Discussion of “Do Women Matter in Monetary Policy Boards?”

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The views expressed here are my own and do not necessarily reflect those of the ECB or the Eurosystem.
Overall remarks

• Very rich dataset
• Title of the paper is much broader than what can be done with the data
• This generates appetite for more analysis 😊
Female representation on monetary policy committees

• The authors focus on the trend more than the level
  – “Women are increasingly represented in central banks”
  – “We document an increasing share of women in monetary policy committees”

• Despite the increasing trend, the levels are still extremely low
  – Sample: 103 central banks, 2002-2016
  – June 2018: 13 central banks headed by women
  – 20% of MPCs never included a woman
  – Average share of women on MPCs is 14%; large heterogeneity
The data

• Double-check and clarify the data
  – E.g., Canada in 2016
    • Male: Poloz, Lane, Leduc (since May), Schembri
    • Female: Wilkins, Côté (until February), Patterson
  – How do you handle empty seats / transitions within a year?
    • Snapshot at year-end: 33% (Table A1)
    • Account of changes: 37%
    • Simply count all names: 43% (Figure 1: 40-60%)
Explaining female representation

• What explains staff gender ratio?

• Which gender gap index?
  – Overall (includes “health and survival” and “educational attainment”, which are largely closed)
  – Economic participation and opportunity index
  – Political empowerment index

• Other potential determinants
  – Females in government, parliament
  – Female prime minister

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<tbody>
<tr>
<td>Share of women</td>
<td></td>
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<tr>
<td>Staff gender ratio</td>
<td>0.198*</td>
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<td></td>
<td>(0.105)</td>
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<tr>
<td>Gender gap index</td>
<td>0.125</td>
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<td></td>
<td>(0.356)</td>
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<tr>
<td>Central bank independence</td>
<td>-0.118</td>
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<td></td>
<td>(0.106)</td>
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<td>Controls:</td>
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<td>OECD FE</td>
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<td>Year FE</td>
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<td>Observations</td>
<td>182</td>
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<td>164</td>
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<tr>
<td>Number of countries</td>
<td>66</td>
<td>61</td>
<td>59</td>
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Interest rate setting

- The paper estimates Taylor rules with an interaction term of female participation and inflation
  - With such a large country and time dimension, this is very hard to do
    - E.g., estimation on ex post, not on real-time data

- What is the hypothesis? Why should MPCs with females be more hawkish, on average?
  - Dependence on interest rate cycle, mandate,...?

- Existing literature is inconclusive, this dataset could help understand why
  - FOMC: females are more dovish (Chappel and McGregor 2000, Ainsley 2019)
  - Cross-country: females are more hawkish (Farvaque et al. 2001, Diouf and Pepin 2019)
Interest rate setting

- **Alternative hypotheses**
  - More emphasis on output gap
  - Different persistence term
  - More emphasis on other variables, i.e. larger residuals

- **Econometric issues**
  - What if females are better forecasters?
  - Share of women has a negative effect on policy rates – control for time f.e.?
  - How is ELB taken into account? Robustness?
The Swedish case study

- Interesting test, but largely unconnected to the rest of the paper (requires voting data, which most CBs do not release)
- Controls for age and gender, plus meeting f.e.
- Why not control for other characteristics, in line with literature, e.g. birth cohort, profession, nomination from within,...?
Further questions

• Many questions would require other data
  – More collegial, more open discussion, less group think, more diversity: minutes / votes
  – More trusted by citizens: surveys

• Some questions can be tackled already, or require additional, but standard data
  – Inflation closer to target? Any difference for the output gap?
  – More/fewer interest rate reversals?
  – Any difference in reappointment or length of tenure?
Conclusions

• Very interesting dataset
  – Making this available to researchers would be a great service to the profession!

• I hope the authors will take this much further, looking forward