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Citation

Verdun, A. (2022). Women's leadership in the European Central Bank. In H. Müller & I. Tömmel (Eds.), *Women and leadership in the European Union* (pp. 290-308). Oxford, UK: Oxford University Press. Retrieved from <https://hdl.handle.net/1887/3643778>

Version: Publisher's Version

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Note: To cite this publication please use the final published version (if applicable).

Women's Leadership in the European Central Bank

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15.1 Introduction

On November 1, 2019, Christine Lagarde took office as president of the European Central Bank (ECB). She is the first woman to serve in this role. Across the globe a very small number of women have ever served as central bank president, especially in advanced economies, and women are also severely underrepresented on central bank boards (Charl  y et al. 2017).¹ In addition to being underrepresented in the very top position, women have also been notoriously underrepresented in other types of leadership roles in central banks. Employees of a central bank more often than not hold economics degrees. Economics has been a field more dominated by men than many other academic disciplines. In addition, central banking in particular has traditionally been seen as more male dominated than other professions or the discipline of economics more generally (OMFIF 2019).

The Governing Council is the main decision-making body of the ECB. To date it has been made up mostly of men, though a few women have served on it. It has 25 members (six members of the Executive Board and the Governors of the central banks of the 19 euro area countries). At the time of writing, it has only two female members—one of whom is the president. More women have held upper managerial positions in the ECB's administration. In its most recent annual report, the ECB recorded that about 30% of these senior positions were currently held by women (ECB 2020a: 109). This chapter provides a first analysis of women's leadership in the ECB. Central questions it addresses are: What have been the reasons for women's absence or presence in leadership positions in central banking in general and in the ECB in particular? What has been the behavioral leadership of Christine Lagarde, the first female ECB president?

¹ At the time that Janet Yellen was nominated for the position of chair of the Federal Reserve Bank (in 2013), the other female central bank presidents across the globe could be found in Argentina, Aruba, The Bahamas, Belarus, Botswana, Honduras, Kyrgyzstan, Lesotho, Malaysia, Russia, Samoa, S  o Tom   and Pr  ncipe, Serbia, the Seychelles, Somalia, South Africa, and Tonga (Tsang 2013).

In keeping with the literature and Chapter 1 of this volume, this chapter assumes that gender roles are socially constructed (Elliott and Stead 2008; Ridgeway 2011). The chapter examines the setting of central banking and, within that, the specific situation at the ECB to explain the underrepresentation of women therein and to tease out a possible explanation thereof. The chapter seeks to investigate women's leadership of the ECB in the following way: Section 15.2 examines whether there is something special about central banking that obstructs women from rising to leadership roles in this profession. Section 15.3 looks at women in the ECB and their role as leaders in particular. This part of the chapter also examines policies of the ECB that have sought to improve its gender balance and eventually work toward greater gender equality at three levels of administration: the very top positions; the senior management; and the advancement of women versus men through the bureaucratic ranks into leadership positions. In addition, it also discusses a study by Hospido et al. (2019a, 2019b, 2020) of the ECB's gender performance and the reasons behind women's continued underrepresentation. Section 15.4 assesses the challenges around gender equality in the ECB based on interviews with key observers—six interviews with ECB personnel were conducted by the author for this study in November–December 2019 (see Appendix 15.1 of this chapter).² Section 15.5 examines the ascent to the ECB presidency by Christine Lagarde and discusses her behavioral leadership, thereby drawing on publicly available interviews given by the ECB president (see Appendix 15.2 of this chapter). The chapter concludes by offering some insights on positional leadership and the role of expertise in the leadership of central banks. It also advances a few observations about the behavioral leadership by President Lagarde to date, including the policies she has promoted, the particular focus of her public messaging, and her stance on women's leadership in the COVID-19 crisis.

15.2 Women in the Central Banking Profession

The ECB is one of the official European Union (EU) institutions. It is a supranational body that is responsible for the policies of the euro area, first and foremost to ensure price stability, and for EU economic and monetary policy; since 2013, it has also explicitly been tasked with banking supervision—both of these tasks in cooperation with national authorities. The ECB has a president at its helm and the most important decision-making body is its Governing Council which, as already mentioned, consists of an Executive Board (six members) and the Governors of the national central banks of the euro area countries (currently 19 countries).

