



*Gender, Governance
and the Irish Crisis*

by Mary Murphy

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Applying a gender lens to Irish political, economic and banking governance means examining the degree to which gender inequality in governance was a strong contributory factor in causing the initial global and economic crisis. It also gives insight into how gender equality in wider decision making can improve governance responses to the crisis. This short paper reviews gender inequality in banking governance as a cause of the crisis (section one) and then examines how patterns of gender inequality in political and public spheres limits capacity to resolve the crisis (section two). It concludes women's agency is crucial and that gender equality in public and private decision making is an essential part of a sustainable future (section three).

Section I: Banking and Economic Governance

Commenting on the global banking crisis in 2011, Christine Lagarde, Managing Director of the International Monetary Fund, advised that

“the 2008 financial collapse was, at least in part, driven by the aggressive, greedy, testosterone-fuelled mood of male-dominated, hi-tech trading roomsin gender-dominated environments, men have a tendency to... show how hairy chested they are, compared with the man who's sitting next to them. I honestly think that there should never be too much testosterone in one room” (Lichfield 2011)

Research confirms women's presence in board rooms alters the process of decision making. While not necessarily less risk adverse, women are more active and independent as board members and directors. This has immediate and strategic application to overall risk management processes: women tend towards more use of committees, weigh long-term priorities and pay more attention to audit and risk oversight and control (Brown et al 2002). Research found female directors to be more benevolent, universally concerned and less power-oriented than men, but also less traditional and security-oriented (Fink and Adams 2009). The point does not solely apply to banking and finance, but also more broadly to business: numerous studies link corporate performance to the representation of women on boards (The Bottom Line, 2007, McKinsey 2007). Halla Tomasdottir (2011) CEO of Icelandic Audur Capital argues her company survived the financial storm in Iceland by applying five traditionally balanced “feminine” values to financial services: risk awareness; not investing in things you don't understand; straight talking; emotional capital and importance of due diligence; and ‘profit with principles’, all lead to more sustainable banking. It is worth noting that Ireland's post-crisis Financial Regulator, Matthew Elderfield, has adopted at least one of these principles with the idea of probity testing.

When we review Irish banking governance we see that there was no woman Chief Executive Officer among the six Irish banks. The one woman Chairperson was Gillian Bowler in Irish Life & Permanent PLC (who also observed too much testosterone as part of fault line of Irish banks). Only one in twelve of the Irish Central Bank board members was female. A 2011 review of the composition of the boards of the Irish banks shows Bank of Ireland had one woman in nine board members, Northern Bank had no women in ten male board members and Ulster Bank had four women in 14 board members. This suggests lost opportunities for maximising attention to

audit, risk oversight and control in the world of Irish banking. According to Michel Bariner, EU Internal Markets Commissioner, *“enhanced gender equality in banking governance is also an opportunity to address the group think that was a major factor behind the crisis affecting the global financial sector”* (Spectrum 2011: 8).

Likewise, we see gender imbalance in senior management within banks. UK data finds women prominent in administrative and secretarial jobs, but significantly under-represented in managerial and senior level jobs (ILM 2012, Metcalfe and Rolfe 2009). CSO 2006 data shows a similar scenario in Ireland, which contributes again to the overall culture. Of the 40,000 people who are members of the Irish Bank Officials Association, 70 per cent are women. One in every 28 women employed in Ireland works in a high street bank, but few make it into banking management. The less skilled a job in the sector, the more likely it is to be occupied by a female employee (Salamonska et al 2008).

Table 1 below shows that the absence of women in the banking worlds is reflected in the wider economic and business spheres. *Mapping the Golden Circle* (TASC 2010) highlights a ‘Director Network’, of 39 individuals who held powerful positions in 33 of 40 top public organisations and private Irish businesses in the three years prior to the crisis. Over half of them held board positions in at least one of Ireland’s four largest financial institutions: Anglo Irish Bank, AIB, Bank of Ireland and Irish Life and Permanent, but only one in nine was a woman. TASC concluded that such severe gender imbalance and lack of social diversity tends towards ‘groupthink’, and to decision-making that prioritises consensus while ignoring alternative evidence. There is an explicit link between lack of diversity and groupthink.

