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Statement submitted by Sisters of Mercy of the Americas, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 36 and 37 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.

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Statement

This year's 'Gender Snapshot' of the Sustainable Development Goals elucidated a bleak reality for women and girls around the world. Poverty has further entrenched along gender lines, gender-based violence has intensified amidst overlapping crises, women remain underrepresented in decision-making, and deficiencies in data have left millions of women and girls invisible. The time to invest in women and girls is now.

The Sisters of Mercy have long recognised the transformative impact of financing from a gender perspective. Our foundress, Catherine McAuley, demonstrated this foresight when she used her inheritance to establish the first 'House of Mercy' in 1827 – a shelter that aimed to uplift women in poverty through education and skills training. This pragmatic approach reflected Catherine's belief that 'poverty is not a fate', but a condition that can be alleviated through investments in women's financial literacy and inclusion. Grounded in this context, and with a long history of 'filling the gaps' for people in need, the Mercy community is well-positioned to challenge the ways that our global financial architecture leaves vulnerable people behind – particularly women and girls.

Change begins with recognising that our global financial architecture was built on and engenders structural inequality. In a global development landscape increasingly reliant on private finance, many developing countries are finding themselves servicing debts and de-risking investments at the expense of delivering social protection. Overrepresented among the world's poor, women and girls are disproportionately impacted, and are often the ones who end up bridging gaps in service provision with their unpaid labour. Regressive taxation policies, made necessary by a system riddled with loopholes for multinational corporations, hit women in poverty the hardest.

We call for an urgent restructuring of the global financial system, guided by several key principles. The first is debt relief through the establishment of a sovereign debt restructuring mechanism. There is an urgent need to restore the fiscal space of developing countries so they are resourced to fulfil their human rights responsibilities and actively work towards gender-equal economies. The second is tax justice under the stewardship of a global tax body. Realising tax justice will require a feminist restructuring of the global tax regime; one which cracks down on illicit financial flows and approaches taxation as a means for wealth redistribution rather than vertical growth. The third is de-financialisation. Change will depend on a reduction of the role of private interests, and a re-centering of human rights. Finally, our new global financial architecture must be guided by the principle of inclusion. Historically excluded actors, namely women and countries of the Global South, must serve as the architects.

A restructuring of the global financial architecture must be supplemented by bottom-up approaches to increasing women's economic inclusion. Any attempt to empower women economically must address care work, through a redistribution of labour among men and women, and affordable childcare and educational services. Women shoulder the disproportionate burden and expectation of unpaid care and domestic work, which excludes them from the paid workforce. This exclusion is worsened by patriarchal customs that see financial responsibility, property ownership, and inheritance directed exclusively to men.

Any attempts to improve women's economic inclusion must begin with addressing the high levels of violence that render women and girls unsafe. The global financial regime may have created conditions conducive to misogyny, poverty, and violence, but these phenomena are socially embedded in ways that are difficult to untangle. The restriction of a woman’s ability to acquire, use and maintain economic resources threatens her security and potential for self-sufficiency, especially in the face of domestic abuse. Community, social, and financial support must be offered to women to change this reality, and States must prioritise policies that aim to change discriminatory social norms.

Immediate, tangible steps must be taken to increase women’s financial literacy, primarily through education and access to tailored support services. This is particularly the case for ‘necessity entrepreneurs’ and women living in rural and remote areas who are reliant on safe channels of microcredit and local trade to sustain livelihoods for themselves and their families. Enabling these women to establish secure streams of income requires investment in digital banking that is context-specific and fit-for-purpose. Access to bank accounts and the internet are essential, everyday services that should be more accessible than ever, given the proliferation of digital technologies in the last decade. Additionally, it is important that financial institutions work with local leaders to support collective banking and women’s savings circles, as these networks can be critical in protecting women’s access to cash in traditionally male-dominated communities where women’s economic literacy is seen to undermine male power.

Integral to the success of financial inclusion strategies is the emphasis on boosting the representation and leadership of women in policy design. Women need to be at the forefront of decisions related to their own economic participation; not just to ensure that solutions are fair and responsive to actual needs, but also to normalise women’s influence on economic structures for the benefit of their communities. Any long-term improvement to the status quo on gender equality relies on norm and culture change, which begins with reinforcing the idea of women as equal agents in the global market.

Women often bring a new perspective to economic theory and policy design – one that challenges traditional capitalist notions of profit maximisation and individualism. Evidence demonstrates that women tend to prioritise the well-being of their communities and use their resources to invest in the health and prosperity of their families. These values are critical in building resilience in a global economy faced with climate crises, record-high levels of displacement, and political conflict.

Mercy Investment Services, the investment program for the Sisters of Mercy of the Americas, uses its financial resources to invest in and advocate for economic and health equity for women and girls.

Through direct investments in mission-focused organisations, the Mercy Partnership Fund community investing program provides low-interest loans to support economic, health and educational opportunities for women and children in more than 70 countries. Friendship Bridge provides small loans to help Guatemalan women expand or start a small business. Vita Green Impact Fund provides clean water access and clean cookstoves to women in Ethiopia and Eritrea, freeing women of the time-consuming tasks of collecting clean water and wood for cooking and allowing them to spend that time working and earning income. Working with partners, MCE Social Capital generates economic opportunities for hundreds of thousands of people in businesses in underserved communities, specifically focusing on those led by, and in service to, women, across the Global South. One Acre Fund helps supply millions of smallholder farmers in sub-Saharan Africa, the majority of whom are women, with goods and services to help them avoid food insecurity and poverty.

Actively engaging corporations allows Mercy Investment Services, as a shareholder, to push companies to make changes that will positively impact the global community and benefit women and children. In a world where women comprise less than 25 per cent of all board members of companies, Mercy Investment Services encourages corporations to diversify their governing boards. Through the Thirty Percent Coalition of investors, Mercy has contributed to more than 500 public companies appointing a woman to their boards, many for the first time. Mercy Investment Services also focuses on engaging companies to prevent human trafficking of women and girls, especially in high-risk industries like hotels and transportation.

In 2022, Mercy Investment Services launched the Inclusive Opportunities Fund to address calls for gender and racial equity and justice. The market-rate fund allocates capital to women, people of colour and other disenfranchised groups who have been excluded from traditional capital markets and overlooked by mainstream investors. While only 2 per cent of all venture capital funding goes to startups founded by women, Mercy's initial investments prioritise women-owned and -led startup companies.

The Mercy World believes that money can be a powerful force for the benefit of people and our planet, and that women need to be at the forefront of such efforts. Women often imagine progress through the lens of human and environmental flourishing and repurpose capital for these ends. They are usually early adopters and prominent supporters of impact investing, corporate social responsibility and microfinance. It is therefore judicious and timely to strengthen financial institutions in their innovation for gender equality and their promotion of women in key leadership roles, so that we might see a genuine shift towards a global financial system that upholds the dignity of each person and our planet.