

Will women change the world economy?

IN OTHER WORDS



AMITAVA KAR

ABOUT eight years ago when the financial crisis hit Iceland, a tiny island with a population of 320,000, most Icelanders found themselves in serious financial tribulations. If the US and Europe got drunk on easy money, Iceland was the guy at the party who fell unconscious in the corner. It got so bad that somebody put the country on eBay up for sale. Three of the country's largest banks, with assets worth 10 times the country's GDP, fell in the span of three days, the currency collapsed, the stock market fell 95 percent and nearly every business on the island was bankrupt.

It is a frightening case study in reckless financial behaviour. Banks had gone on a decade-long binge of long-term lending. Just like in all financial capitals of the world, men were at the helm of the game of the financial sector in Iceland. "It's always the same guys," Halla Tomasdottir, then a director at the chamber of commerce, said to *Foreign Policy*. "Ninety-nine percent went to the same school, they drive the same cars, they wear the same suits and they have the same attitudes. They got us into this situation and they had a lot of fun doing it." Then she criticised the system that focuses "aggressively and indiscriminately" on the short-term maximisation of profits, without any regard for losses that is focused on short-lived market prices and lucrative bonus payments. She called it typical male behaviour and compared it to a "penis competition".

Many predicted a Greece-like disaster. But Iceland is not Greece. Today it is buzzing - unemployment is at 4 percent and tourism is booming. How did the country emerge from its deep freeze? Who cleaned up the mess left by a group of testosterone-high men? It was women like Halla Tomasdottir and

Kristin Petursdottir, then a bank manager, who in 2007 formed Audur Capital, a financial and Investment Company with the aim of incorporating feminine values into the world of finance. What exactly did they have in mind?

The two women sought to espouse four principles: risk awareness, straight talk, emotional capital, and profit with principles. Investors and clients should be fully informed of the risks involved in investments before stepping in. Clients should have access to both positive and negative aspects and developments in their investments. They also put a lot of faith in emotional capital, asserting that "emotional due diligence is just as valuable as financial due diligence". And lastly, they called for an expansion of the definition of profit, arguing that financial

gain is not the only kind of profit to be made. They called it profit with principles.

After the meltdown, the government hired women like Halla and Kristin to manage banks, change the culture and tidy up the mess. The macho-culture and the irresponsible risk-taking that led to the financial meltdown were no longer going to be tolerated. The risky behaviour of some men which threw the banks and the country over the brink was going to be modified by new women managers who would ensure more conservative and prudent lending.

This led to a cultural revolution that now favours female leaders. European and American researchers are pointing to the importance of gender diversity in leadership in financial institutions. Leading

management experts are asking if it is up to women to save capitalism. Gender is no longer a women's issue, it is very much a business issue. In 2008, the Economist famously introduced the concept of "womenomics" a term for the next economic revolution: that it will be women who save the future of the world economy.

Never before has there been so much focus on the economic importance of women. Michel Ferrary, a Professor at CERAM Business School looked at the correlation between the proportion of women in management and share prices of 40 French companies. He concluded that the more women in management, the fewer the losses. Why? Because "It may be, for example, that men and women have different risk-taking

