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Opening remarks

Madame President of the European Central Bank!¹

Dear Ms. Managing Director Georgieva! Excellencies!

Dear Governor Holzmann!

Ladies and gentlemen!

Good afternoon. My name is Barbara Kolm, and I am the Vice President of the Oesterreichische Nationalbank, Austria's central bank, which is a member of the Eurosystem. Today, I have the immense pleasure of welcoming you to the 48th OeNB Economics Conference in cooperation with SUERF and the JVI. I would like to thank you all for joining us, and I would like to extend my very heartfelt welcome to our distinguished speakers and panelists from around the world, who have so generously agreed to join us and contribute to this conference. It is *your* participation which turns this event into a truly international dialogue of the highest caliber.

This year's conference on gender, money and finance deals with a topic that is both close to my heart and very timely. The European Commission's "2021 Report on Gender Equality in the EU", which was published earlier this year, draws an unambiguously clear conclusion: the consequences of the COVID-19 pandemic have turned out to be a setback for many dimensions of gender equality in our private and professional lives. Unfortunately, and – I have to say – predictably mimicking observed patterns during previous crises², gender-based violence is on the rise in

Europe and elsewhere. In addition, the economic fallout of the pandemic has disproportionately hit sectors with high female employment shares, while simultaneously preventing many women from continuing to work, due to their increased childcare duties.³

And yet, paradoxically, it appears that many governmental special task forces which have been created to tackle precisely these challenges exhibit a striking underrepresentation of women: a survey of 115 national, dedicated COVID-19 committees in 87 countries shows that only 3.5% of these task forces have gender parity, while more than 80% are led by men.⁴

Let me be frank with you, ladies and gentlemen. The evidence is clear and mounting that "uncomfortable" imbalances such as these are not the result of random draws, much less of meritocratic selection. Due to persistent stereotypes, path dependence, and status quo bias⁵, women⁶ still face an uphill battle when it comes to making their voices heard and their rights respected.

In her recent book, "Invisible Women – Exposing Data Bias in a World Designed for Men", Caroline Criado Perez provides myriad enlightening and sometimes breath-taking examples, testifying to the unfortunate timelessness of what Simone de Beauvoir has put into words already more than 70 years ago. To quote de Beauvoir: "The representation of the world, like the world itself, is the work of men; they describe it from

¹ I would like to thank Kilian Rieder for his contributions to this speech. For citation, only the spoken version of this speech is relevant (please check against delivery).

² See World Health Organization (2005).

³ See European Commission (2021) for European evidence and Alon et al. (2020) for the corresponding data on the United States.

⁴ See Van Dalen et al. (2020).

⁵ See, for example, Alesina et al. (2013).

⁶ Of course, I acknowledge that the concept of gender is not exclusively represented by the simple man-versus-woman categorization I focus on in these opening remarks.

their point of view, which they confuse with the absolute truth”.⁷

Session 1 of today’s conference addresses the question of how to achieve more gender-inclusive visions of and answers to our current challenges. Invincible rather than invisible, our two panelists of Session 1, IMF Managing Director Kristalina Georgieva and ECB President Christine Lagarde, will undoubtedly have a lot to share with us when discussing the role of gender in economic policymaking.

For all we know, measuring the causal effects of policies on gender parity and, vice versa, identifying the influence of gender on policy decisions is notoriously hard. Now, as argued by Professor Paola Profeta, one of our speakers in Session 2 this afternoon, monetary policymaking may be an exception to this rule.

Since monetary policy is decided on the basis of fairly widely known technical considerations that can be controlled for in empirical work, it seems to be particularly well-suited for disentangling the impact of gender on public policy outcomes.⁸ Building on this insight, recent research shows that gender indeed does matter for central banking.

For example, while women tend to prioritize output and employment concerns during the deliberation phase of monetary policy meetings, their male colleagues appear to focus more on inflation and price stability.⁹ And for those of you who prefer narratives to regression tables, let me point towards former Fed Governor Ben Bernanke’s famous 2002 remarks on the impact of

Anna J. Schwartz’s and Milton Friedman’s book “A Monetary History of the United States, 1867–1960”. I quote: “Regarding the Great Depression. You’re right, we did it. We’re very sorry. But thanks to you, we won’t do it again.”¹⁰

By revisiting the role of the Federal Reserve during the Great Depression of the 1930s and thereby shaping the intellectual roots of monetarism, Anna J. Schwartz crucially contributed to our understanding of economic crises, while also paving the way for price stability to become the dominant target of monetary policy.