² The author is grateful for financial support from Leiden University and her SSHRC Insight grant 435-2015-0943 to enable these interviews, and for the six interviewees to have made time available for her to ask questions and have conversations (five in person and one by phone). The interviewees have all asked not to be identified (for further details see Appendix 15.1).

The appointment of the members of the ECB Executive Board is ultimately approved by the European Council³ whereas the Governors of the euro area national central banks are chosen at the national level. Another body is the General Council. It comprises the president and the vice-president of the ECB as well as the Governors of the national central banks of all 27 EU member states—also the EU member states that have not adopted the euro (currently eight states).⁴ The ECB is able to affect gender issues only for its bureaucracy—not the very highest political positions.

The arrival of Christine Lagarde as president of the ECB has once again put the spotlight on the issue of gender and leadership in central banking (Hessler 2019; *Deutsche Welle* 2019). Central banks are important institutions that play a crucial role in overseeing the monetary system, whether at the national or international level. Directly and indirectly, they contribute to achieving economic growth, low inflation, employment, and currency stability. Traditionally, women were very much underrepresented in leadership positions in central banks. Diouf and Pépin (2017: 1), studying female central bank presidents, assert that “it seems that women have greater access to positions of responsibility in politics than in central banks where the *glass ceiling* is tougher.” These findings are backed by professionals who keep track of the annual gender balance index in central banks. They find that in senior positions at public financial institutions around the globe, gender representation is even poorer than in other sectors that also have relatively poor gender representation such as politics and the private financial sector (OMFIF 2019: 1). In 2019, of the 173 central banks across the globe, only 14 were led by women, and in 20% of the cases (i.e., 35 central banks) there are no women in senior positions (OMFIF 2019: 1). Similarly, the ECB, with its 19 Governors of the national central banks of the euro area countries and its six Executive Board members in 2021, has (not counting the president) only one other woman member. It is noteworthy that the other female member is also a member of the ECB’s Executive Board. Furthermore, in the two decades since the ECB’s inception, there have only ever been two other female board members.

Some have argued that the low percentage of women in central banking may be caused by the reputation of and culture within the academic discipline of economics—the scientific field of study that provides most of the professional staff in central banks. Indeed, we do find low percentages of women in economics in past decades. Compared to the 1970s and 1980s, however, the field of economics has become more inclusive of women, though women’s percentage in assistant

³ The euro area member states propose candidates; these candidates are discussed in the Eurogroup. The Council agrees on a recommendation and after consultation with the European Parliament and the ECB Governing Council, the European Council makes the appointment (see <https://www.consilium.europa.eu/de/infographics/ecb-executive-board-appointment-procedure/#>).

⁴ The composition of the ECB General Council is therefore the result of decisions of member states that independently appoint their own national central bank governors.

professorships and PhD programs has stagnated since the middle of the century's first decade (Lundberg 2020: 10). The American Economic Association (AEA) provides a yearly overview of women in the discipline (AEA 2018: 2). The data shows the loss of women scholars through the ranks. Gender scholars have called this phenomenon the "leaking pipeline" (see Bailyn 2003: 141). To address gender inequity in central banking, in a conference held at the ECB in Frankfurt in 2019, various facets of this conundrum were discussed (Ewing 2019). One such aspect is whether economics is a woman-friendly profession. Indeed, the culture in the economics discipline has been characterized as hostile to women, as demonstrated by a fairly aggressive seminar culture (Dupas et al. 2019). Researchers have also found evidence that scholars with female names are less likely to have paper proposals accepted at conferences (Hospido and Sanz 2019: 1). In sum, the relatively low number of women in both the economics profession and in academic positions in economics may impact the availability of suitable candidates for senior jobs in central banks, such as the ECB.

