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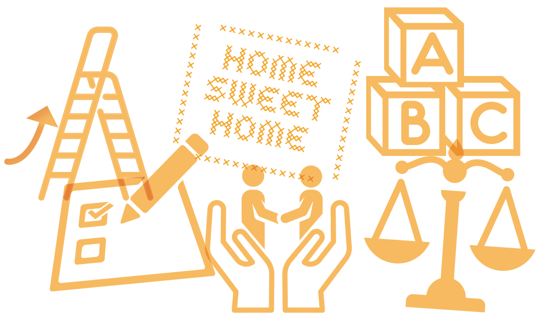
GENDER BALANCE INDEX 2020

Driving diversity

CONTENTS



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RHONDA VONSHAY SHARPE

President of the Women's Institute for Science, Equity and Race

Category error

Measuring diversity purely by gender can result in cultural bias and the exclusion of marginalised groups. To better craft policies, central banks should disaggregate gender data by ethnicity.

DIFFERENCE characterises diversity, but also serves as a basis for exclusion. Historically, difference defined by gender or ethnicity has been used to exclude women and non-whites from full participation in economic activities.

Failure to break down gender data by ethnicity is an example of cultural bias – white (European) women are the norm. Failure to break down ethnicity data by gender is another example of cultural bias – men are the norm. When ethnicity and gender data are disaggregated, the results can inform policies to increase the economic participation of targeted groups, rather than a standardised approach aimed at women or ethnic groups.

Central banks have a social obligation to reflect the societies they serve. To do so, it is important for them to separate data by ethnicity or other characteristics historically used to exclude women. Our increasingly global economy allows for the free migration of labour between countries and for multinational corporations to hire workers abroad. This has led to greater diversity around the world. As this amplifies, using the denominator 'women' will fail to capture the diversity within this group that should be reflected at various levels of central and private bank staff.

Varied viewpoints

However, disaggregating data by ethnicity will not reduce 'groupthink'. US legal scholar Stephen Carter suggests that using race as a proxy does not automatically yield different perspectives. This applies to any characteristic that defines diversity. Varied viewpoints must be the goal, not just group heterogeneity. Separating data by ethnicity can help reveal the subtlety in outcomes masked by using aggregates like 'women', leading to better results. Policies to increase all women's economic empowerment are more effective if they are based on nuanced information.

'Policies to increase all women's economic empowerment are more effective if they are based on nuanced information.'

Organising data in this way will enable central and private banks to craft better diversity recruitment and retention policies to increase the representation of women from marginalised groups. These women are the most economically and socially vulnerable. US legal scholar Kimberlé Crenshaw pioneered the study of intersectionality to address the specific ways in which black women are subordinated. She suggests that any policy that claims to reflect female experiences and aspirations without including or speaking to marginalised women is in effect othering these marginalised women. Therefore, recruiting women from minority groups to serve in key decision-making positions that interface with customers and influence monetary policy is crucial for the economic wellbeing of society.

The Bank of England runs a sponsorship programme designed to increase the profile and support professional development of women and black, Asian and minority ethnic staff. While I applaud this effort, research shows that for black, Asian, and ethnic minority women, finding a sponsor can be difficult. The BoE should collect data using an intersectional approach, for example by providing participants options to self-identify in ways that may capture inequality in programme outcomes.

Collecting and disaggregating data by ethnicity are invaluable processes to help central and private banks achieve their economic and social responsibilities, but they are not enough. Banks must also address how 'women' is used to exclude. Specifically, the failure to use 'white' or 'European' as the descriptor for women suggests that black, Asian, and ethnic minority women are not women. True gender diversity requires recognising that the aggregate 'women' refers to all racial and ethnic groups, not just white (European) women. ◆

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