Government’s initial response to the banking crisis was framed that night in September 2008. When we ask who was responsible for devising the catastrophic bank bailout, we find scant evidence of women in the room. While details are still sketchy, it is entirely possible no woman was present from government, banking, legal, advisory or civil service categories. International legal firm Arthur Cox provided separate male advisors to then Taoiseach Brian Cowen, then Minister for Finance Brian Lenihan, and to the bank representatives: AIB and BoI Chairmen and Chief Executive Officers (all male). Up to one quarter of staff in the Arthur Cox Dublin office are women and may have been some part of the process. There was only one woman in twelve at Assistant General Secretary level in the Department of Finance.

A later response to the banking crisis (and by then fiscal, economic, unemployment and social crisis) was the sovereign bail-out negotiated with the Troika. This was again an all-male affair. As well as Irish male politicians, the European Central Bank was fronted by Klaus Masuch, the European Commission by Istvan Szekely and the International Monetary Fund by Ajai Chopra. When out of town, the Troika leave Nigel Nagarajan as their Ireland representative in residence. It is worth acknowledging that Ireland’s representative to the IMF (and Alternative Director with Canada on its executive), is a previous Irish financial regulator, Mary T O’Dea. The following newspaper by-lines commenting on one Troika visit (Oct 21st 2011) illustrate a highly gendered discourse concerning Troika oversight. *“Neither fits the picture of an ‘economic hitman’”, ... “the European Commission’s man in charge” ... “Troika headmasters confirm their model pupil is getting a good report” ... “When the ECB’s man was asked yesterday” “The troika men stressed again and again”*. The process of negotiation, monitoring and reporting subject to the

Troika's Memorandum of Understanding is a highly gendered, and probably macho, process unlikely to deliver far-sighted or balanced outcomes.

Section II: Political and Public Spheres

Gender inequality in Irish politics has been well documented. With only 91 women TDs since 1918, Ireland record is truly abysmal: in fact only 5.4 per cent (260 of a total 4744) Dáil seats filled since 1918 have been occupied by women (Buckley and McGing 2012 222). The negative gender pattern in Irish representative politics continued in the 2011 General Election, when only 15.2 per cent of candidates (86 out of 566) were female. Only 25 out of 166 TDs, or 15 per cent of the new Dáil, are women – leaving Ireland globally ranked 78th for the percentage of women in national parliament. The pattern at local level is broadly similar, suggesting no pipeline through local government to national government. Likewise, absence of women in parliament feeds through to a lack of women in cabinet. Ireland has had only 22 women ministers since 1922 (6 per cent of the 181 ministers) and no woman has ever held the senior Finance ministry (Buckley and McGing 2012). Only one in eight of those negotiating the Programme for Government were women. There was significant attention paid to the 2011 appointment of only two women to the 15 new cabinet ministerial posts, and their appointment to social rather than economic cabinet portfolios. The new fiscal coordination process for cabinet comprises the Taoiseach, the Tánaiste, Minister for Finance and Minister for Public Expenditure and Public Sector Reform (an all-male affair).

Did gender inequality in political and public life contribute to the causes of economic crisis? Can more gender equality in senior decision-making change the nature of the responses to crisis? Would more women in senior positions actually lead to different and better decisions being made? The academic literature is ambiguous in answering this question (Dahlerup 2006). Philips (1995), while arguing for more women in politics, was always aware of the rigidity of political institutions. The likelihood that women could impact on the practice of deeply gendered institutions was always *"a shot in the dark"*. While the theory of the politics of presence needs further testing, the empirical work that is available does appear to show that having more women in politics does make a substantive difference to issues such as childcare, health and social protection (L. Wangneurd and A. Sundell 2012). Women are more likely to promote equality, and more equal societies are less prone to crisis.

