BanRep Blog: International Seminar "Pathways to Gender Equality in Central Banks"

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On May 18 and 19, in conjunction with the International Economic Association (IEA), the Bank of Spain, and the United Nations Development Program (UNDP), *Banco de la República* held a virtual seminar entitled *Pathways to Gender Equality in Central Banks*, 1featuring academic papers by researchers from central banks, international organizations and universities on gender equality in central banking, economics and public policy.

Sebnem Kalemli-Ozcan, a professor at the University of Maryland and the keynote speaker at the seminar, focused on explaining where the biases and unfair barriers lie that lead women and other minority groups to be underrepresented in the discipline of economics and why it is important to promote parity and diversity. She stressed the importance of creating instances and space such as this seminar to discuss these problems, make them visible and propose solutions. She also emphasized the need for each person to be aware of these disparities so as to act in an inclusive way and promote change in their environment. She concluded by stating that discrimination is a universal problem with no short-term solution. Therefore, the task of academia is to serve as an ally to generate awareness and solutions, and thus continuing to contribute to change.

During the rest of the seminar, the presentations were divided into three parts: i) central bank research on diversity and inclusion; ii) academic research on gender parity at central banks; and iii) a panel discussion on the "glass ceiling," which refers to the social and organizational attitudes that prevent women from advancing in their careers as they move ahead professionally.

Gender Disparities Among Economists, in Academia and Other Institutions

Most of the papers presented at the seminar demonstrated the existence of differential treatment of women economists at central banks and other institutions, and how it affected their performance and possibilities for promotion. This may respond to an imbalance that has been present from the beginning in the enrollment rates for women in economics undergraduate programs. In the global context, it is an unbalance that has remained relatively low and stable for years. As some research has pointed out, women’s underrepresentation in the discipline continues and increases as they advance in their careers, both in central banks and commercial banks, and in financial and academic institutions. This is due to factors such as the type of tasks assigned, the letters of recommendation that determine their career advancement, their connections among colleagues, performance on entrance exams to institutions and productivity.

Specifically, with respect to this last factor, one of the studies found there are differences in the academic field with respect to the time taken to evaluate papers and the number of times they are sent for review, which helps to explain the greater number of publications by men. Research also shows that evaluation disparities decrease as academic evaluators become more experienced. Accordingly, one possible way to overcome these differences is for the more experienced evaluators to review the work of female researchers.

On the other hand, a paper was presented that evaluates the existing gender gaps concerning aspects such as income, contracts and employee tenure at some central banks and international financial institutions. The analysis shows gender gaps at these institutions continue to be severe despite the policies implemented to combat

them. As for commercial banks, one of the research studies addressed how men tend to have more connections among their colleagues and ones that endure longer over time, which has an impact on their chances of being sought after by the boards of directors of commercial banks.

Disparities in the Economy

There also were papers on gender disparities in the economy. The labor market is where these differences and their implications have been assessed the most. One paper showed that differences in human capital do not explain the differences in wages between men and women of different social groups in the United States and are, therefore, a consequence of different forms of discrimination. Another presentation showed how the process of offshoring in the U.S. or outsourcing services overseas since the 1990s partly explains the behavior of the gender wage gap, as the service sector absorbs a relatively high share of female workers.

On the other hand, a study in which researchers from Banco de la República took part demonstrates the differential effects of Venezuelan migration on the participation of Colombian women in the labor market, depending on their educational level. Specifically, it shows the participation of women with low levels of schooling declines due to the increasing competition from migrants, which, on the other hand, favors the labor participation of women with high educational levels. Data science techniques for estimating individual wealth in the European population were illustrated as well. The results indicate, for example, that the wealth gaps between men and women calculated in this way are higher than the wage gaps. All the papers presented show the importance of microdata collection that makes it possible to detect disparities by gender and other characteristics of individuals, and to evaluate policies designed to mitigate them.

Policy Implications

Unlike labor market disparities, not much research has been done on biases in macroeconomic policy formulation and implementation. The two studies presented on this subject contribute to an understanding of this type of problem and are a source of motivation for further research.

The first study illustrates that contractionary monetary policies in several countries have a greater effect on access to credit for women-led enterprises. However, it found that the effect diminishes as the educational and political participation gaps within the country decline, highlighting the importance of making progress in reducing these gaps. The second study shows that, in the case of the United States, a more diverse representation in monetary policy decision-making bodies can improve public confidence and use of the information provided by the central bank (on inflation and unemployment).

Conclusion

Gender equity in central banks and other institutions that are highly relevant in the discipline of economics is fundamental if all other institutions are to adhere to this socially desirable practice and to promote a more diverse and inclusive discipline. Therefore, we must continue to create instances and opportunities such as those generated at this seminar and continue to promote research in this regard.

1 Original title: *Pathways to Gender Equality in Central Banks*. The program and presentations referenced here can be found at the following link: *WEBINAR: Pathways to Gender Equality in Central Banks | IEA (iea-world.org)*. Recordings and support material are available at *Discussion Panels | IEA (iea-world.org)*

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