



**Women's Foreign Policy Group**  
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### **Leadership at a Time of Economic Crisis: The Role of Women**

**Melanne Verveer:** I think I've come here today to be a cheerleader. A cheerleader for the topic of women's leadership – particularly in a time of crisis – and a cheerleader for these three amazing women, all of whom are my friends. They are businesswomen, but, in my interactions, I have seen them as the “why not?” women. By this, I refer to the wonderful quotation, which is to the effect of: “Some people see things as they are, wring their hands, wonder why, and just are anguished about it. Others see things as they could be, and say ‘why not?’” I think of these three as “why not?” women because they are all doers. All three are actively involved in promoting others, particularly in unleashing women's potential in their own companies and in their own environments, and, certainly, around the world.

Now we're here at the World Bank, and I remember about a decade ago we were introduced to a World Bank study called *Gender and Development* and I thought in many ways that I had found the Holy Grail. Not only because it said that investing in women was about the most effective investment that could be made, but also because it was based on empirical data, and there were lots of numbers; it was by economists. I thought, “Aha! Now maybe somebody will listen and understand that investing in women is the single best investment to alleviate poverty, to grow a country's prosperity, and indeed, even lessen corruption -- and God knows we've got a problem with corruption all around the world.” But, alas, although the study was – and continues to be – important, it wasn't the magic bullet I'd hoped for. So many studies have come out and built on this wonderful, ground-breaking piece. There's an Ernst and Young study, especially, that shows that in an economic crisis, the private sector needs to realize that investing in women – who are so often hit the hardest by difficult economic times – has a huge payoff. Indeed, if we'd invested in women, we might have avoided an economic crisis. Women are critical – even the smallest investment makes a difference. As *The Economist* magazine concluded, “forget China, forget India, forget the internet. It is women who will drive GNP and drive economic growth.”

We do have a plethora of studies now, and I keep scratching my head and wondering why, with this extraordinary body of evidence, we are still not where we need to be. I think one of the things we need to do is to stop referring to these things as “women's issues,” because until we understand that achieving women's full economic potential is

actually about creating a better world in every way, we will not get to the place where I think we all want to be.

I want to congratulate the Bank – particularly Amanda and the programs she has put in place – because the Bank has quite correctly talked about women’s equality as “smart economics.” I think that’s the right language to use with the people who need to be persuaded – the people who are in the power positions; the people whose political will we need to unleash. The World Bank has a project identifying impediments to women’s economic progress, whether they be the lack of access to property rights, the lack of inheritance rights, the whole range of regulations that hold women back, particularly in terms of economic participation. I think one of the things that Marilyn said is a critically important reminder for all of us, and that is when we can come together -- whether we are in government, as I am now, or whether we are in the corporate sector as these extraordinary people are, or whether we are in civil society, where, hopefully, all of us are in some way -- we need all three sectors to have a solution. We need all three legs of the stool – government, corporate, and civil society – to get where we know we need to go.

I think the ability of people to come together and work on these obstacles is crucial. We need smart women like these individuals on the panel working on the problems from the top, we need the corporate women, but we also need input and coordinated effort from those on the ground. We need to attack these problems from both the top down and the bottom up to bring about change.

We talked at the outset about “best practices.” I think that in this room, in addition to what the Bank is doing, there is another wonderful case study in what the U.S. Government is doing in conjunction with the Fortune All-Powerful Women’s Summit and Vital Voices. It’s the mentoring program that 32 women from around the world are participating in. The commitment of the corporate leaders’ time in participating, in imparting their experiences and range of practices learned the hard way, through making a lot of mistakes...it helps the next cohort of emerging leaders, and gives them a fast-track to success. It is a wonderful program – and, here again, an example of the three legs of the stool, with corporate, government, and NGO involvement. One of the things that is most striking about it – and I’ve seen it now in at least three years – is that these particular mentees, like their predecessors, will go home and they will be far better businesswomen, and they will drive economic growth, but also they will be something else. They will be stewards, because they will realize during their time in the program that so much more is required of them, and that this notion of leadership that was discussed today is a critical element and a “best practice” of what happens when the three legs of the stool join together to do the kind of mentoring and sharing of resources that can make such a difference.

Earlier last week, I was with Women World Banking and I was reminded again how critical access to credit is for women to grow economically. Even in the most difficult, difficult circumstances in which a woman has no collateral, it is so crucial for there to be a mechanism in place for her to be able to access credit. The ability to get even a small

amount of credit leads to investment in small business, to the investment in her family and her community with the income she earns, and, then, taking that next loan and growing that business more. Inexorably, these micro-businesses are turning into SMEs, small and medium sized enterprises, all around the globe, going to the commercial lending institutions as they grow. And women pay back their loans at a rate that is the envy of any commercial lending institution. Even the smallest of women's businesses contribute immeasurably to the engine of economic growth that will lift up so many. I think somebody, maybe it was you, Marilyn, alluded to the fact that in our own country, here in the United States, so much of the growth that we've experienced – and hopefully will be reignited as we get through this crisis – has come from small business. It's been the engine of growth. Today, it's women with small businesses who are the real drivers – even in this country – and the ability to provide them with credit is essential to bringing their entrepreneurial brilliance to the marketplace. As one woman who couldn't get credit said to me: "You know, the best ideas die in bank parking lots."

We have to make sure that women still have access to credit and to everything that goes with that. I hope that one thing that comes out of this conversation is that, in this time of crisis, we can see the other side of the coin, which is opportunity. I hope we can seize this moment the way Beth did with the *Groundbreakers* study. You know, we're in pretty bad economic shape right now, and there are a lot of reasons for it, but until we unleash women's potential to fully participate in the life of their country in every way – including, certainly, economically – we are not going to see the kind of change that we all want to see.

We are coming up on 15 years since the Fourth World UN Conference in Beijing, and, as I look around this room, I see some of the leaders who are still in the forefront of driving that agenda. Someone came up to the microphone and asked about maternal mortality. Every minute a woman is dying needlessly during pregnancy and childbirth. That should not be happening in the 21<sup>st</sup> century, and the only thing that will change it is the leadership and the political will that all of you – and so many more – represent. We will get there, because there is growing power behind this idea. What we said at the Beijing conference is that we need access to credit, access to health care, access to education, freedom from violence, and the right to participate fully in the political and economic lives of our country. That is not just the right thing to do, it's also the smart thing to do, and we all have to give that agenda our continuing strongest leadership.