Who are Central Banks? Gender, Human Resources, and Central Banking

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PATHWAYS TO GENDER EQUALITY IN CENTRAL BANKS

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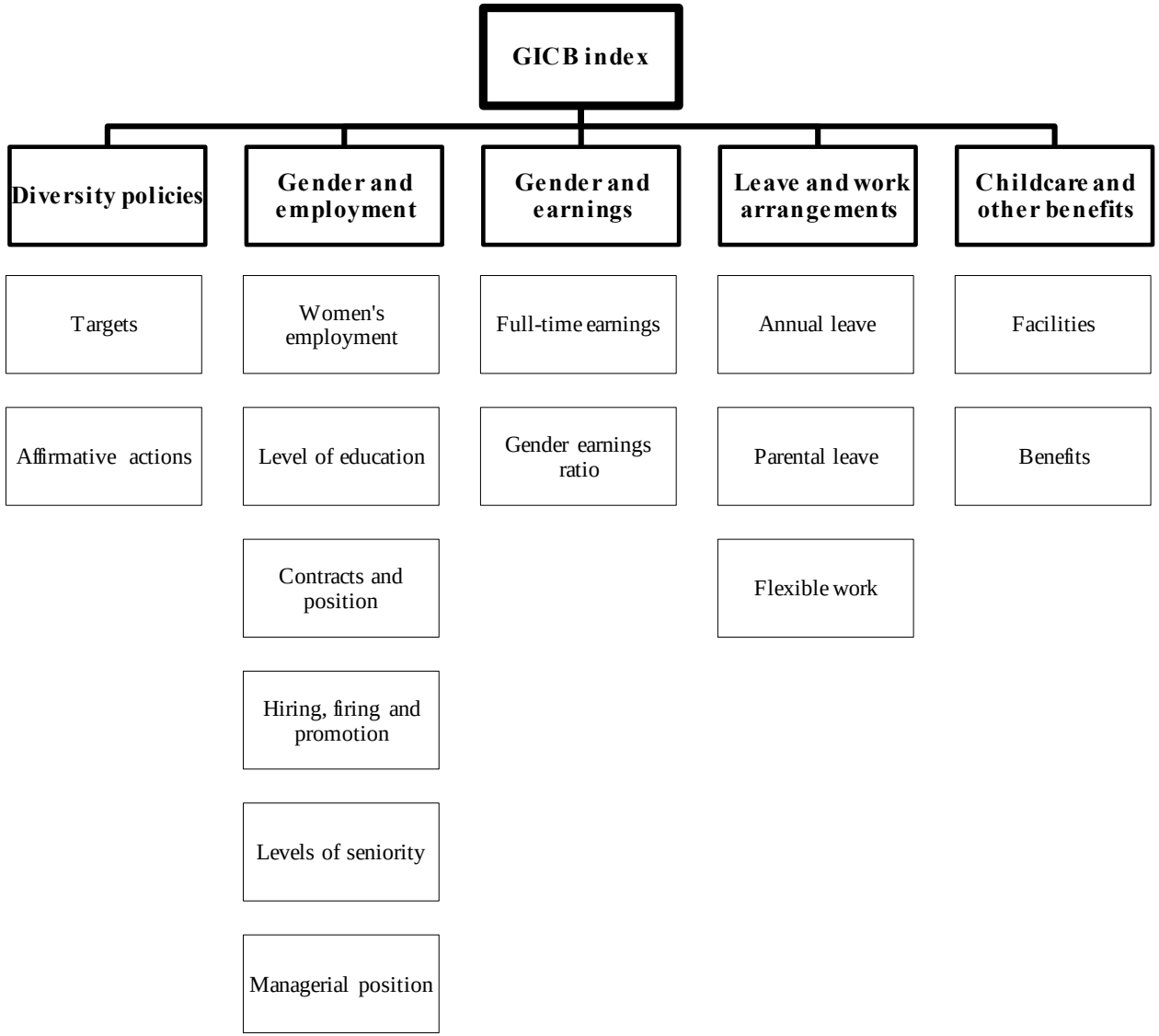
Motivation

- As we still know virtually nothing about how central banks hire, fire, promote, and retain their professional staff.
- This project aims to contribute capturing gender patterns in central banks through a comprehensive survey.
  - 20 questions directed to HR departments, complemented with bilateral discussions.
  - 5 pillars: diversity policies, employment practices, earnings, leave and work arrangements, childcare and other benefits.
- Pilot sample: G7 central banks + ECB and 3 IFIs, 2020/21.
- Develops the "Gender in Central Banks" (GICB) index along pillars, scoring from 0 to 1.

