

Is the glass ceiling cracking in finance?

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Women seem to be breaking into the long male-dominated areas of economic policy making and financial regulation. But how real is the apparent shift?



Lord Mayor Fiona Woolf

The bank's Charlotte Hogg

The Treasury's Sharon White

Is that the sound of a glass ceiling for women cracking? This week Sharon White was appointed to be one of the two second permanent secretaries at Her Majesty's Treasury. A veteran civil servant, Ms White becomes the first woman to be formally appointed to such an exalted role in the Finance ministry.

She will have responsibility for managing the public finances and implementing George Osborne's on-going fiscal consolidation. Ms White is married to Robert Chote, the head of the independent Office for Budget Responsibility (which is supposed to mark the Treasury's books) so that should make for some interesting, perhaps even awkward, supper time conversations.

But Ms White's elevation also seems to symbolise a wider shift in which women are taking a more prominent role in economic policymaking and financial regulation – an arena of public life which has long been male dominated.

Across London at the Bank of England, Charlotte Hogg was appointed chief operating officer when Mark Carney became Governor in July. It is the first time the Bank has had a COO and Ms Hogg's status and remuneration are reported to be equivalent to Mr Carney's three formal deputy governors.

Ms Hogg is shaking things up. Last month she appointed her old employers, the management consultancy firm McKinsey, to review the central bank's operation with a view to cutting

waste at the 319-year-old institution. Another senior female figure at Threadneedle Street is Jenny Scott, the former BBC journalist, whom Mr Carney appointed as his personal adviser upon taking office.

In regulation, too, women seem increasingly to be in senior roles. Tracey McDermott, the director of enforcement and financial crime at the Financial Conduct Authority, has been the public face of the drive to expose abuse in the City from interest rate rigging to insider trading for more than a year. Laura Carstensen of the Competition Commission led the recent contentious investigation into audit firms. Even the world of statistics has some women in senior roles. As the UK's National Statistician, Jil Matheson was charged earlier this year with handling the intensely market-sensitive question of whether to scrap the retail prices index.

The ceremonial side of the City of London seems to be reflecting this gender shift too. Fiona Woolf, the incoming Lord Mayor of the City of London, will this month become only the second woman to hold that role in 800 years.

But has there really been a movement to greater gender equality in public policy finance and economics? The raw figures point to progress. In the Treasury, 10 years ago just 15 per cent of Treasury employees were women. Today the proportion has reached 47 per cent. At the Bank of England 43 per cent of staff are female, a proportion that has been rising, according to Threadneedle Street.

But there is also more work to be done before it will be possible to talk of true gender equality at either institution. The finance ministry admitted in its most recent annual report that the representation of women at senior levels actually declined from 46 per cent to 43 per cent between 2012 and 2013. The proportion of female Bank of England managers has hit 32 per cent, but that leaves two-thirds of the central bank's senior workforce as male. And the Bank of England's nine-member Monetary Policy Committee has had no female representation since Kate Barker left in 2010.

There is a solitary woman – Clara Furse – on the Financial Policy Committee. There were believed to be no women on the shortlist for the Governorship.

Ms White said in an interview last year that women in the past had been put off from applying for senior roles at the finance ministry, describing the Treasury's management board as "a bit of a closed shop, which becomes self-reinforcing, putting women off from applying". She also pointed out that economics as a profession was still heavily male dominated.

That suggests the roots of the problem of under-representation go deep. University economics courses are still dominated by male undergraduates. And women make up only a quarter of academic staff in economics departments, according to the Royal Economic Society.

This means that fewer qualified women enter the public policymaking sector in the first place, making the pool of promotable female talent smaller.

Perhaps some prominent role models will help to alter this. Ms White is herself now a senior figure on the Treasury's management committee. She has the power to make the body more welcoming.

Meanwhile, in the United States Janet Yellen – a distinguished policy-maker and academic economist – will soon take up her post as head of the US Federal Reserve, the world's most important monetary authority.

To secure the appointment she saw off Larry Summers, the veteran economic policymaker who once suggested that women might be under-represented in the sciences because of a "different availability of aptitude at the high end".

What better signal than Ms Yellen's triumph could there be to women everywhere that there is no limit on how high they can rise if they have the talent and determination?