

Analysis

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Founder and Publisher
YOUSUF S. AL-ALYAN

Editor-in-Chief
ABD AL-RAHMAN AL-ALYAN

EDITORIAL : 24833199-24833358-24833432
ADVERTISING : 24835616/7
FAX : 24835620/1
CIRCULATION : 24833199 Extn. 163
ACCOUNTS : 24833199 Extn. 125
COMMERCIAL : 24835618

P.O.Box 1301 Safat, 13014 Kuwait.
Email: info@kuwaittimes.com
Website: www.kuwaittimes.net



(Left) In this file photo taken on Nov 30, 2018, Spanish meat cutter Raquel Acosta shows her skills inside a food truck in Madrid. (Right) In this file photo taken on Sept 30, 2011, basil harvested at City Farm is packaged for delivery in Chicago. — AFP photos

IMF/World Bank: 75 years as world's financial firefighters

At the critical moment of a Hollywood movie starring A-lister Sandra Bullock, Bolivia's newly-elected president calls in the International Monetary Fund to bail out the poverty-stricken country, violating a campaign promise. The streets erupt in violent protest. The movie, "Our Brand is Crisis," is a fictionalized version of the 2002 Bolivian elections and it drastically simplified the situation. But the writers knew the IMF would be unquestionably accepted as the arch enemy of the people.

After 75 years putting out financial fires around the world, the IMF and World Bank face criticism for repeatedly failing to prevent crises and for making things worse for the people they were meant to help. That makes them easy scapegoats. Even if the criticism is not always entirely fair - no one blames the doctor for prescribing a painful but life-saving treatment - the institutions have been trying to rebrand themselves in recent years, putting more emphasis publicly on protecting vulnerable members of society in their lending programs.

But they will need more than a better communications strategy as they contend with a wave of anti-globalization sentiment and technological transformation - while also helping Africa through a transition requiring massive investment in infrastructure and job creation just to keep up with population growth. The challenges "are huge," World Bank President David Malpass told AFP in an interview. The IMF and World Bank were created July 22, 1944 in the shadow of World War II to help rebuild Europe and later Japan, and to try to head off the kind of economic strife that had led to the war. "The original concept of reconstruction and development ... was clarified to include poverty alleviation as the bank grew," Malpass said.

Dismal record

On the surface, their record, especially for the IMF, seems dismal, with each of the prior three decades marked by a severe crisis: the Latin American debt crisis in the 1980s, the Asian and Russian crises in the 1990s and the global financial crisis in 2007, which begat the Great Recession that still looms over the world economy today. In each case, the damage lasted for a decade or more and the IMF was blamed for inflicting even more pain with its rigid demands and policy advice that, according to the fund's harshest critics, too often favored corporate interests in the rich countries over the poor nations in trouble.

But at the same time extreme poverty has plummeted worldwide - falling by a billion people since 1990. "In the history of the world there has never been so much progress in improving people's lives as we have seen in the last 75 years," said Masood Ahmed, who worked alternately either at the IMF or World Bank for nearly half their existences. But the institutions missed the problems growing beneath the surface.

The world "was doing so well on the macro level, and there were so many people being lifted out of poverty, that we glossed over the fact that there were many people who were increasingly uncomfortable with the pace of change," said Ahmed, who leads the Center for Global Development, an anti-poverty research organization. "And I think we're paying a bit of a price for that now."

Without prompting, Malpass volunteered criticism of the "Washington consensus" - sneering shorthand for policies imposed on developing nations that centered on privatization and steep cuts in government spending and employment. The consensus was this policy menu would work for every country in crisis - advice that flies in the face of economic theory calling for spending to increase during a downturn. Instead, Malpass said he wants to focus the World Bank's programs on what is best for each country. "I want it to be more and more effective at helping countries find a path to growth and to good outcomes for the people of those countries."

Greater representation

Agustin Carstens, former head of the Mexican central bank and once a deputy managing director of the IMF, credits the organizations with providing needed oversight and policy advice that has prevented "many more crises". The problem is that, when the IMF is called in, "it goes into an economy at the most difficult time," when all other sources of financing have closed and there are no good options. But he worries the institutions have failed to adapt to the changing global economy, giving only lip service to the far greater weight of countries like China and India.

With IMF Managing Director Christine Lagarde set to leave her post on September 12 to take over the European Central Bank, the old powers are poised to continue the tradition of naming a European to lead the fund while an American runs the World Bank, despite past pledges to change. Carstens, who was a finalist to take over the IMF leadership in 2011 when Lagarde was selected, said the reform is urgently needed to "give more legitimacy to the advice that the fund provides." — AFP

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Kitchen disruption: Better food through AI

Looking for that perfect recipe, or a new flavor combination that delights the senses? Increasingly, players in the food industry are embracing artificial intelligence to better understand the dynamics of flavor, aroma and other factors that go into making a food product a success. Earlier this year, IBM became a surprise entrant to the food sector, announcing a partnership with seasonings maker McCormick to "explore flavor territories more quickly and efficiently using AI to learn and predict new flavor combinations" by collected data from millions of data points.