Hence, statistically and anecdotally, there should be little doubt that increased female participation can exercise a decisive effect on central bank policies. I am sure that Session 2 of today’s conference will shed more light on how this effect plays out in concrete cases.

At the same time, the quest for gender parity must go beyond the realm of public policymaking – just as the impact of heightened gender diversity in turn is likely to influence the status quo in the private sector. Yet, jumping to conclusions might be a little more difficult in this regard. Recent discussions about the likely effects of increased female leadership in finance illustrate this point quite nicely.

On the one hand, what *The Economist* described as “the Lehman Sisters fancy” as early as 2009¹¹, namely, the idea that women are generally more risk averse than men, has by now been established as a well-documented fact.¹² On the other hand, a study by Prof.

⁷ The original French text reads as follows: “La représentation du monde comme le monde lui-même est l’opération des hommes ; ils le décrivent du point de vue qui est le leur et qu’ils confondent avec la vérité absolue.” *De Beauvoir* (1976, p. 244).

⁸ See Profeta (2020).

⁹ See Ainsley (2019).

¹⁰ See Bernanke (2002).

¹¹ See *The Economist* (2009).

¹² See Eckel and Grossman (2008).

Renée B. Adams (Professor of Finance, University of Oxford, Saïd Business School), one of our panelists in tomorrow's Session 3 on gender and risk-taking, provides an important nuance to these very interesting implications of a general relationship between gender and risk aversion.

Prof. Adams would probably argue that, all else being equal, stronger female representation on bank boards may indeed have a mitigating impact on the buildup of systemic risk in the financial system. To put this in President Lagarde's words, [*ceteris paribus* (all else being equal)], and I quote, "if it had been Lehman Sisters rather than Lehman Brothers [in 2008], the world might well look a lot different today."¹³

However, the question remains, which things tend to be equal: Prof. Adams demonstrates how, due to the very specific selection into leadership roles, preferences of women CFOs or directors in finance may actually wildly differ from the preferences otherwise expressed by representative samples of Western female populations.¹⁴ If that proposition holds true: would it be possible that Lehman Sisters might have behaved just like their male-dominated real-life counterparts after all? I am quite certain we all can't wait to hear the latest update on this discussion which will be presented during Session 3 tomorrow afternoon.

Those acquainted with the works of Virginia Woolf will know that the recourse to metaphorical sisters – as a marvelous trick that allows us to imagine a counterfactual, more gender-equal world – was brilliantly used long before 2009. In her 1929 book, "A Room of One's Own", Woolf invents the life and fate of William Shakespeare's fictitious sister to describe the unthinkable obstacles



faced by young women attempting to express their genius at the time. Albeit as extraordinarily gifted as her brother, Ms. Shakespeare, who – unlike Mr. Shakespeare – was barred from formal education, never manages to catch up with the lead her brother was so easily allowed to gain on her – not least because she was never given a real chance.

While circumstances have certainly changed for the better since Shakespearean times, even today, the head start men oftentimes still profit from when compared to women remains an important source of inequality in many areas of our daily lives.

To give you a real-life example, the research of Prof. Annamaria Lusardi (Professor of Economics and Accountancy, George Washington University School of Business), one of the panelists on tomorrow's closing session, highlights that, in contrast to their male peers, women in the final stages of their careers are particularly prone to lack the financial literacy and skills to make appropriate financial plans for their retirement.¹⁵ Tomorrow's Session 4 on gender, financial literacy, inflation and COVID-19 will shine a light on why exactly some segments of the female population are financially less literate

¹³ See Lagarde (2018).

¹⁴ See Adams and Ragunathan (2018).

¹⁵ See Lusardi and Mitchell (2008).

and how to best address these gaps in their financial knowledge.

Ladies and gentlemen, to round up my opening remarks, let me come back to what Criado Perez so clearly states in the afterword of her recent book – I quote: “to end gender inequality and the multiple persistent gender gaps, we need to close the female representation gap”.¹⁶ Only if women are adequately represented in decision-making bodies,

in research and in all other areas of public life, only then will their voices be sufficiently heard.

One way to accelerate the attainment of this goal is to actively give women a say in the public sphere: with more than 95% female speakers, the 48th OeNB Economics Conference makes an important step in the right direction.

Thank you for your attention and please enjoy the conference!

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¹⁶ See Criado Perez (2019).