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"I believe that the school must represent present life – life as real and vital to the child as that which he carries on in the home, in the neighborhood, or on the playground." John Dewey

LUCUBRATE MAGAZINE

he world is changing all around us. A skilled population is the key to a country's sustainable development and stability. We know that obtaining a quality education is the foundation to improving people's lives and sustainable development. To contribute to skill people over the next ten years and beyond, we must look ahead, understand the trends and forces that will shape our business in the future and move swiftly to prepare for what has to come. We must get ready for tomorrow today. We will make it possible for youth and young adults all over the world to gain skills they can use in the labour marked or to create their own jobs. We will make it possible for • every person to have lifelong learning opportunities to acquire the knowledge and skills they need to fulfil their aspirations and contribute to their societies.

The Lucubrate project started in 2017 by NKB. The aim for the project is to become one of the world leader in knowledge transfer independent of the country you live in. The Lucubrate Magazine is a part of the Lucubrate project.

We recognize the creative power that comes from encouraging collaboration and innovation among a team of knowledgeable experts. This unique energy is our greatest competitive advantage in the world marketplace.

- Our purpose is to bring Quality Education and Skills Everywhere.
- Our mission is to support education for building skills to all kind of businesses to create possibilities for jobs and make a lasting difference to people's lives. Globally. 24/7.
- To be the world leader in knowledge transfer across all borders.

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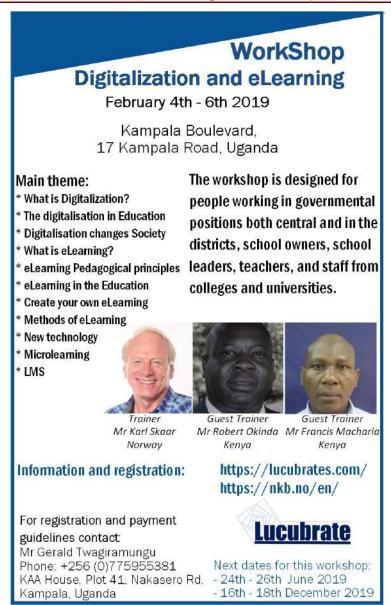
Change is Happening

Workshop in Uganda: Digitalisation and eLearning

This is a workshop for people working in governmental administration both central and in the districts, school owners, schools leaders, teachers and staff from colleges and universities. The program goes over three days from February 4th to February 6th 2019.

Lucubrate Magazine is supporting the workshop and appear as one of the partners. The deadline for registration is January 31, 2019.

Read more about the workshop following this link: https://lucubrates.nkb.no/

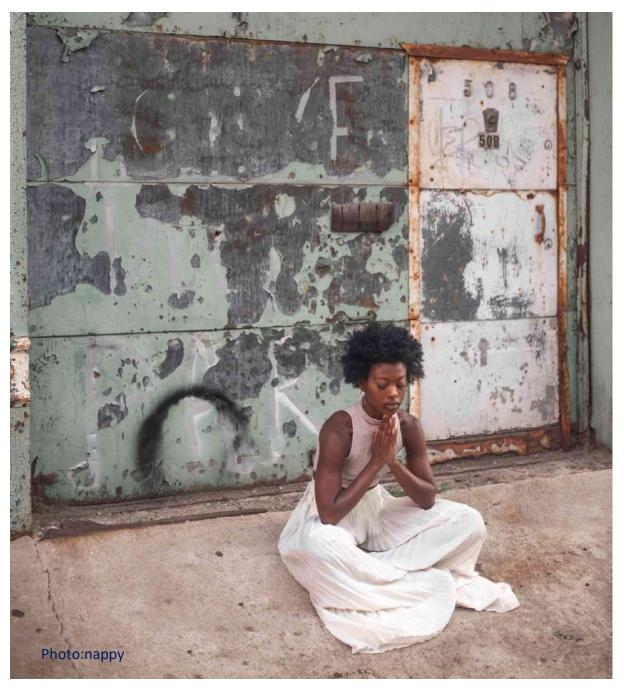




The Year 2018 Was the Best Year in Human History

By Karl Skaar

At the beginning of a new year we can go through Ate year we left. We can measure our lives in many ways. One way is to just look at yourself and your situation. Then you can compare 2018 with the years before to see if you have a positive development on the parameters that count for you. Another perspective can be to look at the world, all the human.