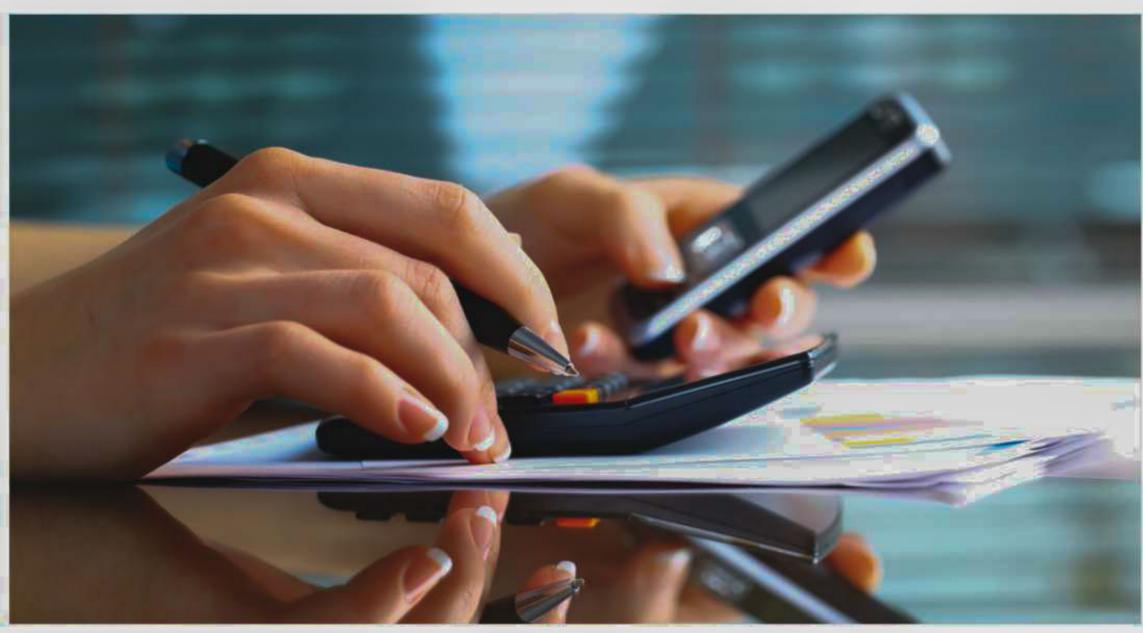
behaviours, with men less, and women more, risk-averse." Realising the potential of women in business, Norway introduced legislation requiring 40 percent of Norwegian board seats be reserved for women. Today, the country has more female board members than any other country. Spain and Germany are moving in the same direction. Another example of the economic caution of women is the Grameen Bank whose 97 percent women customers paid their debt on time.

But According to Lamia Walker, former associate director of the Centre for Women in Business at the London Business School, it is not about women not wanting to take risks. Instead, she believes men and women reach for different management tools, which helps create more effective organisations. Other experts have said that women are calmer and less aggressive in positioning themselves. A McKinsey study and research by Alice Eagly, an American psychologist, show that women have a more varied management style and use a broader range of management tools than men, which in turn means that companies more easily adapt to new situations. Female managers usually use techniques such as group decisions and mutual inspiration, while men typically point to decision-making on their own and command and control.

I think women have a completely different approach to life. They are more cooperative and bring more people in when important decisions must be made. With them it may take a little longer to make the decision, but the decision is considered thoroughly before being made. When I read that a number of public banks in this country are being weighed down by bad loans, I wonder if there is a lesson to be learnt from Iceland.

"Why can't a woman be more like a man?" sings Henry Higgins in *My Fair Lady*. Considering the performance of Icelandic women, I am asking, "Why can't a man be more like a woman?"

The writer is a member of Editorial Team at *The Daily Star*.



US heads for political showdown with UN

THALIF DEEN

THE United States has had a longstanding love-hate relationship with the United Nations ever since 1952 when the world body began operations in New York City on an 18-acre piece of land which housed an abattoir where cattle was being trucked daily for slaughter.

The late Republican Senator Jesse Helms, a fulltime chairman of the powerful Senate Foreign Relations Committee and a part-time UN basher, once said, "Providing funds to the UN was like pouring money into a rat hole."

Former New York city Mayor Ed Koch used a five-letter word to describe the UN: a "sewer". And one of his successors, Rudolph Giuliani, said he will not miss the UN if it decides to pack up and leave New York.

When the 193-member UN General Assembly voted some of the world's "repressive regimes" as members of the Human Rights Commission (now the Human Rights Council), Congressman Dana Rohrabacher (Republican of California) hollered: "The inmates have taken over the asylum. And I don't plan to give the lunatics any more American tax dollars to play with."