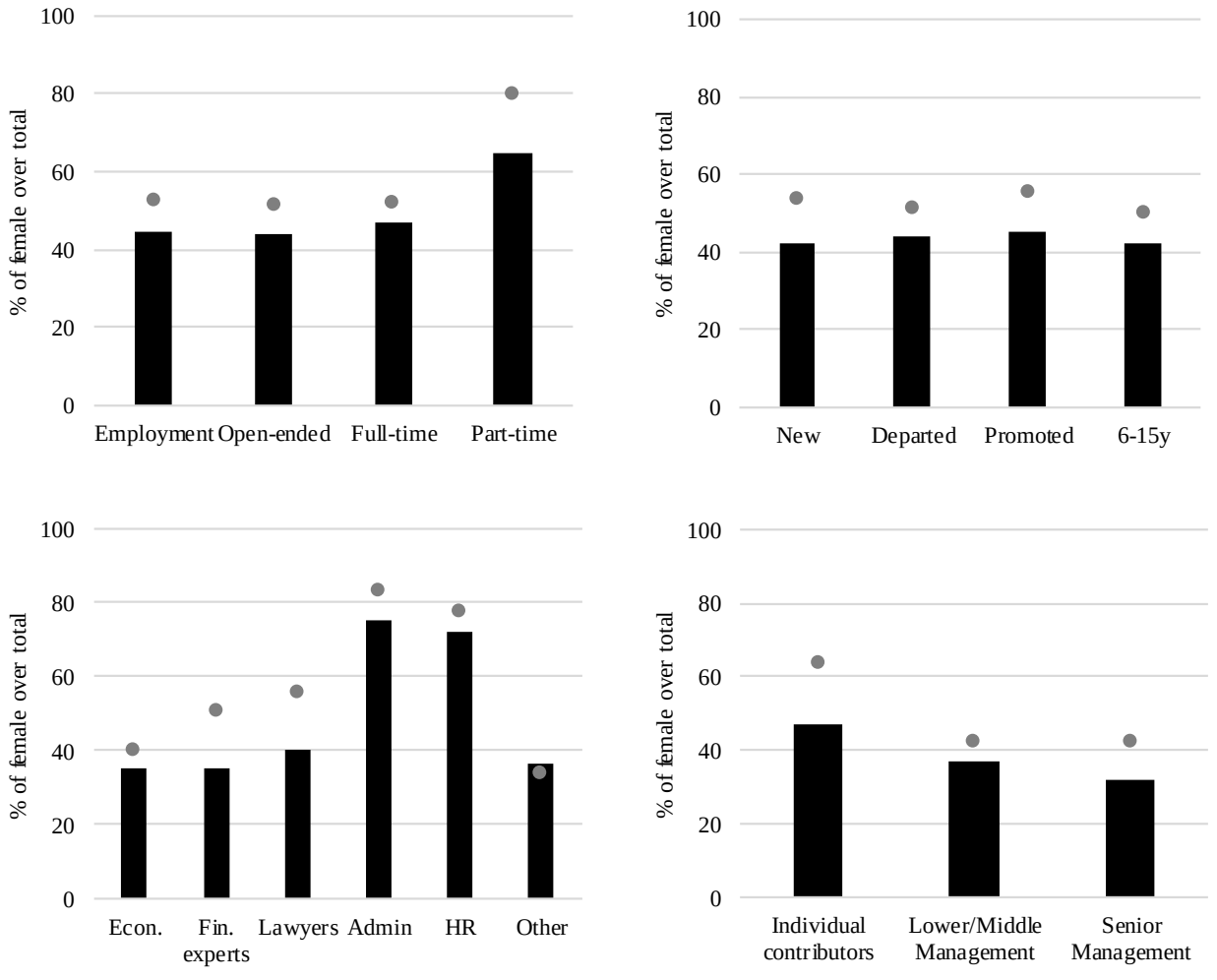
The GICB index: pillars and sub-pillars