More women in politics might have made another type of impact on the likelihood of crisis. Power is gendered and political Institutions are gendered. Acker (1992) sees gender present in the processes, practices and distribution of power. Women do appear to change parliamentary culture and so make a difference in the process and quality of decision making (Broughton and Zetlin 1996, Lyn 1994, Lovenski and Norris 2003). That the presence of women makes a difference to the process of decision making was recognised quickly in the Icelandic response to the banking crisis where *"women booted the alpha males out of the banks and government"* (Lewis 2011:1). Prime Minister Johanna Sigurdardottir Hardardottir and the Minister of Finance Oddný G. Harðardóttir are both women and Katrin Juliusdottir, the previous minister of industry,

is thought to be destined for the Ministry of Finance after her maternity leave (Daviðsdóttir, 2012). Imagine.

This situation contrasts sharply with any kind of mainstream Irish awareness of the role gender might play in causing or responding to crisis. Gender-specific topics garnered minimal interest in the 2011 election campaign and *“the differential impact of the economic crisis received very little attention from either the media or the political parties”* (Buckley and McGing 2012: 231). Instead of an opportunity to focus on how increasing women’s participation might contribute to a badly-needed change of culture in Irish politics, the opposite happened. The percentage of women candidates decreased by two per cent from the 2007 election and was the lowest since 1989. The majority of constituencies only had two or less women candidates in the field (four of the 43 constituencies fielded no women candidates, 12 only one woman and 16 only two women). Three political parties selected fewer women than in 2007, and of the 27 candidates directly nominated by party headquarters only five, or 19 per cent, were women (ibid: 229). This is all the more frustrating when we reflect that women and men experience the same success rate in electoral competition (29 per cent) and that women comprise a significant percentage of the membership of the larger Irish political parties (Fine Gael 42 per cent, Labour 37 per cent, Fianna Fail 34 per cent and Sinn Fein 24 per cent) (ibid: 236).

It is not just politics. Significant gender imbalance amongst those representing the interests of businesses and workers means women’s vulnerability in an economic downturn is unlikely to receive sufficient focus. While national data is unavailable, in the social partner organisations at European level, trade union organisations include 23 per cent women members whilst the employers’ organisations have less than 12 per cent. The EU database of women and men in decision-making is a sobering reminder of how Ireland fares in relation to gender equality in political, administrative and economic domains¹.

EU database of women and men in senior decision making, EU, Ireland and Finland 2011

	EU %	Ireland %	Finland %
Parliament	24	15	40
Cabinet	27	13	55
Senior Bureaucrats	26	19	26
Supreme Court	32	26	26
Central Bank	18	15	31
Largest quoted companies	12	8	26

While there has been some debate in Ireland (Caldwell 2009), the issue of gendering of power is still not a significant part of the mainstream analysis of the crisis; indeed, this perspective on the crisis is significantly resisted by many commentators. Although the introduction of gender quotas has overlapped the crisis, this was not because gender inequality in politics was

¹ http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/public-administration/national-administrations/index_en.htm

understood as a central or even partial cause of the economic crisis. There has been little gendering of responses to the broader political crisis and the macho political culture exposed in the Mahon and Moriarty tribunals (all 21 Fianna Fáil politicians cited in the Mahon tribunal were men, although three named Fine Gael politicians were women).

Political responses to the banking crisis included three separate reviews of the banking system and a review of the Department of Finance. Government appointed exclusively male teams to head the three reviews of the banking crisis (Honohan 2010; Regling & Watson 2011 and Nyberg 2011). Wright (2011) produced a related report examining deficiencies in the Irish Department of Finance. These reports are totally blind to the important effects of gender. This is curious given that the reports do reflect on the degree to which groupthink (explicitly associated in academic literature with a lack of diversity) was a contributory factor in the banking crisis. Surely the all too obvious gender imbalances in senior staff in banking positions, banking governance and the senior civil service merited at least some reflection and attention.

The absence of a gender analysis in these reports is all the more striking given the range of academic, international and European Union policy analysis available to these male reviewers and political commentators. A range of European Union reports shows a sophisticated analysis of the relationship between gender equality and sound economic policies, including a 2010 report (EC 2010) which argued more women in senior positions is key to economic stability and growth. Such reports are available but are not utilised in mainstream Irish analysis.

