Kristalina Georgieva

Managing Director
International Monetary Fund

Transcript of Kristalina Georgieva's speech

Thank you very much, Claire, and wonderful to be together with Christine Lagarde and to listen to Vice President Kolm and to Governor Holzmann. What you would hear from me would echo a lot of what they have already said. And I would try to expand it a bit in the context of where the world economy is today, what is ahead of us. There is no question that at the time of wrestling with the worst crisis we have experienced in peace times since the Great Depression, we need all the talent of this planet, men and women. There is such strong evidence that when women are involved in decision-making, communities fare better, countries fare better, the world fares better. And it is right now paramount that we recognize how much we have to step up – we women but also men to make more space for women. And I will concentrate on three critical challenges that are ahead of us.

The first one is this crisis. Even when we come on the other side of it, it will leave some deep scarring. It would leave scarring because of educational attainment: many children have lost more than a year of studies in developing countries, where internet penetration is not the same; in Africa it is only 50%. It meant losing on school, leaving school; and we know that when school resumes fewer girls will go back than boys. When we look forward, it is critical to press so education steps up, investments in human capital, in education, in health, in social protection are strong and that they are provided to boys and girls, men and women, on equal footing.

Even more significant scarring from this crisis is the increase in inequalities within countries, across countries – a dangerous divergence that can severely impact the very fabric of our societies. Within countries, we know who is hit the hardest: young people, low-skilled workers and women. And Christine is right: the evidence on employment in advanced economies is ambiguous. It looks like there is a return to employment fairly equal from a gender perspective, but in developing countries this is not yet the case. In developing countries, women are more in the informal economy and in the contact-dependent industries, which are really suffering.

And in both developed and developing countries, this recession is a mumcession. We called it she-cession, but the accurate term is mum-cession because it is mothers of young children that have the hardest time to return to work. When they are low-skilled, the hit on them is very severe. Across countries, we see advanced economies pulling out: they have more fiscal space to act, more monetary policy space; they also have much better access to vaccinations, whereas developing countries for these two reasons being constrained are falling further behind. Again, we have to think of how we can overcome this scarring by bringing more the care and empathy of women.

Christine spoke very clearly about trust, that women are more trusted. Women also show more empathy, they are more likely to think about the vulnerable, those that are left out. They are more likely to recognize that policies are for people, that we need to understand how different groups of people are affected, and therefore much more likely to pull us out of this. My message is to women: Step up! Step up! Be counted! And of course, that is a long-term proposition. We have made some progress; we have to do more.

My second point is on the biggest lesson we learned from this crisis, and it is the importance of resilience. After

2009, we concentrated on the resilience of the banking sector. And it has paid off. We are not faced right now with a financial crisis. But that concept of resilience was too narrow. First, it did not include the nonbanking financial institutions, the unfinished agenda from 2009; but second, it doesn't recognize that in a more shock-prone world than we know, climate is a big source of shocks yet to come. We have to build resilience in a more comprehensive manner, and it is much more likely when we have women at the decision table that this would happen. Resilient people, resilient planet, resilient economy.

To respond to Christine: she asked whether we have updated the study that says that despite the evidence that women in leadership positions in the financial sector correlates to a more resilient financial sector, the picture is pathetic. I mean, only 2% – Christine, still 2%. There hasn't been a big move up of women CEOs of banks and slightly more than 20% of women on boards. I, for one, believe that we have to be determined; and on the question of should there be quotas, I'm of the view that yes, if we know that our financial sector would perform better with more women and we see they are too slow to climb up, maybe we do have to put a ladder and force that climbing up to happen faster. I can live with targets, but I cannot accept that we just let it happen on its own because it is going to be too slow to serve the world, not just women.

My third point is digital. Who is the big winner of this crisis? It is the digital economy, and there the place of women is still to be acquired. Only 10% of FinTech owners and board members are women. And that holds the increased digital access to digitalization for women, and it holds back the expansion of women in fintech. Actually, IFC has done a very interesting study that shows that first, investment teams are tilted towards being mostly men in fintech, and then second, when you have women, the likelihood of opening up investment opportunities for women jumps up multiple times. So, if we want the future to be one in which the access to fintech and development of entrepreneurship of women is boosted, now is the time to again press and step up.

I want to say a word – and Christine also talked about it – of our own responsibility. We have to walk our own talk. At the IMF, I was very fortunate to come after Christine. She built that clear understanding that womenomics is just good economics, so we have gotten ahead. She built the pipeline of women, and I am very proud. Christine, I have been waiting for this moment to report to you because you built this pipeline: from 25%, we are now close to 40% of women directors. To be exact, we have 37% women directors, and we will go to equality in the ranks, for sure, because we are building this pipeline.

But most importantly, the IMF is very actively engaging the membership on building capacity in finance authorities, in economic policy, especially on the issue of gender-based budgeting. Because when budgets change, then the economy does better. And over the last year of crisis, we have been relentless in pressing for this gender-based budgeting because of the scarring I spoke about, because of the pressing need to come out of the crisis stronger. We have done overall training on gender-based budgeting for 114 countries, a lot of it with the Joint Vienna Institute. Last year alone, 2020, we did training for 58 countries, and I take full responsibility for us to be watchful. We appointed the first in the history of the IMF senior adviser on gender because the moment is now.

The moment is now, not only not to allow to go back on gender equality, but to step forward. And this discussion today, tomorrow, I do believe is the right way to engage in a very determined manner to step forward. Thank you, Claire. Thank you, everybody.