The partnership highlights how technology is being used to disrupt the food industry by helping develop new products and respond to consumer preferences and offer improved nutrition and flavor. "More and more, food companies are embracing digitization and becoming data-driven," said Bernard Lahousse, co-founder of Foodpairing, a startup with offices in Belgium and New York which develops digital food "maps" and algorithms to recommend food and drink combinations.

Lahousse said his company has "the largest flavor database in the world" that enables better food predictions based on both human preference and data analysis. "Instead of using an expert panel or consumer panel we develop algorithms that can translate into how consumers view this product," he said.

Digitizing flavors

New York-based Analytical Flavor Systems uses AI to create a model or "gastrograph" of flavor, aroma, and texture to predict consumer preference of food and beverage

products. The platform, which recently raised \$4 million in funding, aims to help companies "create better, more targeted and healthy products for consumers," according to founder Jason Cohen. It's not clear how much funding is going into AI food ventures, although overall food tech investment amounted to \$16.9 billion in 2018, according to data from the investment platform AgTech Funder.

Brita Rosenheim, a food tech analyst and investor in Analytical Flavor Systems through the firm Better Food Ventures, said technology can help "digitize existing data" from human taste panels and speed up the process for developing new food products. "The typical food product development process is long, and there are a lot of holes where there is no clear feedback on how the market is reacting, so this kind of technology can help," Rosenheim said.

Foodpairing, for example, offers its "flavor intelligence" map based on molecular analysis: a Spanish dry-cured ham, for example, has elements described as "cheesy" or acidic while beetroots have a "woody" and "caramellic" flavor profile. Lahousse said one of its notable pairing recommendations was oysters and kiwi, which became a signature dish at a well-known Belgian restaurant. "Foodpairing maps out all possible pairings, but food is cultural and personal," he said. "That is why we also use consumer behavior to increase the relevance of the pairings when we work with food companies."

Basil from MIT

Researchers at the Massachusetts Institute of Technology illustrated how AI can be useful in determining optimal growing conditions by growing basil with supercharged fla-

vor, and hope to adapt that for other products. "Artificial intelligence could give us the ability to utilize vast datasets of detailed agricultural information for the improvement of our food crops, faster than ever before," said John de la Parra, head of MIT's Open Agriculture Initiative.

Better data collection and standards are essential to enabling innovations in food, said Matthew Lange, a lecturer at the University of California at Davis and head of the IC3 Foods research center on food informatics working on data standards for food properties. "I see a lot of people applying machine learning around flavor and nutrition in recipe development," Lange said.

Lange said this could take off even more with better standards and data sharing to map flavors and aromas, opening up new possibilities for "personalized" foods and recipes that offer better flavor, nutrition and sustainability. "If we have the ability to 'play back' flavor and aroma it will create a veritable explosion in technology and the business models," he said. "Imaging being able to dial in (the preferred flavors and aromas) to create a sauce just to your liking," he said. "Maybe you want to create something to have a sense of the beach, so this becomes an experience."

MIT's de la Parra said the notion of AI-personalized food is not likely soon. "Personalized food on the individual level is a lofty goal," he said. "To be done well, it would require large amounts of personal data, much of which might be complicated by questions of privacy and security. It is more likely, in the foreseeable future, that AI would be used to predict broad trends in consumer trends and tastes." — AFP

WeWork shakes up commercial real estate - like it or not

With its free coffee, couches and glass partitions, shared workspace startup WeWork has shaken up both office culture and commercial real estate. Brushing aside questions about its business model, the New York outfit shows no signs of slowing down and is now preparing for its Wall Street debut to raise fresh capital. As recently as this month WeWork was seeking to tap credit markets for \$4 billion to expand its footprint in the market for co-working, according to The Wall Street Journal.

When the French startup CybelAngel wanted to open a New York office, WeWork was an obvious choice. With only basic furniture, their current space overlooks Manhattan's tony 5th Avenue, with a corner office next to a small conference room. "It's not cheaper" than a traditional office rental, said Jocelyne Attal, CybelAngel's head of operations in New York. "But we don't have to make a three-year commitment." She added: "There's security, a reception desk, the building codes are met, there's house-keeping. We don't have to take care of anything."

The free Monday breakfasts and Thursday drinks don't hurt, either. When the company first appeared on the scene in 2010, the co-working concept was only starting to gain traction thanks to new technologies allowing professionals to work remotely. And the global financial crisis actually helped business, as it drove finan-

cial and creative professionals to launch their own start-ups. "WeWork was the first to really gravitate towards all the demand from first time entrepreneurs and small business," said Alex Cohen, vice president at the Compass real estate firm in New York.

At WeWork spaces, all office supplies and utilities are provided, right down to internet connections and printers. And the decor, a blend of bright colors and industrial themes, appeals to millennials. But the company also has attracted interest from major companies like Microsoft, HSBC and Facebook. Companies with more than 500 employees now represent 40 percent of WeWork's clientele. Officially renamed the We Company in January, the firm now manages 485 locations in 28 countries - often entire floors split into separate offices, common spaces and individual work spaces that WeWork furnishes and sublets.