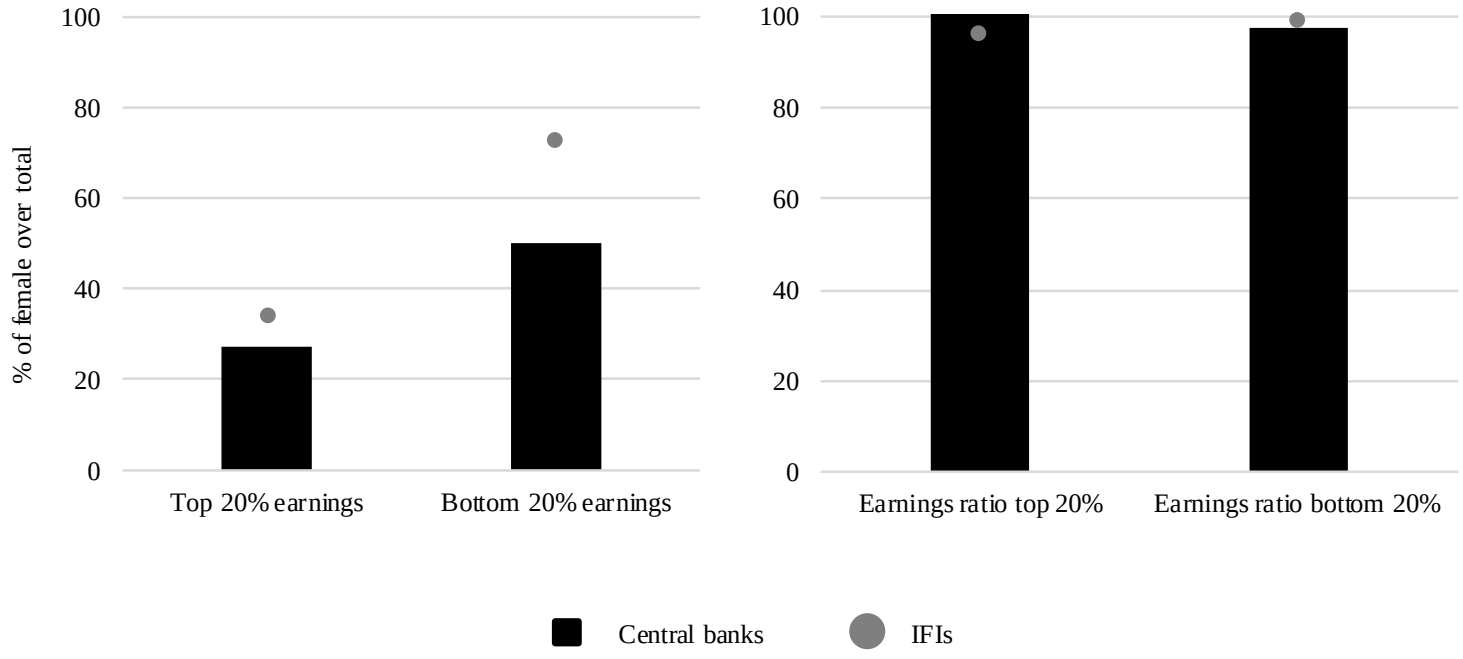
The GICB index and its pillars vary across countries.