15.3 Positional Leadership: Women in the ECB

Let us now turn to the issue of how women are represented in the ECB administration and how they progress to senior ranks. There are about 3,500 staff working for the ECB which is located in Frankfurt am Main, Germany. The ECB is one of the newer EU institutions. Preceded by the European Monetary Institute (EMI), also located in Frankfurt, it was created in 1998. As noted above, in 2013, the ECB's remit was extended to include banking supervision. This expansion of responsibility led to a major hiring spree over a 12-month period, amounting to 770 supervisors and 230 support staff (Reuters 2013).⁵ To land a job at the ECB as an economist,⁶ the applicant more often than not has a doctoral degree in economics, is fluent in at least two European languages (one of them English), and aspires to climb the professional ladder. At the entry point, the profile of male and female professionals is very similar (Hospido et al. 2020). In 2010, the ECB formulated an active gender policy and the general promotion gap started to narrow from 2011 onward. In 2013, the ECB instituted a more explicit gender-equity policy with the clear goal of increasing the number of women in senior positions (ECB 2013). The policy was triggered in part by a politicized situation. In 2012, the European Parliament (EP) rejected the appointment of a member of the Executive Board of the ECB, stating

⁵ The ECB reported 1,907 full-time equivalent permanent positions at the end of 2013 (an increase of 456.5 from the previous year), with the increase mostly due to the creation of the Single Supervisory Mechanism that would start on November 4, 2014 (ECB 2014: 10). The next annual report stated that the ECB had increased its staff to 2,577 by the end of 2014 (ECB 2015: 106).

⁶ Although the job description "economist" suggests that these jobs are all "economists," some personnel have degrees in political science, law, or public administration.

that it was unacceptable that the Board, for the first time since its inception, would be all male (Chaffin 2012). This strong signal by the EP was seen as an appropriate occasion to revisit the ECB gender policy (Interview 5). At the time, 17% of management positions and 14% of senior management positions were held by women. The ECB's target was to increase those numbers to 35% and 28%, respectively, by 2019 (ECB 2013).

A study by Hospido et al. has taken the entire dataset of professional employees of the ECB to investigate how career progress worked between 2003 and 2017 (2019a, 2020). Expert staff starts at salary band F.⁷ The proportion of women lessens with every step up the salary scale: 32% of those in salary bands F and G are women, but only 24% of those in salary band H and 17% in pay band I (Hospido et al. 2019a: 14). The results of the study suggest that since the gender-equity policies have been put in place, women have indeed improved their position in the ranks, though, as we will see below, they are still underrepresented.

Hospido et al. (2020) have sought to explain the underrepresentation of women in management positions in central banking. They examine four factors: (1) the pool is male dominated; (2) women do less well in competitive environments; (3) issues related to child-rearing and family versus career tradeoffs; and (4) gender-based discrimination in promotion decisions. Regarding the ECB, they find that women were less likely to be promoted before 2011. This situation was rectified in 2012–2017 when men and women were more or less equally likely to be promoted. The authors also find that women are less likely to apply for promotion than men. However, if women apply, they typically do so after they have been in their current pay band for a longer period of time than their male counterparts, which the authors attribute to women in this milieu as being more risk averse. Yet once they apply, the data show that their applications are more likely to be approved than those of their male colleagues, because they wait to put in their applications until they have more impressive CVs. Hospido and coauthors name this phenomenon the “gender applications gap” (Hospido et al. 2020: 22). The study also finds that, once promoted, women's pay increases faster, which the researchers attribute to female candidates having superior experience before they decide to apply for promotion. The study concludes that the ECB still suffers from a gender promotion gap, despite the success of its gender policies. The researchers recommend that more attention be paid to mentoring and childcare, and awareness that career progression typically slows down during the five years after a woman gives birth to her first child (Keloharju et al. 2019). The researchers emphasized that institutional efforts to reduce the gender promotion gap could include various

⁷ During the period under study, job titles in salary bands F, G, and H included “economist,” “senior economist,” and “principal economist” (salary band depends also on seniority). Managerial salaries start at salary band I and can go up to L. It usually takes a minimum of seven years for an employee to move from salary band F to salary band H (Hospido et al. 2019a: 9–10). ECB positions were relabeled in 2020.

measures such as assertiveness training, enhanced child support, and efforts to reduce the “overly competitive” environment (Hospido et al. 2019b: 3).

The ECB gender policies have contributed to an increase in the share of women in senior management. Between 2011 and 2018, the number of women in senior management tripled with women now making up 30% of senior managers (ECB 2020a; ECB 2020b).⁸ Although the increase in women in senior management of the bureaucracy is certainly important, the very senior roles in the ECB depend on political appointments by the member states or, in the case of the Executive Board, on approval by the European Council. Any achievement of gender equality in the staff of the ECB thus will not necessarily impact the appointments to the highest positions.