And now, US President-elect Donald Trump, peeved over a Security Council resolution last week chastising Israel over its continued settlements in the occupied territories, has signalled an implicit warning he will review his relationship with the United Nations.

Having been rebuffed by outgoing President Barack Obama who refused to accede to Trump's appeal to veto the resolution, the incoming President, who will take office on January 20, challenged the effectiveness of the world body and dismissed it as "a club for people to get together, talk and have a good time."

Immediately after the resolution was adopted by a vote of 14-nil, with the US abstaining, he held out a warning: "As to the UN, things will be different after January 20."

Currently, the US is the biggest single contributor accounting for 22 percent of the UN's regular biennium budget, followed by Japan (9.7 percent), China (7.9 percent), Germany (6.7 percent) and France (4.8 percent) - all based on a country's "capacity to pay".

The UN's 2016-2017 regular biennium budget amounts to about USD 5.4 billion, excluding its peacekeeping budget and voluntary contributions

to UN Funds and Programmes.

Following the Security Council vote on Friday, Senator Lindsey Graham (Republican-South Carolina) said he plans to form a bipartisan coalition to either suspend or reduce US funding for the UN.

And Senator Tom Cotton (Republican-Arkansas) warned that the UN and "nations supporting the resolution (against Israel) have now imperilled all forms of US assistance."

While the US withheld its veto and abstained on the vote, the other four veto-wielding permanent members of the Security Council, namely, the UK, France, China and Russia, voted for the resolution, along with the 10 non-permanent members, namely, Angola, Egypt, Japan, Malaysia, New Zealand, Senegal, Spain, Ukraine, Uruguay and Venezuela.

A defiant Israel was livid, and in retaliation, threatened to build another 5,600 settlements in occupied Jerusalem thereby isolating itself further from the international community.

Jim Paul, former Executive Director of the New York-based Global Policy Forum, and who closely monitored the politics of the world body for over 19 years, told IPS the US threat of withholding its dues to the UN has been around for a long time - since the 1980s when it was first proposed by the Washington-based Heritage Foundation.

"This threat is effective only if it is believed and acted on by frightened UN officials or member states, who rush to adopt the latest requirements by the bully-state," he noted.

"It actually might be healthy if the US dues were reduced and the UN were not so dependent on US financing, he added.

Paul pointed out that Swedish Prime Minister the late Olaf Palme once suggested that the UN's dues structure should be changed so that no single country would pay more than 10 percent of the total budget (\$).

"The cost to other states would not be very burdensome and the change might produce some real policy benefits," said Paul, a well-known speaker and writer on the UN and global policy issues.

Over the years, successive US administrations have manipulated the UN to its own advantage as an extension of US foreign policy.

Paul pointed out that some delegates from governments who are out-of-favour in Washington are constrained to live within a specified distance from the city and some cannot travel beyond that

distance in the US without special permission.

Every once in a while, he said, a head of state or other high official will be denied entry and thus an opportunity to speak at the UN.

"How important is this harassment and what does it tell us?", he asked. It is short of horrendous and well past acceptable.

"We can conclude that Washington likes to remind the other states - and the UN as an institution - that it can do what it pleases and impose its will whether others like it or not."

In Washington, they like to call this behaviour "leadership" but "bully" might be the most appropriate term, said Paul, who frequently served as Chair or Vice Chair of the NGO Working Group on the Security Council.

Despite the 1947 Headquarters Agreement between the US and the UN, which calls on Washington to facilitate the functioning of the UN, the US has denied visas to several heads of governments planning to visit the UN to address the General Assembly or accredited as diplomats.

Palitha Kohona, a former Chief of the UN Treaty Section, told IPS the US was a key player in the creation of the UN and the organisation has served US interests well over the years.

"One might even say that the US has manipulated the UN to serve its global interests," he argued.

Against this background, to return to the confrontational attitudes of the early 90s, when the US withheld its dues, would be self-defeating, said Kohona, a former Permanent Representative of Sri Lanka to the UN.

He said the US is no longer the only country with overwhelming financial clout.

