets physically twice a year in conjunction with the five-day Spring and Annual Meetings (held in the Autumn) of the World Bank and the IMF, while other-subject specific meetings are held online and in-person throughout the year, organised by the secretariat of the Parliamentary Network of the World Bank and the International Monetary Fund which is based in Paris. Parliamentarians from any country are able to attend – and the Senedd and Wales are given equal status to the UK Parliament in this regard. This Spring 78 countries were represented at the three day event. I

believe this was the first time that the Senedd and Wales were represented at a GPF meeting.

### **Town Hall Meeting**

One of the highlights of the Forum was the hour-long Town Hall meeting held with the head of both institutions, World Bank President Ajay Banga and IMF Managing Director Kristalina Georgieva.

This really was an invaluable opportunity to hear a first-hand analysis of the current state of the world economy and global economic policy from two of the most influential figures within two leading international institutions.

The President of the World Bank talked about the interlocking international challenges of economic fragility, food insecurity, climate change, poverty and geopolitical crisis. He pointed to the large gap between the number of jobs being created, and the increasing numbers of young people which risks endangering the demographic dividend that a younger population should entail. One of the cross-cutting challenges for policy makers was the scalability and replicability of proven innovations in economic development policy. Among policy areas that were seen as critically important were access to energy in Africa, and better healthcare for citizens in low to middle income countries worldwide. With the target date of 2030 for the Sustainable Development Goals approaching fast, time was of the essence.

The President of the IMF gave her projections for the global economy. Growth was holding steady, inflation was down. But the lowest rates of economic growth for decades were predicted for the next five years, and inflation was still higher than before. Growth projections were low because of low productivity. The global economy had exhausted its fiscal capacity to respond to economic shocks.

### **Artificial Intelligence**

A panel discussion looked at the effects of AI both within countries and between countries, with productivity gains but also higher inequality potentially ensuing.

AI's impact on democracy was discussed. In the context of disinformation Hannah Arendt's insight that when lying becomes endemic the impact is not so much the people believe the lies but that they begin to doubt the concept of truth. Deepfakes represent a real threat to democratic governance at a time when trust is already low.

This must be balanced though with the positive potential that AI represents in terms of increasing the problem-solving capacity of democratic institutions.

One of the problems inherent in regulating AI is to whom do we assign the responsibility of determining the difference between truth and falsity: to the Government, to the private sector or to civil society?

Among the themes discussed was the huge upsurge in gender-based violence online, the huge data extraction by large companies, the limits or restrictions that could be placed on involuntary data monetisation and the malicious use of AI by organised crime networks and terrorist organisations.

The EU's pioneering attempt to regulate AI comprehensively through the AI Act was viewed sceptically by some as the risk management model adopted was from the finance sector. There were also fears that a too heavy-handed an approach might leave the West at a disadvantage and lagging China that may, contrary to expectation, prove more permissive.

Different countries were building different regulatory sandboxes. Some saw data as the new oil. Some saw the risk of a new wave of algorithmic colonisation. Some like Latvia were taking a precautionary approach, banning the use of AI outright, for example, during pre-election periods.

### **Climate Change**

The current President of the Inter-Parliamentary Union, the Speaker of the Tanzanian Parliament, led the discussions on climate change. After another record year the consensus was that it was no longer possible to keep temperatures from rising 1.5 degrees. The only question was whether we could take sufficient action to reduce it back below 1.5 degrees sufficiently fast enough.

The importance of the forthcoming UN Summit of the Future was emphasised as part of the preparations to replace the 2030 Sustainable Development Goals with a post-2030 set of plans. Some delegates pointed to the inter-relationship between conflict and climate change.

Delegates pointed to the fact that some countries were about to become oil-producing nations for the very first time. Was it not possible for the international community to devise a framework where low income countries could be compensated for keeping the oil in the ground?

Other delegates stressed that we were reaching the limits of adaptation. Some island nations, for example, were going to disappear.

### **Governance**

The emphasis on good governance by the World Bank and the IMF in their lending and investment policies was a major theme. The World Bank's accountability mechanism meant that any two people can speak up worldwide and initiate a formal investigation. It is the choice of the complainant if compliance or dispute resolution is the approach taken.

For the IMF the annual diagnostic reports, with strong parliamentary involvement, were important as are the budget oversight mechanisms. For oversight to be effective information must be accurate. Public participation, transparency, accountability through the role of the legislature, audit reports are all key.

Ukraine had to pass 50+ laws to meet 230 conditions attached to lending in 2024. All public officials have to declare any outside jobs.

## **Gender**

Gender equality is an increasingly central theme in economic and social policy worldwide and this was reflected in this year's Spring Meetings and the GPF in particular. A new Women's Chapter of the Parliamentary Network was launched at the event.