15.4 An Assessment of ECB Women's Advancement toward Leadership Positions

How and why have women experienced difficulties in advancing to senior management levels in the ECB? The very top jobs are political appointments and are therefore in the hands of member states. To determine what may be reasons for the lack of women in leading positions in the bureaucracy, I interviewed six professionals of the ECB in November and December 2019. These respondents included two men and four women, all with doctorates (three in economics, two in law, one in political science). They were selected from a range of seniorities, from lower professional to middle and higher professional ranks; one was in a very senior position. One person worked in research, one in communications, two in economic functions, and two as lawyers. Three of the interviews were based on a semi-structured questionnaire; the other three were more open-ended conversations about gender in the ECB.

From the interviews a number of factors that play a part in women's underrepresentation in leading positions became clear. When starting off in expert positions, the experience, skills, and training of men and women are largely similar. However, once in their positions, women face obstacles to career progress that are sometimes personal, but also more structural. A number of interviewees spelled out that women are sometimes less excited about putting all of their eggs in one basket when working toward job promotions. Compared to men, they are less willing to compromise everything for their careers, valuing a balance with their family lives (Interviews 3–6).

⁸ Yet the pay gaps have remained. One reason is that as women wait to pursue promotions, their overall pay does not fully catch up. There are other factors that play a role in gender pay gaps (Haldane 2019). Haldane recommends central banking coordination, such as reporting on it with a view to disclosing pay gaps, which would lead to transparency, accountability, and action.

The respondents confirmed that there are structural factors involved that range from the lack of suitable childcare to cultural expectations about the role of women in society (women seen as either mothers or workers but not as those who would excel at both). Other points that were raised were the amount of time needed to do a professional job and whether women are able to combine that with caring roles. They also pointed to the fact that being one of the few women in a profession with mostly men can be “lonely,” or that a position may demand that a female manager be “aggressive”. Interviewee 3, however, stressed that in her opinion the ECB has excellent childcare facilities on the ground—even better than what is generally available in Frankfurt or other German cities—but that to have a successful career an ECB professional seems to need to work more than what a normal full-time job requires. Not all women are prepared to make that sacrifice.

Another factor that plays a role is that the environment is competitive. In such situations, a prospective female candidate is more likely than her male counterpart not to want to apply for the job at all. If she does, she will have made sure she meets all the criteria. This often means that she has been in the position longer, is being mentored by someone and encouraged to apply, and feels that if she applies, it will not be at the expense of someone else. This attitude toward promotions puts female candidates at a disadvantage as their male colleagues are more likely to apply even if they are uncertain to meet all the criteria (Interview 5). Hospido et al. (2020: 15) find that if women apply, they are in 13% of the cases likely to win the competition against 6% of the men. This finding is in line with the management research that shows women exhibit less self-confidence than men about their careers (Flynn et al. 2011) and with studies about promotions in academia (Bosquet et al. 2019).

The work climate in the institution is another challenge for women. Some men (and indeed some women) have a hard time imagining women as leaders. Interviewees who held senior positions indicated that, in their experience, those women who succeeded in the highest positions had a supervisor (boss) who was neutral or favorable to women in leading positions (Interviews 2 and 4). A male mentor or supervisor who is very encouraging facilitates women’s success. Similarly, a male supervisor who does not care whether a person in a leadership role is a man or a woman is less likely to confirm stereotypes but rather allow men and women equal opportunities to excel. These anecdotal accounts suggest that women who have “made it” had male support at formative periods, which is related to the mentorship practices and culture of support in corporations. Yet many male mentors prefer not to be too close to junior women as they are concerned that others might perceive them as having a nonprofessional relationship (Swallow Prior 2012). Supporting young men is thus easier, with less risk of controversy, implying that male leaders have more opportunity to treat junior male colleagues as peers thereby doing more to facilitate their careers than those of women in similar positions (Swallow Prior 2012). Seeing that there are more senior men, there

are fewer opportunities for women to be mentored by either women or men. This phenomenon was underscored by interviewees who indicated that for women to do well they need bosses who are open-minded and willing to support women.