The New York Times had an article on January 5th where Nicholas Kristof conclude that "Once again, the world's population was living longer and living better than ever before" [1]. Let us look at the figures behind that statement:

Life Expectancy

Life expectancy has increased rapidly since the Enlightenment. Estimates suggest that in a pre-modern, poor world, life expectancy was around 30 years in all regions of the world. In the early 19th century, life expectancy started to increase in the early industrialized countries while it stayed low in the rest of the world. This led to a very high inequality in how health was distributed across the world. Good health in the rich countries and persistently bad health in those countries that remained poor. Over the last decades this global inequality decreased. Countries that not long ago were suffering from bad health are catching up rapidly. Since 1900 the global average life expectancy has more than doubled and is now approaching 70 years. No country in the world has a lower life expectancy than the the countries with the highest life expectancy in 1800. [2]

Access to electricity

Electricity is a crucial for poverty alleviation, economic growth and improved living standards. Each day on average, about another 295,000 people around the world gained access to electricity for the first time.

Access to energy is a key pillar for human wellbeing, economic development and poverty alleviation. Ensuring everyone has sufficient access is an ongoing and pressing challenge for global development.

At a global level, the percentage of people with access to electricity has been steadily increasing over the last few decades. In 1990, about 73 per cent of the world's population had access; this has increased to 85 per cent in 2014. High-income countries have typically maintained close-to-maximum (95-100 per cent) access since 1990. The increasing global share has therefore been driven by increased access in low and middle-income economies. In many countries, this trend has been striking: access to India, for example, increased from 45 per cent to almost 80 per cent. Indonesia is close to total electrification (sitting at 97 per cent) – up from 60 per cent in 1990. For countries with strong population growth, such improvements in the share of the population with access are even more impressive.

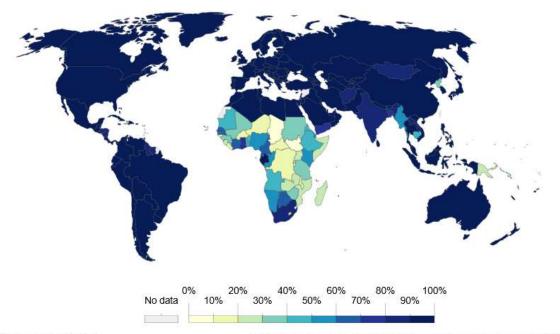


Whilst the trend is upward for most countries, a number are still severely lagging. At the lowest end of the spectrum, only 8.8 per cent of Chad's population has electricity access. For some countries, significant improvements in access will remain a pressing challenge over the next few decades. The map under illustrate the distribution of access to electricity.

Share of the population with access to electricity, 2016



Data represents electricity access at the household level, that is, the number of people who have electricity in their home. It comprises electricity sold commercially, both on-grid and off-grid.



Source: The World Bank

OurWorldInData.org/energy-production-and-changing-energy-sources/ • CC BY-SA

Despite population growth, the absolute number of those without electricity access has also been declining. The number without access has decreased from 1.4 billion in 1990 to just over a billion (1.07) in 2014. During this 24 year period, the number of people with access to electricity increased by 2.3 billion. This means that on average the number of people with access to electricity increased by 262,600 every single day in these 24 years. [2]

Education

Education is widely accepted to be a fundamental resource, both for individuals and societies. Indeed, in most countries basic education is nowadays perceived not only as a right but also as a duty – governments are typically expected to ensure access to basic education, while citizens are often required by law to attain education up to a certain basic level.



Increases in the quantity of education – as measured for example by mean years of schooling – has, for a long time, been the central focus of policymakers and academic debate. While increasing access to education is important, the actual goal of providing schooling is to teach skills and transfer knowledge to students in the classroom. This entry focusses on the outcomes of schooling – the quality of education.

While we have good empirical data on the access to education we know much less about the quality of education. Unfortunately, the data on the skills and knowledge of students is sparse and has limited spatial and temporal coverage. This is in part due to the difficulty and cost of creating and implementing standardized assessments that can be compared across borders and time. Efforts to measure these outcomes are geographically more restricted (often only OECD countries are included) and even less is known about how the performance of students with respect to these outcomes has changed over time. A third limitation is that measures are sometimes not comparable between countries.



