

# Women debate a new way forward for the world's financial system

The Women's Forum for the Economy and Society in Deauville has exposed how the crisis has affected women worldwide



**Ruth Sunderland**  
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Women's Forum founder and CEO Aude Zieseniss de Thuin gives the opening address of the fifth Women's Forum at Deauville, France. Photograph: Eric Piermont/AFP /Getty Images

"A Congolese woman told me: 'For you in the west, the financial crisis is a change in lifestyle. For us it is a matter of life and death.'" Iraqi-born Zainab Salbi, the founder of Washington-based organisation Women for Women International, speaks about this encounter with all the eloquence and passion she can muster as an advocate for the silent victims of the banking collapse.

Their voices may be drowned out by bankers noisily protesting about possible curbs on bonuses, but women and girls in poor countries have been hard hit by the implosion of banks thousands of miles away – and unlike the financiers, they are not being bailed out. For every dollar of development aid, Salbi says, women and girls can receive as little as half a cent. "They are just not on the radar."

Salbi, whose father was a personal pilot for Saddam Hussein, has helped nearly 200,000 women to recover from the devastation of war, to gain economic

want to make short-term decisions now to balance their books, but the impact will be more food crises and more instability in people's lives."

She argues that many in the west are blind to the fact that poverty and social injustice create a breeding ground for conflict. "An Iraqi youth recently said to me that if he and his family were hungry and he couldn't get a job, he would go to fight with whoever will pay him. Wars are not only about armies and bombs, but about economic instability."

She views the repression of women in a society as a harbinger of broader unrest. "The ill-treatment of women is a bellwether. With the Taliban in the 1990s, people ignored it, saying it is only women. Then we had September 11."

Salbi is one of more than 1,000 female activists, business leaders and politicians attending the fifth international Women's Forum for the Economy and Society in Deauville this weekend.

The gathering receives a fraction of the media coverage devoted to male-dominated talkathons such as Davos. But it provides a platform to make sure the rebuilding of the financial system reflects the needs of poor women in Africa as well as rich men on Wall Street.

Ngozi Okonjo-Iweala, managing director at the [World Bank](#) and a former finance minister of Nigeria, is another of the conference superstars. As she tries to leave the main hall, she is mobbed by supporters.

In 2003, she left a well-paid job in Washington DC to work 20-hour days in the finance ministry. She was hailed as the woman who could save Africa after she cleaned up some of the corruption marring the Nigerian system and won a major deal from the west to forgive billions of pounds of debt, only to become the victim of a vicious smear campaign.

"In low-income countries there are no green shoots, there is no recovery," she says. "For once, they did not cause the crisis but they are feeling the impact. Ninety million people have fallen into poverty because of the financial crisis, and low-income countries cannot afford fiscal stimulus."

She says some G7 countries – though not the UK – are failing to meet aid commitments, and calls on companies to resume investment in Africa. "We need to get the private sector back in. It might be less risky than investing in the developed world," she says with a smile.

She adds: "The World Bank has lent \$14bn to the very poorest countries and \$58bn in all. Just for the 43 poorest countries in the world to maintain their core services, such as education, health services and maintenance of basic infrastructure so they do not slide back, they need \$11.6bn. If you compare that to the bad debts and the trillions of dollars that have been poured into the developed world, it is not beyond the realm of possibility."

Both Okonjo-Iweala and Salbi argue that the financial crisis is having a disproportionate effect on women in poor and war-scarred countries. "Women and girls are worse affected by all the horrible things in the world: the credit crisis, the food crisis, wars," says Salbi.

The figures are sobering. Children's charity Plan International says that as a result of the crisis, an estimated 50,000 more African babies will die before their first birthday, and most will be girls.

Girls, Okonjo-Iweala says, are the first to be pulled out of school to help with the family income, but the last to get food when supplies are short. "Girls get to eat last. Pregnant women already have weakened immune systems, so their babies suffer and die. This is a human crisis, not just a financial crisis."

The flip side, as World Bank president Robert Zoellick has said, is that investing in women and girls is a powerful catalyst for poor countries to break entrenched cycles of poverty and to create a more even distribution of income.

Karen Kornbluh, US ambassador to the Organisation for Economic Co-operation and Development, agrees: "Women are often more vulnerable in a crisis – they are the first to be hurt. But this is also a chance for women to help shape change."

Okonjo-Iweala and Salbi both believe that female entrepreneurs have a huge role to play in recreating some of the jobs lost, and that female farmers can help bring economic stability and improve food supplies.

Giving young women the same access to land, fertiliser, credit and agricultural training as men can increase yields of some crops by 22%, according to the International Food Policy Research Institute, meaning more food for hungry mouths.

One problem, however, is that the distribution of credit is not working well enough for these women. Although billions of dollars of capital was recycled between banks in the run-up to the collapse, benefiting only financiers, funding does not flow in sufficient quantity to women in developing countries.

Salbi says: "Women do not control enough resources. That is a global issue and we need to change it. Micro-credit is only part of the answer – women also need larger-scale solutions, including access to capital and to larger markets."

The "Lehman Sisters" issue of not having enough women in positions of power might seem a luxury, but both Okonjo-Iweala and Salbi argue that giving women a voice in restructuring the world's financial architecture is also an imperative for the wellbeing of women in the developing world. "We should not restructure the collapsed financial system by rebuilding the old boy network because then it will collapse again," says Salbi. More women must be encouraged to enter the political system, Okonjo-Iweala says, adding drily: "Not just women, but intelligent men."

At the core of the argument is the idea that empowering women economically is not just a matter of fairness, but of financial sense. Studies by Goldman Sachs's economists have shown that women are more likely to plough back their earnings into the family, bringing benefits to society as a whole.

Increased female participation in the labour forces of developing countries can also bring a significant fillip to economic growth. Salbi says: "On financial markets you gamble, but if you invest in women you cannot lose. It will have a huge dividend now and in future generations. Women are the safest investment you can make."

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