"To threaten the UN with financial sanctions would only result in the further waning of US influence in the UN and globally. All countries, especially countries like the US, must continue to work together to make the world a better place," he declared.

Although complaints against the UN have been never ending - including unpaid parking tickets, and tax-free and duty-free privileges for high-ranking UN-based diplomats - US politicians have rarely admitted the political and economic advantages of the presence of the UN on American soil.

And a new report released recently by the Office of the New York city Mayor points out that the UN generates USD 3.69 billion in total

economic output to New York city's economy.

The 15,890 individuals directly employed by the UN Community took home household earnings of approximately USD 1.64 billion. These household earnings and the operating expenses of the UN Community helped create and sustain 7,940 jobs for New Yorkers.

In 1946, New York City competed with cities from London to San Francisco to host the official headquarters of the UN.

Unlike past Mayors, the current Mayor of New York city Bill de Blasio has been a strong supporter of the UN. "New York City is not only an economic and cultural capital, but a diplomatic one. We are proud to be the host city to the United Nations headquarters and the largest diplomatic community in the world," he said following the release of the new report.

"The impact of the United Nations stretches far beyond New York City and this study reflects the city's enduring commitment to supporting this critical institution," he added.

Still the political benefits of the UN to the United States have not been as clearly highlighted.

Kohona told IPS the US, with its vast economic and political influence, has without reluctance, manipulated the UN to justify its actions, including military interventions.

One recalls (former US Secretary of State) Colin Powell's efforts, with videos and photographs, to convince the Security Council of the existence of weapons of mass destruction (WMDs) in Iraq or the intense phone calls to diplomats whose countries were members of the Human Rights Council when a US sponsored resolution on Sri Lanka was being taken up for vote at the Council.

He said evidence is also now emerging of the blatant US manipulation of the global media, including with manufactured news, with the objective of influencing diplomatic outcomes.

The current Secretary-General, whose interventions, have generally been on the side of the US, also tends to be influenced by the US and the New York media.

His home being in New York is a factor in this outcome. Perhaps the Secretary-General should rotate his residence around the capitals of the P-5, including in the UK, France, China and Russia.

The writer is Senior Consulting Editor, *Inter Press Service (IPS)* news agency. E-mail: thalifdeen@aol.com
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QUOTABLE Quote

VIRGINIA WOOLF
ENGLISH WRITER AND ONE OF THE FOREMOST MODERNISTS OF THE TWENTIETH CENTURY

Lock up your libraries if you like; but there is no gate, no lock, no bolt that you can set upon the freedom of my mind.

CROSSWORD BY THOMAS JOSEPH

ACROSS

- Racket
- Make ready
- In the area
- Push rudely
- Colleague of Spock and Sulu
- Green fruits
- French word
- Gift
- Ironed
- Early auto
- Spots for ornaments
- Like go-go boots
- Famed fur tycoon
- Yoga need
- Rust, for one
- Mournful
- Be in charge
- "Blue Christmas" singer
- Tyler of movies
- Follow
- Cheer up
- Referred to
- Squelched
- Future flower

DOWN

- Sassy
- Down time for a team
- Associate
- More keen
- Spoil
- Greek consonants
- Horror director George
- Made level
- Basil-based sauce
- Slipups
- Winter glider
- Make good as new
- Place at the table
- Hosp. scans
- Some daisies
- 1964 Hitchcock film
- "-- Fideles"
- Widen
- Magazine worker
- Blueprint data
- Begged
- News item
- Took to court
- Perch for a visitor to a store
- Santa

BEETLE BAILEY by Mort Walker

BABY BLUES by Kirkman & Scott

YESTERDAY'S ANSWER

DECLAW	PLAY
ALPINE	ROSE
SILENT	NIGHT
DOSES	
CITY	POOL
JUNO	MANGER
APU	CAL LEA
MISHAP	TERM
DEER	RODS
DONOR	
JINGLE	BELLS
ERIE	TOREUP
TAPS	STODGY