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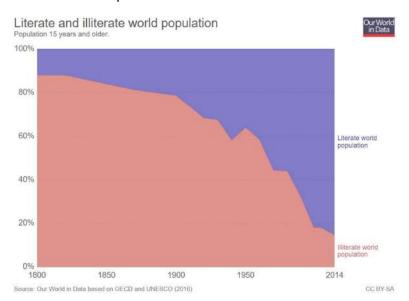


Most often these assessments are measuring learning outcomes of one or several of the following three dimensions:

- Reading and language proficiency
- Mathematics and numeracy proficiency
- Scientific knowledge and understanding

From a historical perspective, the world went through a great expansion in education over the past two centuries. This can be seen across all quantity measures. Global literacy rates have been climbing over the course of the last two centuries, mainly through increasing rates of enrollment in primary education. Secondary and tertiary education have also seen drastic growth, with global average years of schooling being much higher now than a hundred years ago. Despite all these worldwide improvements, some countries have been lagging behind, mainly in sub-Saharan Africa, where there are still countries that have literacy rates below 50% among the youth.

Data on the production of education shows that schooling tends to be largely financed with public resources across the globe, although a great deal of heterogeneity is observed between countries and world regions. Since differences in national expenditure on education do not explain well cross-country differences in learning outcomes, the data suggests that generic policies that increase expenditure on standard inputs, such as the number of teachers, are unlikely to be effective to improve education outcomes.



The visualization presents estimates of world literacy for the period 1800-2014. As we can see, literacy rates grew constantly but rather slowly until the beginning of the twentieth century. And the rate of growth really climbed after the middle of



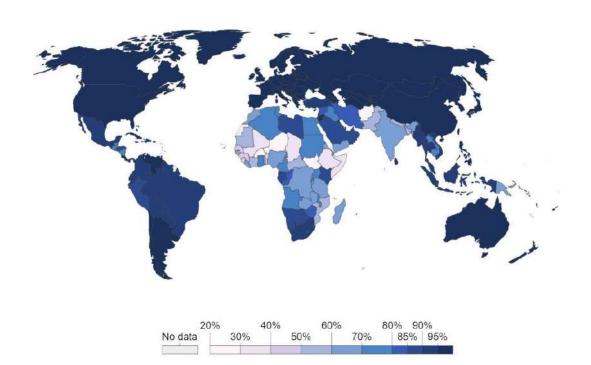
the 20th century, when the expansion of basic education became a global priority.

If we look at different countries, we will find differences. The map below shows literacy rates around the world, using recent estimates published in the CIA Factbook. As can be seen, all countries outside Africa (with the exception of Afghanistan) have literacy rates above 50%. Despite progress in the long run, however, large inequalities remain, notably between sub-Saharan Africa and the rest of the world. In Burkina Faso, Niger and South Sudan – the African countries at the bottom of the rank – literacy rates are still below 30%.

Literacy rate by country, 2011

Literacy rate for the entire population, 2011 or latest data from CIA Factbook.





Source: CIA Factbook (2016)

Primary school enrollment around the world increased drastically in the last century. The growth in access to primary education across developing countries was achieved through an important increase in government expenditure on education in these countries. In the majority of developing countries, net enrollment rates are higher than attendance rates. This reflects the fact that many children



who are officially enrolled, do not regularly attend school. UNESCO reports that "among the 59 countries with comparable data, in 24 countries participation rates drop by five percentage points for the primary school-age group when household surveys are used instead of administrative data. The average number of years spent in school has gone up around the world. We see the pattern that early-industrialized countries pioneered the expansion of education in the 19th century, but this process became a global phenomenon after the Second World War.[2]

Is the Future Always Bad?

Living conditions around the world have improved in important ways; fewer people are dying of disease, conflict and famine; more of us are receiving a basic education; the world is becoming more democratic; we live longer and lead healthier lives. So why is that we – mostly in the developed world – often have a negative view of how the world has changed over the last decades and centuries? Why we are so pessimistic about our collective future?

