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Where would we be if women ran Wall Street?

By **Katrin Bennhold**

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DAVOS, Switzerland: Would the world be in this financial mess if it had been Lehman Sisters? That question, asked by the moderator of one panel here, certainly hit a nerve with some of the more defensive male participants at the World Economic Forum.

As one senior finance official, who declined to be identified, put it: "Probably not - women would never have come up with all those sophisticated tools."

But jokes aside, there seemed to be a pretty broad consensus among Davos Women (and, yes, some Davos Men) that if women had run Wall Street, they would have saved the world from the corrosive gambling culture that dominated many a trading room.

Muhammad Yunus, the Bangladeshi microfinance pioneer whose Grameen Bank lends to women rather than men, said the current crisis would almost certainly not have happened if women had shaped financial practices.

"Women are more cautious," he said. "They wouldn't have taken the enormous types of risks that brought the system down."

Mari Pangestu, the Indonesian trade minister and the first woman to get a doctorate in economics in her country, said there was empirical evidence in Indonesia that women were "more prudent and less corrupt."

And Neelie Kroes, the European competition commissioner, said she was "absolutely convinced" that testosterone was one of the reasons the financial system had been brought to its knees.

"In general terms, females are a bit less ego-driven and a bit more responsible than men," she said.

One of the few women at the top level of banking, Ana Botín of Santander, runs a healthy bank and has not had to rely on government help to stay afloat, Kroes pointed out, even as the entire Spanish economy is collapsing around her.

And as the Harvard economist Kenneth Rogoff remarked, it was Germany's chancellor, Angela Merkel, who called 18 months ago for transparency in financial markets and regulation of the nonbank financial sector. "She didn't even want heavy regulation - she was just completely sane and sensible - but she was squashed by all the men," said Rogoff, who wrote an article in her support at the time.

"She was a lone voice, and that's the problem. We need more gender diversity in the finance sector."

Just how little diversity there is was brought home in Davos in a private session of finance officials, regulators and bankers.

Among the 80 high-profile attendees, only 6 were women - including Botín, Kroes and the French finance minister, Christine Lagarde. They were all sitting together in one corner of the room.

"It illustrated two shortcomings of the past years," Lagarde said. "One, this is a world where there is too little diversity, and two, there is too much herding behavior."

Ideally, women said in several interviews, the finance system of the future would have just as many women as men to combine the more female tendency to be responsible and forward-looking with the male tendency to take risks.

Lehman Sisters? "No," said Laura Liswood, secretary general of the Council of Women World Leaders, an organization grouping women who served as heads of state and government.

"Ideally, it will be Lehman Brothers and Sisters."

Correction:

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