	Central banks	IFIs (average)
Diversity policies	0.88 [0,1]	0.50
Gender and employment	0.62 [0.40, 0.78]	0.82
Gender and earnings	0.38 [0, 0.5]	0.25
Leave and work arrangements	0.86 [0.67, 1]	1.00
Childcare and other benefits	0.56 [0,1]	0.83
Average GICB index by pillars	**0.69 [0.35, 0.91]**	**0.73**
Average GICB index	**0.68 [0.56, 0.83]**	**0.75**

Women are underrepresented in full-time contracts and economics-related professions, and among managers.



A gender pay gap is pervasive.



Note: The earnings ratio is the ratio of the average annual base salary of women in the bottom (top) 20% of annual base salaries, over the average annual base salary of all men in the bottom (top) 20% of annual base salaries. For these charts, only full-time employees are included.

Voluntary targets and policies, parental leave and flexible options are common in central banks. Childcare and related subsidies are limited.

- 62% have gender targets and 75% have affirmative action policies (67% of IFIs), but only 12% of them have targets by law.
- Half offer between 10-25 days of annual leave, and the other half, more than 25 days. All offer parental leave (paid) of more than three months.
- 60% do *not* offer nurseries at headquarters or spaces in nurseries reserved for staff (30% of IFIs). 75% do *not* offer vouchers or any form of subsidies (67% of IFIs).

The GICB index, hiring and promotion of women and their contract types can affect output and credit gaps.

	output gap	credit gap
GICB index	✓	✓
Diversity policies		
Gender and employment	✓	
Gender and earnings		✓
Leave and work arrangements	✓	✓
Childcare and other benefits		
New hires, female%	✓	✓
Promotions, female%		✓
Part-time contracts, female%		✓
Open-ended contracts, female%	✓	✓

Note: We use the Weighted-Average Least Squares (WALS) proposed by Magnus et al. (2010) and Magnus and De Luca (2016). As in Magnus et al. (2010), we consider a guideline for "robustness" of a regressor to be whether it has an absolute t-ratio of 1, which corresponds to a posterior inclusion probability of 0.5 (Masanjala and Papageorgiou, 2008). We control for central bank transparency index (Dincer et al. 2022) and independence (Cukierman et al. 1992, Garriga, 2016). Data for the gaps are from IMF WEO and BIS. The credit gap is the difference between the credit-to-GDP ratio, based on total credit to the private non-financial sector over GDP, and its long-term trend, in percentage points.

Conclusions

- Gender gaps in central banks are severe, although they vary across countries:
  - In professions related to economics, representation in managerial positions, full time contracts, and in pay gap.
- Voluntary targets and policies, parental leave and flexible options are common in central banks. Childcare and related subsidies are limited.
- Inequality in central banks is also linked to performance.
  - Gender patterns can affect output and credit gaps.
- Next steps: survey other central banks and IFIs.

Thanks for your comments!

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Reserve slides

The GICB index is linked to women in high-level positions, government effectiveness, and corruption.

	GICB index	New hires, female%	Promotions, female%
Central bank factors			
Central bank decision making body, female%	✓	✓	✓
Central bank transparency index	✓	✓	
Public/private representation			
Ministries, female%	✓	✓	✓
Parliament, female%			
Government, female%	✓	✓	✓
Academic graduates, female%			
Academic head of universities, female%	✓	✓	✓
Board members largest listed companies, female%	✓	✓	✓
Worldwide Governance Indicators (WGI)			
Voice and Accountability	✓		✓
Political Stability and Absence of Violence/Terrorism			
Government Effectiveness	✓	✓	✓
Regulatory quality			
Rule of Law			
Control of Corruption	✓	✓	✓
Total female participation in country			
Female% country	✓		✓

Note: We use the Weighted-Average Least Squares (WALS) proposed by Magnus et al. (2010) and Magnus and De Luca (2016). As in Magnus et al. (2010), we consider a guideline for "robustness" of a regressor to be whether it has an absolute t-ratio of 1, which corresponds to a posterior inclusion probability of 0.5 (Masanjala and Papageorgiou, 2008). We control for central bank transparency index (Dincer et al. 2022) and independence (Cukierman et al. 1992, Garriga, 2016). The data are from OECD, World Bank, ILO, UNECE, EIGE, and UNESCO.