With all the negative news stories and sensationalism that exists in the media, it may be hard to believe things are improving. These events can be contextualised as short-term fluctuations in an otherwise positive global trend. Quantifying this progress and identifying its causes will help researchers develop successful strategies to combat the world's problems. However, we can find an optimistic change; A larger share of the world population is living a life free of poverty and more and more people live in democratic countries. And more people get an education.

References

- [1] The New York Times. January 5th, 2019
- [2] Our World in Data



What is a financial asset and financial liability?

By Peter Welch, Georgia, CEO GlobalCfo.LLC

What is a financial asset?

- Cash
- Equity instruments of another entity (e.g. shares),
- Contractual right



We move the financial assets

To receive cash or another financial asset of another entity (e.g. trade receivable);

 To exchange financial assets or financial liabilities with other entities under potentially favourable conditions (e.g. foreign currency forward contract with a positive outcome – derivative asset).



• The contract settled with a variable amount of own equity instruments (very simplified). If this would be settled with a fixed amount of own equity instruments, then it would have been an equity instrument, not a financial asset.

Please note that the contractual rights to receive an asset other than cash or a financial asset of another entity is NOT a financial instrument.

Example – financial instrument or not?

Imagine you ordered XY barrels of petrol with delivery in 3 months at market price valid at the time of delivery. You have 2 options:

Take physical delivery (=petrol)

Instead of physical delivery, you settle in cash (pay or receive the difference in market prices between the date of the contract and the time of delivery).

If you intend to take physical delivery, then it's NOT a financial instrument (if you have no history of similar contracts settling in cash). It's a regular trading contract because you will NOT receive cash or a financial asset of another entity. But, if you intend to settle in cash, it's a financial instrument and you need to recognize a derivative from day 1.







What is a financial liability?

A contractual obligation

To deliver cash or another financial asset to another entity (e.g. loan taken, trade payable), or to exchange financial assets or financial liabilities other than the entity's own equity under potentially unfavourable conditions.

The contract settled with *a variable amount* of own equity instruments (very simplified). If this would be settled with a fixed amount of own equity instruments, then it would have been an equity instrument, not a financial liability.

Why variable amount, not fixed?

Why is the fixed amount of own equity instruments excluded when defining the financial assets and liabilities? It is probably because the nature of such transactions is very close to equity issuance or repurchase.

EXAMPLES: CONTRACTS FOR SHARES TO PAY FIXED LIABILITIES

- 1. a contract to deliver as many of the undertaking's own equity instruments as are equal in value to \$100,000, and
- 2. a contract to deliver as many of the undertaking's own equity instruments as are equal in value to the value of 100 ounces of gold.

Such **contracts are financial liabilities**, even though the undertaking must, or can, settle it by delivering its own equity instruments.





Financial Instruments

So let's get back to the important question of why do we really care what is classified as a financial asset or financial liability and/or equity. The question boils down to the potential of a future loss. The Barings case illustrated an extreme example whereby one person working in a bank and with seemingly unlimited access to the financial markets was able to independently bring down a very significant bank. The ability to hide the transaction, totally bypass all internal controls and be able to continue executing transactions in an attempt to recover his position clearly demonstrated the need for stronger regulatory compliance. Irrespective however of that individual's arrogance was management's total failure to ensure that no one trader could operate totally independently without apparent supervision. However, notwithstanding these obvious organizational weaknesses let's get back to the IFRS when it comes to handling/accounting for financial instruments.

In reality when we talk about financial instruments what is really on the agenda is how to account for derivatives under the Framework's 'transparency' umbrella. Does this imply that trading derivatives is very unwise and should be prohibited, on the contrary absolutely not. There are two positions when it comes to derivatives; a 'naked/speculative' position and a hedged position. And when it comes to naked positions both the potential gain and the **potential risk are greater.**



Oh, and should be no surprise, the Barings case was all about trading 'naked' derivatives.

So what are these financial instruments, these derivatives:

Forward contracts / Futures

Forward contracts are legally binding obligations to deliver or take delivery of a specified asset on a contractually agreed-upon date and price. **Futures contracts** also require the contracting parties to deliver or take delivery of an asset on a future date. However, other terms of the futures contract differ from the forward contract making the futures contract more useful at times than the forward contract, depending upon the circumstances of the firm, and less useful at other times.

