

**TESTIMONY ON BEHALF OF ACT NO 978 OF THE COMMONWEALTH OF
MASSACHUSETTS
AN ACT RELATIVE TO FAIR INVESTMENT PRACTICES**

The Honorable James B. Eldridge, Senate Chair
The Honorable Michael Day, House Chair
Joint Committee on the Judiciary
Massachusetts State House

I am honored to testify before you in support of Act No 978 - An Act Relative to Fair Investment Practice.

I am Rangita de Silva de Alwis. I am on the faculty at the University of Pennsylvania Law School, a visiting faculty at the Harvard Kennedy School of Government, and a Senior Fellow at the Harvard Law School Center for the Legal Profession. My husband is a scientist working in the Cambridge bio tech industry on new gene medicine for rare diseases.

I stand before you as a member of the UN treaty body on the Convention on the Elimination of Discrimination against Women (CEDAW)- the global bill of rights for women.

Honorable Chairs,

The Fair Investment Practice Bill recognizes that historically, women have been part of the transnational flow of currency and ideas. From the famed trade routes of the Sahara Desert, the Red Sea, the Byzantium routes and the Silk Road, women have been part of the fabled history of our global economy. However, women's roles as drivers of the economy have not been written into that history. This bill can correct that narrative. Future generations of women and girls in the Commonwealth will look back at this Bill on equal access to capital as the highwater mark that changed their history and our shared humanity.

Claudin Goldin, renowned Harvard economist, and the first single woman to win the Nobel prize for economics in 2023 has argued that the changing roles of women in the last half-century is “among the grandest advances in society and the economy.” Yet, her research demonstrates how women still lag in leadership positions in labor force participation and in pay equity.

Financial inclusion forms "'underneath' other legal rights in the sense that it shapes and controls the exercise of women’s rights to health, education, and political participation. Financial inclusion is not only about equal employment opportunities, it is about every other right from women’s access to liberty to women’s human security.

America is yet to ratify the CEDAW. However, the District of Columbia adopted the CEDAW this year. I see this Bill on Fair Investment Practice as part of the Commonwealth’s leadership in

adopting the CEDAW's inalienable fundamental guarantees on women's rights. I see this Bill as a milestone on the road to America's ratification of the CEDAW.

I highlight two fundamental principles of the Fair Investment Practices Act

I. Piercing the Veil of Impunity

Today, the data on financial inequity has echoed across these halls: Female founders raised just two percent of venture capital money in 2021. The data is even less hopeful in the Commonwealth of Massachusetts, the state known for innovation in the world.

However, we are less aware that economic violence is a form of violence against women.

This Bill pierces the veil of impunity in cases of sexual harassment, in situations where power is at its peak- in the relationship between an investor and the investee.

Economic violence has been described as any action or omission aimed at economic control of finances, monetary rewards, or punishments of women due to their gender. Economic violence can occur in family, work, or economic relationships. While gender-based violence is often associated with physical or sexual acts, economic violence is a critical part of structural gender-based violence. To rotate this argument, women's economic security leads to human security. Research shows that women are more likely to leave an abusive partnership if they have financial security.

II. Advancing Inclusive Leadership

Distinguished Chairs and Honorable Members of the Judiciary Committee:

I am excited that the CEDAW will soon adopt General Recommendation 40 on women's leadership and decision making in every level of the value chain, from women in the economy, to women in politics, to women in peace and security.

These new international norms will rely on the new legislative structures that you will guarantee here in Massachusetts, the home of the American of Revolution.

The CEDAW calls for special temporary measures to address the legacy of historical discrimination against women and minority women. This Bill before you too recognizes that designated funds for historically disadvantaged members of the protected class is a fundamental human rights guarantee.

Evidence based research shows that women, particularly women of color are consistently underrepresented in leadership in private equity and capital. My own research analyzed CrunchBase data from 2016 to 2020 and concluded that venture capital firms' demographics present significant gender and race asymmetry which in turn can correlate with the unequal distribution of investment funds.

On the other hand, a critical mass of women in leadership can result in a multiplier effect. McKinsey data reveals that one woman on the C suite can result in three women in senior management roles.

Women's leadership and fair investment in the Commonwealth can have a multiplier impact on the political economy and a new global order.

Honorable Chairs and distinguished members of the Judiciary Committee, today the Commonwealth has an opportunity to make that difference in the world.

I call upon this committee to recall the words of Eleanor Roosevelt, an architect of the Universal Declaration on Human Rights drafted 75 years ago:

"Where, after all, do universal human rights begin? In small places, close to home-so close and so small that they cannot be seen on any maps of the world. . . . Such are the places where every man, woman and child seeks equal justice, equal opportunity, equal dignity without discrimination. Unless these rights have meaning there, they have little meaning anywhere."