All six interviewees expressed that it has been difficult for women to work in the highest positions if they have children, or for other social reasons. An interviewee suggested that once a woman has climbed the professional ladder, there is not much more she can “earn” in terms of reputation or social standing. Professional responsibilities can clash with caregiving roles, because the more senior positions demand long hours and considerable international and overnight travel, which impedes family roles. These challenges are noticeable in how some women perceive the attraction of obtaining higher-ranking jobs in the ECB. In this institution, these challenges are exacerbated because of the good working conditions. It leads to there being many competitive contenders for the jobs, the field is predominantly male, and the difficulty of maintaining a work–life balance can be intense especially because the environment is very international—more competition and less social infrastructure of usual social networks from the extended family. The ECB policies have been crucial in mitigating a number of these pressures so that more women can start to thrive in this environment.

Various interviewees also pointed to the fact that because of the very low number of women leaders in the ECB, there is rarely more than one woman in a senior management position in a given area, which does not do much to produce the benefits of true diversity (Interview 4). The International Labour Organization (ILO) recently confirmed that the effects of more balanced gender diversity start to become observable when 30% of the labor force (or, here, management board) is female (ILO 2019). The ILO follows insights from research that shows the effect of gender diversity starts to become effective when there are at least a few women in a committee or board (Konrad et al. 2008). This insight mirrors findings on corporate governance where solo women on boards also feel isolated and marginalized. They are more effective when they are not the only voice—meaning that a predominantly male culture can start to change after there are at least three women on a board, which is also true for other boards (Konrad and Kramer 2006). The fact that in most leadership functions in the ECB there are very few women means that it remains very difficult for those who are in leadership roles to have a strong impact on the gender balance.

Finally, the interviewees noted that the new policy of the ECB toward improving gender diversity in higher-ranking jobs has made a difference. And there is another element that may be making a difference. Since European banking supervision was delegated to the ECB, more women have been hired to execute tasks related to banking supervision. There seems to be a better female/male ratio in the banking supervision sections, particularly in those sections that have more lawyers rather than economists. Unsurprisingly, Sabine Lautenschläger, one of the members of the Executive Board, and Vice-Chair of the Supervisory Board (this double hat

is a fixture of the role), has a background in financial supervision. She held the position from January 27, 2014 till October 31, 2019. The few women that reach the highest positions are often not trained economists.⁹

Turning to possible explanations for the relative dearth of women leaders in the ECB, we can connect the findings to existing theories. From theories of gendered bureaucratic ambition, we learn that the different genders respond differently to expert leadership, depending on the expectations of experiences in the career path (Maranto et al. 2019: 469; Henig 2002). Another explanation is that the lower level of women in leadership roles is due to women's choices (Rhode and Kellerman 2007). Researchers have a hard time sorting out the differences between nature and nurture in this regard and a challenge for researchers is that we have not reached the numbers to make complete comparisons. Clearly some of the factors could be either, and no matter how much one might try to offset the construction of identities and cultural expectations, there continue to be different stereotypes of men and women. A woman who is aggressive and ambitious is often seen in a more negative light than a man who manifests the same characteristics (Vasconcelos 2018; see also Rhode 2017; Eagly and Carli 2007).

15.5 Christine Lagarde—President of the ECB

Besides positional leadership, the recent appointment of Christine Lagarde offers an opportunity to explore behavioral leadership in the ECB. Lagarde became the president of the ECB in November 2019. She is a French citizen, trained as a lawyer. From July 2011 until a couple months before assuming the ECB presidency, she served as the managing director of the International Monetary Fund (IMF) in Washington, DC, where her legacy included achieving greater representation of emerging economies and developing countries (Interview B). Prior to that, she served in various capacities in the French government: as minister of the economy, finance, and industry from 2007 until 2011; minister of agriculture and fisheries (2007); and minister of commerce (2005–2007). She won a lot of praise for her ministerial work.¹⁰ Before serving in these various government positions, she was a partner in a major international law firm, Baker McKenzie, from 1999 to 2004. She was the first woman to be minister of finance of a G-8 country, the first woman to lead the IMF, and is now the first woman to lead the ECB. In this position, she is the only woman on the 29-member ECB General Council—the

⁹ Ms Danièle Nouy, who was chair of the Single Supervisory Mechanism, was trained in political science and law and worked in the Banque de France from 1974 until joining the ECB in January 2014 (Jones and Jenkins 2018).

¹⁰ In November 2009, for example, the *Financial Times* praised her as the best finance minister in the euro area (Atkins et al. 2009).

