

## MGC Briefing paper 2 May 2007

Kathy Kelleher, Mercy Associate and Justice Team member of the Sisters of Mercy of the Americas, attended a World Bank briefing on its new Gender Action Plan entitled “*Gender Equality as Smart Economics*,” at the United Nations Commission on the Status of Women in March, 2007. The title and premise of this plan sparked the following thoughts.

### “Gender Equality as Smart Economics”

**...Really, do you think so?!**

What Catherine McAuley knew instinctively, and what women's groups have stated for years, the World Bank and development professionals are coming to understand: when women gain, so do families, communities and the world. Really?! This truth was put on the world stage last fall when Dr. Mohammed Yunus of Bangladesh, “Modest banker of the poor,” won the 2006 Nobel Peace Prize for his concept and 30-year practice of lending money to poor women entrepreneurs who consistently prove that they are smart business investments.

#### **Boxed Quote**

Muhammad Yunus is no diplomat or politician; he is simply an economist. Yet as the Nobel Peace Prize committee recognized, he has done more to help the world than virtually anyone alive today. Mr. Yunus's insight was simple, and is worth quoting:

**"Charity is not the answer to poverty.** It only helps poverty to continue." He realized that, even if the vast amount of Western aid reached its intended targets, it would merely create dependency and suppress initiative. His solution was to start at the bottom – to offer small loans, at commercial rates of interest, to those in his

native Bangladesh with no collateral and no credit rating. It was, in essence, a gamble on the goodwill and industry of humanity.

*Blessed are Economists*, [www.Telegraph.co.uk](http://www.Telegraph.co.uk), October 14, 2006.

Catherine knew that women's economic independence was fundamental to their empowerment and liberation from poverty, subordinate relationships to men and the best defense against structured societal gender discrimination. Conversely, Catherine understood that when women are exploited and kept under thumb, a whole host of negative consequences follow for families and society. Catherine saw the vulnerability of girls and women in the homes and streets of Dublin and, while she could not eliminate sexism from society, she sought to remedy some of the root causes of these desperate situations – women's and girls' ignorance and lack of marketable skills.

Yet, Catherine's primary motivation was to help the individual person because she recognized their human dignity as a child of God. Catherine did not empower the poor because of the economic benefits to the larger society though she recognized these as well. Catherine dedicated herself and her wealth to educate vulnerable girls and women and to train them with skills so that they would not have to depend on the benevolence of the men in their lives. Sadly, the vulnerabilities of girls and women in Catherine's time - domestic violence, rape, exploitation, discrimination in education, healthcare, and the workplace -are still with us today and their remedies are as important as ever.

So would Catherine be happy with women's economic status today? For some yes, but for the many, no. This year's United Nation's Commission on the Status of Women affirmed Mercy's most cherished principle: educate and empower girls and women to be economically independent in the world and you liberate them from the abuses associated with poverty and gender discrimination. This cherished Mercy principle also parallels the United Nation's Millennium Development Goal #3: Promote gender equality and empower women. At this year's commission the World Bank introduced a four-year "Gender Action Plan" intended to "advance and intensify the implementation of existing

gender mainstreaming strategies” in economic sectors and markets. Essentially, the bank intends to help women break into the power sides of agriculture, finance and infrastructure (energy, transport, mining, water and sanitation) as well as in markets such as products, finance, land, and labor – traditionally the domain of men. The bank’s preliminary list of possible countries to implement this plan includes several countries where Mercy is today: Chile, Guatemala, Honduras and the Philippines.

What all of this development-speak boils down to is women having access to financial credit, capital or resources – however you want to define them. Dr. Mohammed Yunus understood this fundamental practicality. Put money in the hands of women, let them decide how best to use it, and watch the benefits and returns multiply. What the World Bank is after with its “gender mainstreaming strategies” and “gender equality policies and programs” is comparable to Dr. Yunus, but on a macro economic scale. This is more than increasing individual women’s income. This is about creating national and international policy and program space for women to become decision-makers and owners of capital. This is about subverting a historically rooted global paradigm that keeps women, especially poor women, poor and under the control of the men in their lives (**pull-out quote?**).

It seems that career economists, policy makers and financial lenders have awakened to the economic role and power of women and girls in traditional economies and are keen on developing this potential to the fullest for the benefit of global markets. This goes well beyond women’s unaccounted labor in their homes and fields, in carrying water and collecting firewood. Last year, *The Economist* magazine claimed, “Forget China, India and the internet: economic growth is driven by women.” And now the World Bank is claiming that gender equality is not a women’s issue, but rather a development issue. It seems that women’s economic liberation and empowerment cannot even be about women but rather about “economic development.” A friend pointed out that this new commitment to pursue gender equality for its overall economic benefits is better late than never, and if women will benefit then we should consider overlooking the underlying motivations. Maybe, but what I find troubling, is that women still cannot achieve gender equality based on their inherent human dignity, but now based on their productivity and being recognized for their significant contributions and potential for reducing global poverty and their usefulness in making the rich richer. Not surprisingly, women’s contributions to overall development are put ahead of women themselves.

When people and their labor are used to serve an economy and not the economy existing to serve people an offense is committed against God. A space is created in which the relative grey areas of exploitation and human rights abuses are weighed against efficiency, convenience and profit. Another concern I have is who will gain? Too often

those who contribute the most in terms of their labor and creativity do not reap the benefits. Women and men together must be vigilant that women are not exploited by any new recognition of their role. Sadly, for women to achieve equality in this world they will have to continue to become decision-makers, owners of capital and intellectual property rights, and the ones who lend money. This is reality, but as a Catholic, I also have to be concerned that individual women in their daily lives are not obscured or used as fodder to feed the interests of economic development.

It is a hopeful sign that next year's Commission on the Status of Women will have the theme: Financing for Gender Equality and the Empowerment of Women. The inclusion of all women, and not just a minority elite, into national and global financial policies and programs would be a seismic shift from how the world operates today. This would require a very intentional integration of gender perspectives into budget decisions. Political and economic will, and their associated allocation of resources, would have to be front and center to live out the values and goals of gender equality in financing. Again, women and men together must be vigilant that this new recognition of women's economic contributions and potential do not bring further exploitation of the world's most vulnerable. May this acknowledgement of women's industry, intelligence, creativity and business acumen bring abundant economic blessings to women and their families first, their communities second and finally the economic development of the global market place.

## **Resources**

[www.worldbank.org/gender](http://www.worldbank.org/gender) (World Bank Gender Action Plan)

<http://www.un.org/womenwatch/daw> (CSW 2007 documents)

[http://nobelprize.org/nobel\\_prizes/peace/laureates/2006/press.html](http://nobelprize.org/nobel_prizes/peace/laureates/2006/press.html)

<http://www.cwgl.rutgers.edu> (Center for Women's Global Leadership)