(AMA Managing Financial Risk)

Options

Option contracts give the option holder (also called the option owner) the right, but not the obligation, to buy or sell an asset at a specified price, called the strike price, on or through a specified date, called the option expiration date. The people who stand ready to buy or sell the asset if the option is exercised are called option writers and are legally obligated to fulfill the terms of the option

agreement. Unlike the option holder, option writers cannot walk away from the option if the price of the asset moves against them.

(AMA Managing Financial Risk)





Swaps

Swaps are contractual arrangements whereby two parties, called swap counterparties, effectively agree to swap payments on specified obligations issued by the counterparties. Interest rate and currency swaps are the most common types of swap arrangements. For example, in an interest rate swap, counterparty A might issue fixed-rate debt and counterparty B floating-rate debt. Then, the respective payments would be swapped through a financial intermediary with counterparty A making floating-rate payments to the financial intermediary and receiving fixed-rate payments while counterparty B makes fixed-rate payments to the intermediary and, in turn, receives floating-rate payments. The effective outcome is to transform A's fixed-rate debt into floating-rate debt for A and B's floating-rate debt into fixed-rate debt for B—that is, a swap.

(AMA Managing Financial Risk)

When we create a derivative position we're selecting a directional movement.

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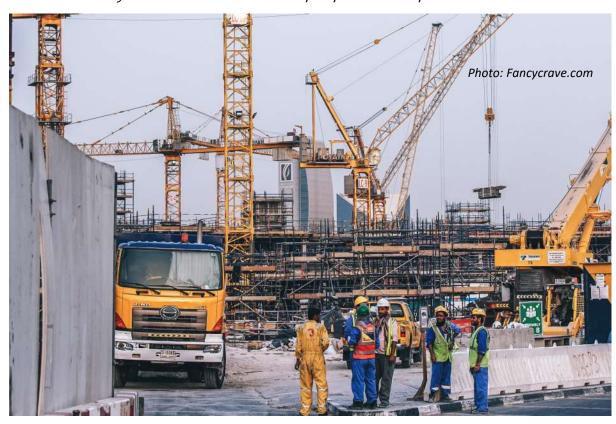
Mr. Peter Welch, CEO of GlobalCfo.LLC

GlobalCfo.LLC is expert at developing entrepreneurs and building 3-5 year business plans and cash flow projections as a prerequisite for accessing financing sources. GlobalCfo.LLC targets accounting standards compliance and theory, sound infrastructure /process mapping and COSO 2013-17/solid internal controls, ERM, and last but not least documentation / Policy and Procedures and other manuals. Additionally interim CFO services (or Rent-a-CFO by the hour/day) are offered locally or remotely as well as training at all levels and all functions not just accounting; e.g., management and leadership skills. Pre/Post-M&A is also offered. (http://www.GlobalCfoLLC.Com).



Education is Fundamental to Development and Growth

There are many reasons why education is important. For every US\$1 spent on education, as much as US\$15 can be generated in economic growth. In general, education — as a critical component of a country's human capital — increases the efficiency of each individual worker and helps economies to move up the value chain beyond manual tasks or simple production processes.



Education is Fundamental to Development and Growth

The human mind makes possible all development achievements, from health advances and agricultural innovations to efficient public administration and private sector growth. For countries to reap these benefits fully, they need to unleash the potential of the human mind. And, there is no better tool for doing so than education.



There is a wealth of literature on this topic, showing the long-held expectation that human capital formation (a population's education and health status) plays a significant role in a country's economic development. Better education leads not only to higher individual income but is also a necessary (although not always sufficient) precondition for long-term economic growth. A study from 2015 has empirical evidence stating that it shows the crucial role of education for individual and societal prosperity. Education is a leading determinant of economic growth, employment, and earnings. Ignoring the economic dimension of education would endanger the prosperity of future generations, with widespread repercussions for poverty, social exclusion, and sustainability of social security systems. For every US\$1 spent on education, as much as US\$10 to US\$15 can be generated in economic growth (UNESCO 2012). If 75% more 15-year-olds in forty-six of the world's poorest countries were to reach the lowest OECD benchmark for mathematics, economic growth could improve by 2.1% from its baseline and 104 million people could be lifted out of extreme poverty (UNESCO 2012). [1]





Education for All

Twenty-five years ago, government officials and development partners met to affirm the importance of education in development—on economic development and broadly on improving people's lives—and together declared Education for

All as a goal. While enrolments have risen in promising fashion around the world, learning levels have remained disappointingly and many remain left behind.