Council that brings together the president and vice-president of the ECB as well as all the national governors of the central banks of all the member states of the EU.

Let us turn to the actual substance of monetary policy by Christine Lagarde during the first year of her time in office. The situation she has faced has been unusual given the circumstances of the COVID-19 pandemic that impacted her leadership of the ECB almost right from the start. For instance, there was one very politicized moment that is worth focusing on. On Thursday, March 12, 2020, at her regular news conference (held every six weeks), in which Lagarde explained the ECB policy around the COVID-19 crisis, she stated, “We are not here to close spreads” (CNBC 2020). She sought to emphasize that governments are responsible for fiscal spending, and to encourage the coordination of government fiscal policy. She really wanted to stress that point and did so several times during the press briefing. However, her “We are not here to close spreads” comment is said to have single-handedly set the Milan stock exchange into a nosedive (Hall et al. 2020). It recorded a decline of 17%—its biggest ever drop in a single day.¹¹ Although formally speaking not even wrong (the ECB’s main goal is price stability), Lagarde quickly addressed the situation by apologizing to the ECB Governing Council the next day (Arnold 2020). Her actions backed up the retraction: by March 19, she had put forward an asset-purchasing program in response to the COVID-19 crisis worth €750 billion (ECB 2020c). In an interview on July 29, she indicated that this plan “was decided on 18 March 2020 at my kitchen table!” (Lagarde, Interview D). The location was caused by the change of workplace from office to home due to the pandemic—a shift that she had announced at the end of her March 12 press conference (CNBC 2020). By June this amount had been further increased to €1,350 billion (Reuters 2020). Lagarde chose to address the difficult situation that followed the market response to her comment and take bold action when she realized what the problem was, using additional communication to rectify the situation.

Lagarde has also alluded to the issue of gender equality (Interviews A, C, and D). One possible effect of the fact that she is a woman in terms of how she leads the ECB can be seen in how she manages her personnel (Interview 1). Right from the start, ECB employees noticed that Lagarde managed the organization differently from her predecessors. She has been explicit in addressing the lack of women in the central banking community. In her first speech to ECB staff, she pointed to this issue (Interview 1), as she has done on the record in a number

¹¹ The *Financial Times* stated the next day: “Christine Lagarde’s comment that it was not the ECB’s job to ‘close the spreads’ between 10-year Italian government bonds and German bonds—a measure of the risk differential between the two sovereign debts—caused it to spike by 60 basis points, the biggest daily increase on record. The FTSE MIB, Milan’s blue-chip stock index, plummeted 17%, its biggest daily drop, out-slumping other equity markets on a terrible day for investors around the world” (Hall et al. 2020).

of high-profile interviews. In these interviews and other public speeches, Lagarde has focused on women's issues even if these were not central to her position or policies under discussion. She has called for increases in social spending to ensure and improve the health and well-being of women and girls (Interview A). Lagarde has also spoken publicly about the importance of having sufficient numbers of women in the highest positions and the benefits that result. She was reported as remarking:

Adding one more woman in a firm's senior management or corporate board—while keeping the size of the board unchanged—is associated with an 8 to 13 basis-point higher return on assets... . If banks and financial supervisors increased the share of women in senior positions, the banking sector would be more stable too.

(quoted in Seputyte and Eglitis 2019)

More recently, in a July 2020 interview with the *Washington Post*, she went a step further by singling out women leaders as having done a better job in dealing with the COVID-19 crisis:

I'm going to be extremely biased, David, and I'm not going to be a central banker at this very moment, but I would say that for myself I've learned that women tend to do a better job [in dealing with the COVID-19 crisis]. It's quite fascinating, actually. When you look at those countries that were led by women and the path that they took and the policies that they adopted and the communication style that was in play was quite stunning. So, this is my woman's bias and I indulge in ceding to this bias.

(Interview D)

She stated in the same interview that she felt that women leaders communicated well, adding, "It is essential that more women are included in politics and economics, including at the highest levels" (Interview D).

