

The Heinrich-Boell-Foundation has organised the conference „Gender Budgets, Financial Markets, Financing for Development. The Gender Dimensions of the Global Financial Architecture“ at the February 19th and 20th 2002 in Berlin.

Introduction by Prof. Dr. Brigitte Young

“Looking at this large gathering of people, I am simple delighted about the turn-out and the response to this conference. We did not know whether to expect 10 or 100 people. When I found out that over 150 had registered for this conference, my hope was that this reflects an increasing interest of women to know more about the International Financial Architecture and its gender dimensions coupled with the desire to become active in empowering women to construct a gender-conscious international financial architecture.

Irene van Staveren, one of our speakers, has identified four gender biases that exist in global finance:

- 1) the under representation of women in financial decision-making,
- 2) the increased gender gaps in the economic positions of women and men
- 3) the gender-based instability of financial markets, and
- 4) the inefficient resource allocation in financial markets due to gender discrimination.

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Since the East Asian financial crises, it has become ever more apparent that women are more disadvantaged by cyclical economic and financial instabilities than are men because of their role in providing care and their socio-economic status. Maria Floro, who is also one of our speakers at this conference, has shown in her work that financial crises can expose women’s economic vulnerability by reducing women’s earned income, the assets they control, and their voice in household decisions, with the result of forcing women to bear a disproportionate share of household adjustment costs. On the whole, the negative effects of financial crises on women seem to be greater than on men. An important fallout of the financial crises in Asia, Russia, Latin America and now in Argentine has been the obvious connection between international finance and social justice.

Despite the gender dimensions, global finance has largely remained a field dominated by male-decision makers and by macroeconomic frameworks that are gender-blind as Diane Elson told us so vividly in her presentation at the Public Hearing of the Enquete-Commission of the German Parliament. The economists and other mainstream social scientists who are likely to play an important role in reforming these organizations pay little attention to women and gender issues. As a result, feminists have been absent from debates on reforming the IMF and the World Bank and restructuring the international financial architecture to prevent crises and manage them more effectively. However, it is one of our challenges to construct a gender-conscious international financial architecture. As Dr. Singh, also one of our speakers and Ann Zammit will argue this afternoon, reforming the international economic system so as to promote growth of production and employment would benefit both men and women, but that women derive even greater benefits since they bear so many of the costs of instability.

Feminist economists have started to challenge the male-bias and are bringing a gender perspective into macroeconomics and the field of global finance. However, gender analysis of finance is very much a new field of study.

This conference intends to focus on three interrelated aspects of the international financial architecture and our goal is to discuss ways to engender these processes.

The three interrelated aspects are:

1. gender-sensible budgets. We ask why we need gender budgets, and we also hear from experts about the various experiences with gender budgets at the international and the European level
2. the role of the global financial markets and its gender dimensions

3. the important topic “financing for development”.

Gender-sensitive budgetary analysis is a process, as Maria Floro told us yesterday at the Public Hearing, of actively engaging women as political subjects to ensure that their governments are held accountable to gender equality and poverty eradication. Gender budgeting, has started in Australia in 1984 by Rhonda Sharp, in fact we have a video in which Rhonda speaks about the Australian experience, since she could not come to the conference.

Gender budgeting is an institutional innovation that transforms budgetary processes in a way that public spending and public investment become consistent with social priorities including gender equality and women’s empowerment.

But focusing on national budgets is only one step in empowering women. We also need to have a voice in the (re)-regulation of the global financial system. The present financial liberalisation that started in the 1970s with the breakdown of the Bretton Woods System and the present emphasis on “sound” monetary policy has put tremendous pressure on national governments to stabilize or reduce fiscal expenditures (i.e., reduce social programs, cut health care, spend less on education) with the result that women and the poor have been forced to bear the major brunt of these expenditure cuts.

We not only need to ask how to engender the global economic and financial architecture, we also have to ask “Who build the Pyramids” as Isa Bakker did at a conference last year in Chicago. Who are the actors who benefit from the shareholder values that drive the investment decisions of the financial markets at the expense of the interests of the societal stakeholders?

In our third part of the conference, we discuss financing for development. As many of you know, on March 21-22 2002 there will be an important conference in Monterrey, Mexico, addressing the challenges of financing for development around the world, particularly in developing countries. It is essential

that gender concerns in economic policies and processes are integrated into the negotiations at Monterrey in order to ensure that the efforts toward financing development will promote human rights, gender equality and women’s empowerment.

Finally, we have decided to end the conference on Wednesday night with a Talkshow between politicians and feminist economists on how to develop strategies for a more just and gender equitable globalization.

As a final point, I want to mention that our findings and recommendations of the Public Hearing yesterday at the Enquete-Commission of the German Parliament, on Globalization of the World Economy, and the insights we gain at this conference provide an important resource for writing the Final Report of the Enquete-Commission, which will then be submitted to the full Parliament in June of this year.

We will do our best to ensure that there will be strong gender component in the Final Report. With this conference and the Public Hearing we want to demonstrate that there are alternatives to the present neoliberal economic models, and an important alternative comes from the insights of feminist economics.