Because growth, development, and poverty reduction depend on the knowledge and skills that people acquire, not the number of years that they sit in a classroom, we must transform our call to action from Education for All to Learning for All.



TARGET



EDUCATION FOR SUSTAINABLE DEVELOPMENT AND GLOBAL CITIZENSHIP In 2015, world leaders agreed to 17 goals for a better world by 2030. These goals have the power to end poverty, fight inequality and stop climate change. Guided by the goals, it is now up to all of us, governments, businesses, civil society and the general public to work together to build a better future for everyone.

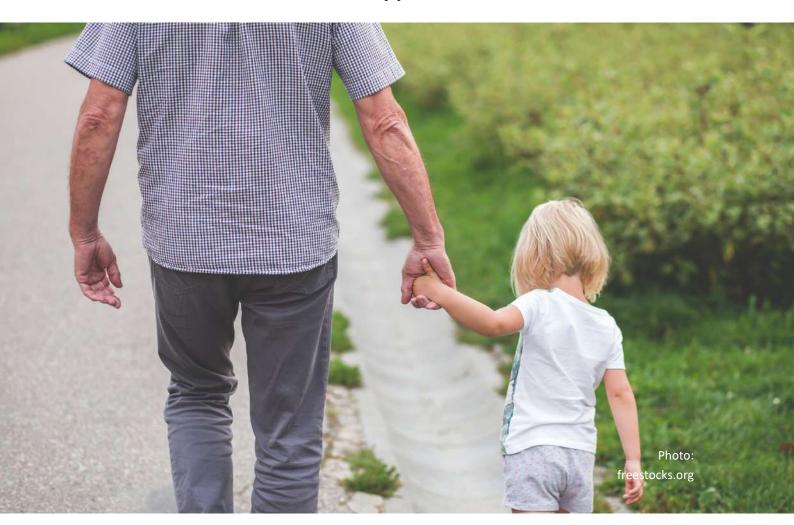
The fourth goal is about quality education for all; "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all." The seventh target in Goal 4 is about education and development. The target says that we should think



about education for sustainable development and global citizenship.

The target is set that by 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

With a world population of 7 billion people and limited natural resources, we, as individuals and societies need to learn to live together sustainably. We need to take action responsibly based on the understanding that what we do today can have implications on the lives of people and the planet in future. Education for Sustainable Development (ESD) empowers people to change the way they think and work towards a sustainable future.[2]





A Lifetime of Learning, Smart Investments, and for All

Elizabeth King focused in a speech at Education World Forum in 2011 on three issues [3]:

- 1. First, foundational skills acquired early in childhood make possible a lifetime of learning. The traditional view of education as starting in primary school takes up the challenge too late. The science of brain development shows that learning needs to be encouraged early and often, both inside and outside of the formal schooling system. Prenatal health and early childhood development programs that include education and health are consequently important to realize this potential. In the primary years, quality teaching is essential to give students the foundational literacy and numeracy on which lifelong learning depends. Adolescence is also a period of high potential for learning, but many teenagers leave school at this point, lured by the prospect of a job, the need to help their families, or turned away by the cost of schooling. For those who drop out too early, second-chance and nonformal learning opportunities are essential to ensure that all youth can acquire skills for the labour market.
- 2. Second, getting results requires smart investments—that is, investments that prioritize and monitor learning, beyond traditional metrics, such as the number of teachers trained or a number of students enrolled. Quality needs to be the focus of education investments, with learning gains as the key metric of quality. Resources are too limited and the challenges too big to be designing policies and programs in the dark. We need evidence on what works in order to invest smartly.
- 3. Third, learning for all means ensuring that all students, and not just the most privileged or gifted, acquire the knowledge and skills that they need. Major challenges of access remain for disadvantaged populations at the primary, secondary and tertiary levels. We must lower the barriers that keep girls, children with disabilities, and ethnolinguistic minorities from attaining as much education as other population groups. "Learning for All" promotes the equity goals that underlie Education for All and the MDGs. Without confronting equity issues, it will be impossible to achieve the objective of learning for all.