As a central bank president, she has been an outsider in more than one way. Not only is she the first female president, but she is also a lawyer rather than an economist. She is reportedly keen to assemble a team around her that she can trust so that she can make the right decisions (Interviews 1 and 2). Despite her lack of an economic doctorate and related criticisms voiced in the media (Arnold 2019; Chassany 2019; *Financial Times* 2019), none of those interviewed for this chapter expressed doubt about Lagarde's ability to lead the ECB. In fact, observers and journalists have pointed out that the role of the ECB is changing and that it may need to move closer to the political institutions of the EU (Hessler 2019). In comparison to Mario Draghi, her predecessor, who was seen as charismatic

(Tortola and Pansardi 2019) and said he would do “whatever it takes” to save the euro (Verdun 2017), Lagarde will face different challenges and may need to build bridges to other EU institutions. These challenges involve the fallout of the COVID-19 crisis, which is forecast to have a major impact on the global economy and especially the economies of the EU and the euro area, with their relatively elderly populations. Lagarde’s political skills, developed while she was minister of finance of France and working at the helm of the IMF, and the fact that she represents a large EU member state are important assets that she can draw on to weather the COVID-19 storm (Howarth and Verdun 2020). With good news about vaccines having emerged in November 2020, the next phase of the economic crisis will need to be managed. The forecast is a gradual return to growth in 2021 but with some long-term damage to various economic sectors. Lagarde warned that the recovery may be bumpy until the vaccines have been administered widely (Associated Press 2020).

15.6 Conclusion

This chapter has examined the positional and, to a lesser extent, the behavioral leadership of women in the ECB. This study highlights a number of reasons why there still is an underrepresentation of women in the leadership of central banking in general and in the ECB in particular. Some are specific to the field of economics, in particular macroeconomics, and to central banking as a profession. These challenges are, for the most part, socially constructed and the behavior of colleagues, the bureaucracy, and society and its cultural expectations are important determinants of the situation. Over time the ECB has changed its approach to equity by considering not only the very senior positions, but also the whole bureaucratic process that underlies how professionals (men and women) rise to the top of the ECB bureaucracy. When it became clear that women were not rising to the top, the ECB responded by explicitly developing a gender-equity policy. This policy was partly triggered by pressure from the EP. Research into the effect of this policy suggests that more women have advanced to leadership positions in the past decade compared to the first period (the ECB predecessor having been established in 1994).

In terms of behavioral leadership, this chapter has offered a first, tentative analysis of the performance of Christine Lagarde as ECB president. She emphasizes women’s issues, among others, and seeks to practice clear communication. The COVID-19 pandemic has provided the new ECB president with a steep learning curve and a major challenge. She has had to deal with a few difficulties in communication, but to date has weathered the first part of the storm well. However, the impact of the COVID-19 crisis is not yet over. It will be interesting to see whether under President Lagarde’s leadership Europe can overcome the enormous

challenges related to the COVID-19 crisis, and whether she may be able to include the gendered challenges that are connected to the crisis.

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APPENDIX 15.1

Interviews conducted by the author with
ECB officials

Interviews 1–5, November 2019

Interview 6, December 2019

Public interviews conducted with Christine Lagarde cited above

- Interview A: Video interview with Christine Lagarde in her role as Managing Director of the IMF on the future of work and sustainable growth. Interviewed by Martin Murphy, Director of Communication of the ILO for the *ILC Daily Show*, June 18, 2019. https://www.youtube.com/watch?v=_JGGKp0RnSo.
- Interview B: Video interview with Christine Lagarde, at the time former managing director of the IMF, with *Xinhua* in Washington, DC, September 19, 2019. http://www.xinhuanet.com/english/2019-10/08/c_138455804.htm.
- Interview C: Video interview with Christine Lagarde, with Roula Khalaf of the *Financial Times*, on the COVID-19 crisis and the central bank response, July 8, 2020. https://www.ft.com/content/0c855423-a166-437d-8de3-e68154b50baa?FTCamp=engage/CAP/website/Channel_muckrack//B2B.
- Interview D: Video interview with Christine Lagarde, President of the ECB, conducted by David Ignatius of the *Washington Post*, July 22, 2020. <https://www-ecb-europa-eu.ezproxy.library.uvic.ca/press/inter/date/2020/html/ecb.in200723~0606f514ed.en.htm>.
- Interview E: Interview with Christine Lagarde, conducted by Dominique Lecoq and Marc Aubault of *Le Courrier Cauchois*, July 29, 2020 (published July 31). <https://www.ecb.europa.eu/press/inter/date/2020/html/ecb.in200731~7df348b85b.en.html>.

