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Successful Female Leaders Abound, But Women In Public Finance Are Rare.

Ellen Johnson Sirleaf. Michelle Bachelet. Christine Lagarde. Jacinda Ardern. You have heard the stories about their effective leadership. So why are there so few women leaders out there? Why in particular do we have such a strong predilection to denying women the highest seats in office that hold the national purse strings?

If women are still, in 2021, vastly underrepresented in country leadership around the world, then the representation gap is especially acute in public finance bodies, such as finance ministries and national audit offices that report on the use of public funds. According to new data from UN Women and the International Organization of Supreme Audit Institutions Development Initiative respectively, only 11 percent of countries have finance portfolios held by women and less than a third of all heads of national audit offices are women.

Yet, women are overrepresented in leading countries that are well governed. Examples abound of women-led countries that fared better in the initial handling of the COVID pandemic: New Zealand, Germany and Taiwan are just a few. Indeed, women often face a glass cliff — they are more likely to be handed over the reins as “the fixer” in a crisis. Why? A Harvard Business Review study found that women were ranked higher in interpersonal skills — such as communicating effectively, inspiring others, and displaying empathy — leadership competencies that are ranked most important when times are tough.

Women leaders are also attuned to the intersectional challenges their fellow women face and these considerations inform their decision-making and design of more gender-responsive policies and budgets.

For instance, Indonesia’s finance minister Sri Mulyani Indrawati has been a vocal champion for addressing the disproportionate impacts that women face under COVID. The Indonesian government is working with the Indonesian People’s Struggle to address registration gaps that were preventing women in low-income settlements from receiving COVID assistance. Women heads of national audit offices, such as those in Jamaica and Costa Rica, are also leading the way in monitoring the use of COVID relief funds.

If we know that women are good or arguably better leaders at this critical time, then what is holding us back from choosing more of them, especially in institutions that are critical for an accountable and inclusive recovery — such as finance ministries and audit institutions?

There are no easy answers, but we can start by dismantling entrenched stereotypes. We must challenge outdated and tokenistic approaches to representation that pigeonhole women into specific leadership roles. In a workshop series that our organizations held with women representatives in finance ministries, auditors and public finance nonprofit leaders, we heard examples of women being looked upon to fulfill public-facing roles and relied upon less so for their technical expertise.

Relatedly, we must tackle norms that perpetuate biases that women do not excel in science,

technology, engineering, and mathematics. There is mounting evidence that gender discrimination is rife in the economics field. This has a direct impact on the leadership pipeline. Women feel less supported to stay in economics and other mathematics related fields early on in their studies and profession and as a result there is less retention of female talent that can be groomed for leadership.

The brave women who do stick it out face many hurdles that delimit their advancement. Yet, data gaps limit our understanding of these impediments. To course correct in public finance institutions, we must collect more data on recruitment and promotion policies, offer capacity development opportunities and create mentoring and coaching opportunities for women. Importantly, the tone needs to be set at the top — the leaders of these institutions need to make clear these issues are a priority.

We also know that all organizations, including public finance institutions, must look at measures that support the redistribution of unpaid care work. We need to stop taking women's double duties for granted if we are to truly level the playing field for women to advance in the workplace.

As we seek a more durable and inclusive post-COVID recovery, we know we are better served when we make space for women's leadership, especially in public finance roles where there is a gaping need. This is about equity and fairness. But it is also about undoing the structures, norms and stereotypes that stand in the way of getting the best leaders we deserve.

THE HILL

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