Achieving learning for all will be challenging, but it is the right agenda for the next decade. It is the knowledge and skills that children and youth acquire to-day—not simply their school attendance—that will drive their employability, productivity, health, and well-being in the decades to come, and that will help ensure that their communities and nations thrive.

Education Enriches People's Understanding

Education enriches people's understanding of themselves and the world. It improves the quality of their lives and leads to broad social benefits to individuals and society. Education raises people's productivity and creativity and promotes entrepreneurship and technological advances. In addition, it plays a very crucial role in securing economic and social progress and improving income distribution.

Reference

- [1] Catherine Grant, The contribution of education to economic growth institute of Development Studies (2017)
- [2] UNESCO Education for Sustainable Development
- [3] Elizabeth King focused in a speech at Education World Forum (01/28/2011)

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THE TVET EXPERT OF THE WEEK Ms Rashmi Mehra



Ms Rashmi Mehra is a Senior Management professional with 25+ yrs experience and has managed departments and verticals independently in leadership roles. She has significant experience in both Corporate and Consulting fields with an accelerated career path and honours.

An experienced Vocational Education and Training Consultant, she has a demonstrated history of working on TVET Reforms, QA & Standards, Competency standards and Curriculum Development, Instructional Design, Institutional Strengthening, Training, Capacity building & Project Management.

As a Sr. management professional and International development consultant, she has worked across different sectors- private, public and bilateral development cooperation, working with different focus groups – marginalized youth, women, disadvantaged, government & corporate professionals, etc. She has been recognized for designing capacity development initiatives and industry aligned programs.

Specific country experience gained through short & long term assignments/ consultancies, appraisal missions and managed projects include India, Malaysia, Singapore, USA, UK, Bangladesh, China and Sri Lanka.

She has been part of several projects with funding agencies like ADB (multiple projects), EU, USAID and World Bank.

During her work tenure, she has contributed to the research and development of various academic books at Pearson and research reports on TVET (project specific).

Fluent in English and Hindi, she has a Masters in Life Science with a double Bachelors degree in Education & Science.

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Suggested and Presented by

Karl Skaar



You Can Start as an Entrepreneur

Entrepreneurship refers to the concept of developing and managing a business venture. This in order to gain profit by taking several risks in the corporate world. Entrepreneurship means different things to different people. One understanding of entrepreneurship can be a commitment to turning an idea into a profitable business.

Entrepreneurship has been described as the "capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit". An Entrepreneur is an entity which has the ability to find and act upon opportunities to translate inventions or technology into new products: "The entrepreneur is able to recognize the commercial potential of the invention and organize the capital, talent, and other resources that turn an invention into a commercially viable innovation."

Lucubrate offer courses in entrepreneurial skills both <u>on-site training and eLearning</u> or a combination of those two.

The Lucubrate eLearning course discusses different important issues for an entrepreneur. The course is made for people that want to start or just have started their own business. However, also people running their own business can benefit from the course.

The course expects much activity from you; follow the steps, videos, quizzes, and tasks. The more you work with the course the more you will benefit from it.

See more: You Can Start as an Entrepreneur

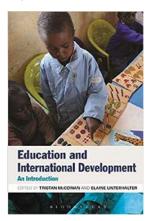




Book

Education and International Development: An Introduction

By Tristan McCowan and Elaine Unterhalter



Education and International Development: An Introduction

Education is fundamental to every aspect of development and there is widespread support across the world for policies that affirm that all children, regardless of their circumstances, have a right to quality schooling. Yet despite concerted efforts from national governments, multilateral organisations and NGOs over many decades we are still far from achieving education for all. In addition, while education can enhance human development, it is also associated with persistent inequalities.

Education and International Development provides a comprehensive introduction to the field, giving an overview of the history, influential theories, important concepts and areas of achievement, and presenting a critical reflection on emerging trends in policy, practice and research.

With chapters that review key challenges and inspiring initiatives in countries around the globe - focusing on critical issues such as language, conflict and teachers - this book serves both as a companion to graduate studies in international education and a concise reference book for practitioners and educators in the field.

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