Reviewing more general progress in economic governance, the European Commission announced in March 2011 that it will re-assess the situation of gender diversity in leading business positions and review the results of self-regulatory efforts, notably the *“Women on Board Pledge for Europe”*. If there is insufficient progress through self-regulation, the EC will explore policy options for targeted measures to enhance female participation in decision-making as of March 2012 (EU 2012). Another report, an EC Green Paper (April 2011), looks directly at banking governance and argues that *“Gender diversity can contribute to tackling group-think. There is also evidence that women have different leadership styles, attend more board meetings and have a positive impact on the collective intelligence of a group”*. The report supports a Draft Capital Requirements Directive (CRD 4) which regulates the quality and quantity of capital to be held by banks in the EU, this directive requires a 1/3 gender quota to be applied to banking governance processes (Spectrum 2011).

The absence of women in formal politics reflects an absence of women in the broader political and public sphere. There was early evidence of the absence of women’s voice in public debate about the crisis. A 2009 public event ‘4 Angry Men’ was attended by over 1,200 in the National Concert Hall. The ‘angry men’ referred to four male authors of four political economy books concerning the crisis. This pattern continues: of the 20 or so books related to the crisis, only three were co-authored and two fully authored by women. In analysis of broadcast media, surveys in 2010 and 2012 showed less than one in four voices on air are women (NWCI 2012) while analysis of prime time panels shows that (excluding presenters) there was only one women in every ten panellists (O’Brien 2012). Clearly, exclusion of women from current affairs not only threatens democracy but also biases media commentary against a full exposition of the crisis (Fischer 2012). Economic commentary in blogs is dominated by men, in one month

(September 2009) Progressive Economy had an average one woman for every six male commentators and Irish Economy one for every ten. Political blogs (politics.ie, politico.ie, political reform.ie) followed similar patterns of gendered activity. Blogs are often gendered spaces with hidden gender barriers (Bua 2009). Collective letters to newspapers have become a feature of political debate in the recession. These have lower entry barriers, but signatories to such collective public letters are also heavily biased towards men.

Public Letter in Irish Times 2009-2012	All	Women	Men	% women
Anti NAMA	47	7	39	15
Alternative Keynes	28	2	26	7
Plan B	66	23	43	35
Suspend Promissory Note	57	23	34	40
Investment strategy	35	7	28	20

Section III: Women’s Agency

This is not to suggest an absence of women’s agency. There has been a significant response from national and local women’s groups to the crisis. The Irish Feminist Network, the National Women’s Council of Ireland, the Feminist Open Forum, Banulacht, Women of Debt Justice Action, ICTU ‘Fighting Back’ Biennial Women’s Conference and many others have engaged in gendered responses to the crisis. One Family, SPARK and OPEN have campaigned against changes to the One Parent Family Allowance. TASC produced a gendered budget analysis (TASC 2012) and NUI Galway initiated training in gender budget analysis. Some academics have produced gendered analysis (including the authors in this report). Women’s agency and capacity to respond has to be understood in the relationship between redistribution, recognition and representation (Fraser 1995). The 35 per cent funding cut to the National Women’s Council of Ireland in 2012 is indicative of this problem. Many other national and local women groups are fire-fighting funding cutbacks and coping with pressures on services (Harvey 2012).

A feminist analysis anticipates that, given women’s lack of power, the crisis is likely to be used as an opportunity to roll back gender equality. Effective use of equality and gender- proofing, impact assessments and gender mainstreaming can shed light on the gendered dimension of policy responses to recession. Arguments for women in senior political and economic decision-making and public sphere are more relevant than ever. Much is needed to secure effective implementation of gender quotas, and recommendations from the 2012 Constitutional Convention should be gender proofed. Women’s participation in the public sphere remains crucial. As argued by the NWCI, the Broadcasting Code should be strengthened to support more diversity, plurality and gender balance across the range of the programmes. Now more than ever we need to hear women’s voices.

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