Panel members pointed to the evidence that less than two third of rights enjoyed by men globally are enjoyed by women (as documented in the World Bank's pioneering publication *Women, Business and the Law*). Gender-based violence involves significant economic cost alongside its human impact. Girls have equal opportunities in education increasingly but fall well behind in economic opportunity everywhere. There is no country in the world without a gender gap. Gender inequality is ubiquitous by sector as evidenced by:

- the under-representation of women within food systems globally.
- the new dangers represented by the gender inequality encoded within current AI and big data applications. Proactive steps need to be take to ensure that new technology is not biased in favour of an unequal status quo.
- Sexual harassment being an endemic problem in the context of transport, with women being more dependent on public transport but also more exposed in that context to all forms of gender-based violence which deters some women from accessing the economic opportunity that is dependent on commuting
- The challenges within healthcare and the legal framework governing bodily autonomy for women, including the right to abortion and birth control, plus ending the scourge of female genital mutilation

Gender inequality is also a key factor within governance and political leadership. Currently there are only six countries that have 50% or more women's representation. Women within cabinets still tend to be appointed as ministers of family affairs rather than finance.

The emphasis on gender equality is having positive traction, however. Egypt, for example, has passed 23 laws in the last three years on gender equality e.g. banning discrimination, passing laws on cyber-crime to protect women online, criminalising bullying and FGM and strengthening sexual harassment laws. Kosovo has increased the participation of women on boards from 10%

to 45%, and over the same period has seen the highest economic growth in the Balkans. Tanzania recently became the 19<sup>th</sup> country to recognise gender-based violence as a specific electoral offence.

However, there are also some scarily negative signs. There is a greater belief in women's leadership among older people globally than among young people. Challenging prevailing social norms at a young age, for example in schools, was therefore critically important. The idea that a man was the head of the family, for example, was the source of much justification for gender-based violence. In this context it was stressed that challenging these traditional social norms would not just achieve justice for women but also improve family life for men and boys.

The World Bank has also acknowledged that stigma and discrimination around sexual orientation and gender identity can negatively impact development outcomes. For this reason the position of sexual minorities was included in the World Bank's Draft Gender Strategy.

I asked Hana Bixi, the World Bank's Global Director for Gender the following question:

*"The Draft Gender Strategy includes a focus on the stigma, violence and discrimination experienced by sexual and gender minorities, acknowledging that that has a negative development impact not least on the many women that are members of those communities. So my question, principally to Hana, is whether we should, therefore, interpret the decision made in the case of Uganda following the passing of its Anti-LGBT law to suspend to suspend any new finance, was not a one-off decision, but the emergence of a new policy or a principle which will be applied equally in other countries that apply equally draconian legislation. And I think, particularly, at the moment of Ghana....() where we're awaiting a decision by the Supreme Court and the President, but also other countries where such laws are being debated, for example, in the Kenyan Parliament."*

Hana Bixi replied;

*"On the sexual and gender minorities, obviously, the World Bank Group has strong principles of non-discrimination, inclusion and equal opportunities and across countries, across all operations that the World Bank Group is engaged in there are environmental and social standards applied that provide the safeguards against discrimination and exclusion and that is the approach that is adopted across all countries and in that context also we have discussions with countries where there are issues that need to be resolved such as in Uganda"*

It is heartening to note in this context that the now published, finalised and Board-approved World Bank Gender Strategy is inclusive of sexual and

gender minorities and provides a basis for advocates in local countries to seek inclusion in their countries. Specifically, it says:

*“In many countries, sexual and gender minorities are marginalized and constrained and struggle to access essential services including education, healthcare, social protection, and housing--with negative consequences to society.....*

*The World Bank Group will promote actions in the public and private sectors to enable sexual and gender minorities to access more and better jobs, develop profitable businesses, and emerge as leaders.”*

.....

While the GPF’s formal programme provides for a very focused and high-engagement forum for discussion and knowledge exchange, it forms a small part of the much wider programme of events that take place across the four headquarter buildings of the World Bank and the IMF over the five days of the Spring Meetings. Events range in size from hundreds of participants in an open atrium or lecture theatre to less than a dozen in a small breakout room. The programme ranges across every conceivable policy area, from reducing methane in cows (a seminar I attended set out a practical plan to reduce emissions from this source by 30% by 2030) to the challenges and opportunities afforded by the WHO’s Pandemic Treaty.

The attendees include Finance Ministers and their entourage of senior advisers, here for the closed door meetings of the IMF/World Bank more formally. But they also rub shoulders with general attendees and, for the unabashed, there was an opportunity to buttonhole a Jeremy Hunt or an Andrew Bailey, the senior leadership of the Bank or the Fund, or indeed the smattering of corporate giants and thought leaders that the Spring Meetings attract.

The Spring Meetings in that sense feel like a slightly more open and more democratic version of Davos, with no entry fee and activists and advocates invited alongside the politicians and the bureaucrats. One of the policy debates was titled *“The Path for Taxing the Super-Rich – Towards a Progressive Global Taxation Agenda”*. Not sure there would be many takers for that at the World Economic Forum. And my one abiding memory – alongside being introduced to Tammy, the World Bank’s house pet and part-time bomb-sniffing dog (see below) – was bumping into the World Bank President wandering around looking at the pictures of the future drawn by children from around the world. I may be a dreamer, but it gave me some sense of hope.



**Adam Price July 2024**