Losses or Investments?

"Per square foot, it is much more expensive than a typical workplace," said Cohen of Compass. But for a small business, the benefits per person add up. "You are sitting in a room with four or five other people, and included in the desk space is the ability to use conference rooms, to enjoy the lounge, the pantry." But not everyone welcomes the company's rise. "There's been a certain amount of reluctance among owners about renting space, in light of the fact that WeWork's tenants are relatively short term," he said.

In a recession, the tenants will tend to clear out. Real estate market players recall the misadventures of a company called Regus - now an office space and co-working giant known as IWG - which nearly went bust following the tech crash of 2001. And questions linger about whether WeWork's business model is sustainable. The



A WeWork office is seen in New York City on July 19, 2019. — AFP

latest estimates value the company at \$47 billion even though it continues to burn cash: \$1.9 billion in losses last year with revenues of \$1.8 billion. IWG's revenues were almost twice as much last year, and it is also profitable and has \$4 billion market capitalization.

Meanwhile, WeWork has ventured into new areas like residential apartments and education, and tells investors they should see its quarterly losses as investments. "We really want to emphasize the difference between losing money and investing money," Chief Financial Officer Artie Minson told CNBC. "At the end of this quarter, we have these cash flow-generating assets." Certain moves by co-founder Adam Neumann, such as personally investing in real estate before renting it back to WeWork, have also caused some to grit their teeth. Nevertheless, Cohen says co-working has driven demand for commercial real estate in major urban markets over the last five years. — AFP

BoE notes its 325 years with trip back in time

Some of the earliest surviving banknotes and a Cold War nuclear radiation calculator are among 325 historic objects unearthed by the Bank of England to celebrate its 325th anniversary. Britain's central bank is the second oldest in the world after that of Sweden, and its trip back through time means returning to the days when its banknotes were written by hand. Among the exhibits are a £40 note dating from 1702 - a huge sum at the time, worth more than £9,000 (\$11,000) nowadays.

There is also a forged banknote, which first appeared in 1858 when a customer tried to exchange it for gold. It was stamped as counterfeit and handed back, but then reappeared in 1898 after being presented again, with someone having painstakingly managed to erase the stamp. This time the bank kept it. "It's a very intriguing story on how people always try their luck," said Jenni Adam, curator of the Bank of England Museum, noting that capital punishment was the penalty for counterfeit money until 1832. Miranda Garrett, the BoE's collections and exhibitions manager, added: "The bank is always working very hard to improve security of its banknotes."

'The Old Lady of Threadneedle Street'
When it was founded in late July 1694, the Bank of England employed just 19 peo-



(Left) An undated handout photo shows a 1896 patent coin sorter by Hammer of Liverpool, used at the Bank of England's Newcastle branch to sort large batches of coins, an exhibit on display at the 325th anniversary exhibition, '325 years, 325 objects'. (Center) A banknote for £40, issued to Elizabeth Head in 1702, one of the oldest banknotes in the collection. (Right) A set of hand scales from 1749, used for weighing and testing coins. — AFP photos

ple and mainly served to support government borrowing. A century later in 1797, it gained its nickname "The Old Lady of Threadneedle Street" - the London thoroughfare it stands on - when a cartoon depicted the institution as an old dame sat firmly on the money chest, rejecting the seductive advances of the prime minister, William Pitt the Younger. Although it has expanded considerably since its inception, with 4,000 employees today, its purpose remains much the same. "The bank's mission is still... for the good of the people to maintain the financial stability of the UK," said Adam. Nationalized in 1946 and made independent from the government in 1997, its objective is to keep inflation at around two percent per year, in order to maintain

confidence in the pound sterling currency while encouraging growth.

Fallout calculator

The "325 Years, 325 Objects" exhibition, which runs from Monday until May 15 next year, is not simply a pile of coins, notes and gold bars - of which the bank has around 400,000 in its coffers. It has artefacts that trace Britain's course through history. A set of hand scales for weighing and testing foreign gold and silver coins from 1749 sits alongside a 14th-century water jug found in 1929 during rebuilding work, and Roman relics unearthed during archaeological digs.

There is also a rotating Cold War radiation fallout calculator, from 1959-1960, used to estimate the effects of a nuclear

attack. "We tried to reflect stories not just about governors but also about everyday bank clerks," said Garrett. It was not until 1894 that a woman, Miss Janet Hogarth, joined the staff. Though this may seem late, the BoE was the first City of London institution to let in women, said Adam. A 1970s embossed label affixed to the box used for the chief cashier's confidential papers refers to "his". Nowadays the person responsible for issuing banknotes is Sarah John - the third woman to hold the post after Merlyn Lowther in 1999, and her predecessor Victoria Cleland in 2014. A woman has never held the top post of governor. Mark Carney's term expires at the end of Jan 2020 but the names reportedly in the frame to succeed him are all men. — AFP