

## BANKING ON KNOWLEDGE

## Inclusive growth, gender equality to be focused at World Bank, IMF meeting

By Dr R Seetharaman

The World Bank and IMF annual meeting is going to be held this week in Washington DC. The discussions at this event may cover global economic outlook, financial sector, sustainable development and gender equality. According to IMF head Kristalina Georgieva, the world economy is experiencing a "synchronised slowdown" and in some of the largest emerging market economies such as India and Brazil, the slowdown is even more pronounced this year.

There is a serious risk that services and consumption could soon be affected as global trade growth has come to a near standstill. On the economic side, discussions on economic policy in turbulent times, global trade and development and the current situation of global value chains (GVCs). Escalating trade tensions are taking



a toll on the global economy and have spread into sensitive areas like technology and currencies. Many central banks have appropriately lowered interest rates, but there are limits with this strategy. No-one can doubt that we are once more living

through a period of turmoil. But there has been no comparable questioning of the basic ideas determining economic policy.

The failure to re-examine those ideas risks another financial crisis. Global value chains powered an economic revolution over the past three decades: Growth accelerated, incomes rose, and poverty rates plunged. Today, almost 50% of global trade involves GVCs, but rising trade tensions and uncertainties over market access threaten their future.

On sustainable development, concerns continue to mount over the impact of climate change and central banks are taking action in a range of areas within their mandates. Discussions are going to happen as to how central banks can support fight against climate change. In relation to sustainable development goals, discussions will evolve on how to get the goals to reality by 2030 and whether the needed financing is



in place. It is also expected to cover catalysing environmental, social and governance investment.

The world is suffering a historic loss of biodiversity, threatening nature's ability to supply nutritious food, clean air and water, sustain livelihoods, regulate climate and to act as a buffer against extreme weather. Discussions are expected to happen on how to plan to shape the new global biodiversity framework.

The role of gender equality has drawn attention in recent years. There is a discussion on "women, work, and leadership" with IMF head, Kristalina Georgieva.

It will focus on the macro-criticality of gender equality, including the need to

increase the presence of women at the highest levels of decision-making, and how to address barriers to women's career growth, such as unpaid work and how it influences women's decisions to enter the labour market.

Discussions are also going to be held on unleashing the potential of women entrepreneurs through finance and markets and promoting women's financial inclusion through capacity development.

On technology discussions are the role of fintech in inclusive growth of economies. Fintech innovators are transforming financial services around the world. While the world has made progress towards universal inclusion, 3bn people are still left out or are poorly

served by the formal system. Fintech promises to play a central role in addressing this gap. Technology enables innovators and incumbent financial service providers to expand access to services, while improving quality.

Rich data offers new ways of evaluating loan eligibility or estimating risk. Advances in technology and connectivity are spurring a new wave of business models. Big Tech are entering fintech.

They bring technology, deep pockets, massive networks, mountains of data, and great user experiences.

The opportunities and the risks that are emerging as the financial sector is reshaped and how regulatory strategies can be adopted to foster sound, inclusive financial innovation and expand the reach of financial services.

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