

PwC focus on women economists – 29 August 2018



When seeing is believing: How SA's top female economists foster gender parity in their profession

When the girl child and young woman encounters few, if any, examples of female economists in her environment, a career in economics may not even cross her mind. But, female role models can negate the stereotypes that continue to drive gender gaps in many fields, including in economics.

In South Africa, the celebration of Women's Month provides the platform to commemorate women who have helped shape and lead the country forward. By bringing attention to female leaders, we remember how far women have come and celebrate the many standout women in society.

Who are South Africa's female economists our daughters should look out for?

A global phenomenon: Where are the women in economics?

Over the past decade, female participation in higher education increased globally, while the number of female economics graduates declined. A UK study found that women make up 57% of all undergraduate students in England, but only one third of them study either pure economics or economics together with other subjects.

Female representation in post-graduate studies in economics is even lower. Our calculations from three universities in South Africa, the University Cape Town; Nelson Mandela University and Stellenbosch University, show that the percentage of women completing a PhD in economics is 21%.

The trend of female underrepresentation in economics has far-reaching consequences for gender balance in high-ranking positions at universities, banks and in government. The average female staff representation in the economics departments of six South African universities is currently at 35%, with little more than a quarter of female economists in senior positions.

In government positions, both globally and in South Africa, we have seen low female representation, with South Africa never having had a female Minister of Finance. However, at the South African Reserve Bank (SARB) Gill Marcus served as Governor between 2009 and 2014. Furthermore, the current advisor to the SARB Governor, Fundi Tshazibana, is the second female to serve in this capacity and the only female member of the Monetary Policy Committee.

There are a few proposed initiatives to address these imbalances in government, one example being the Women Empowerment and Gender Equality Bill, which aims to ensure the progressive realisation of a minimum of 50% representation and meaningful participation of women in decision-making structures.

While there are exceptional role models of women succeeding in economics-related fields, they are a small group. A notable global example is American political economist Elinor Ostrom who remains the only woman to have won (in 2009) the Nobel Prize in Economics.

It is reasonable to assume that little or no exposure to women in economics-related professions can trigger a vicious circle; when girls and young women cannot see that careers in economics are possible for them. They could lack the necessary encouragement to enrol for economics-related degrees, which could possibly have the effect of keeping the number of young women enrolled at universities for economics studies low, which in turn could reduce the pipeline of female talent entering economics-related professions.

A 2015 Harvard University research found that women are less likely to study economics because of the perception that it is a route to work in financial services, a stereotypically male dominated domain. These perceptions start early, as research at English schools and universities shows that economics textbooks emphasise the role of men as policymakers and business leaders. Even in case studies, the fictional characters making economic decisions are typically men. In introductory economics textbooks, for example, 77% of named individuals were male.

A 2017 US research, *Gender Differences in the Choice of Major*, shows that the presence of relevant and inspiring female role models increased the percentage of women interested in an intermediate microeconomics class by nine percentage points, and interest in an economics major by seven percentage points.

Why solve the gender gap?

Participation by men and women in the workforce is essential for the viability of businesses and economies. The *Gender Differences in the Choice of Major* study shows that mixed teams generate solutions that are more creative, with improved collective intelligence and team performance. The study found that companies that prioritise gender diversity generally outperform their peers, and produce better results. Given increasing competition for a limited talent pool, human capital emerges as a competitive advantage.

Furthermore, without diversity in teams, there is little diversity of ideas. A 2018 study, *Mind the Gap*, shows that there are clear differences in opinions between male and female economists; In general, women are more likely to support environmental protection policies than men. The study also shows that women are more inclined towards government intervention and are often more in favour of minimum wages. The inclusion of both male and female economists in decision-making and the formulation and debate of economic policies is crucial, as it enlarges the scope of perspectives, and similarly expands debate in all areas, according to the *Mind the Gap* study. The gender composition of boards and top management therefore increasingly gains attention from policymakers, the media and researchers.

South Africa's leading female economists

A number of South African women have taken up careers in economics. They include Trudi Makhaya, President Cyril Ramaphosa's new economic advisor, who guides the President on matters of economic policy and investment decisions. Dr Thabi Leoka, who won the Association of Black Securities and Investment Professionals (ABSIP) 'Economist of the year award' in 2017, is an economic strategist and prominent economics commentator.

In academia, Prof Ingrid Woolard is the first woman to lead Stellenbosch University's economic and management sciences faculty. The University of Pretoria also boasts a female professor and dean of the faculty of economic and management sciences, Prof Elsabé Loots. She also serves on the International Advisory Board of The Association for the Advancement of African Women Economists.

Other prominent economists or economics graduates include Maria Ramos, Absa's CEO; Prof Nicoli Nattrass, economics professor and Director of the AIDS and Society Research Unit in the Centre for Social Science Research at the University of Cape Town; Dr Miriam Altman, an economist and social activist who is currently on secondment to the National Planning Commission; Prof Wilma Viviers, professor of International Trade, director of the TRADE research focus area and NRF-rated researcher at the North-West University and Prof Rachel Jafta, co-founder, director and chairperson of Econex, and professor in economics at the University of Stellenbosch.

South Africans recently endured an increase in the VAT rate from 14% to 15%, in spite of already facing a range of financial strains. Prof Ingrid Woolard, Dr Thabi Leoka, Dr Neva Makgetla, Prof Ada Jansen and Lynn Moeng are all female members of the nine-member VAT panel reviewing the list of products that

should be VAT exempted, with a view to easing the burden of poverty for many South Africans. This is one of several examples where South African women are driving important policy changes.

Seeing and learning about phenomenal female economists like these is a cause for optimism, and links back to the impact that role models have on what girls and young women choose to study. It also speaks to the importance of inspiring young girls to follow in the footsteps of positive role models.

How can we close the gender gap in economics?

Bringing attention to the exceptional female economists in South Africa is important. Behavioural nudges, like early exposure to female role models, can attract more women into the field of economics. Observing the lives of successful female leaders can positively impact the perceptions of other women; giving them the confidence that they too can serve in leadership positions and contribute towards making men more accepting of women as leaders.

A 2012 study, *Do women top managers help women advance?*, shows that when the share of female top managers increases, the share of women in mid-level management also rises. The more visible female leadership is, the more likely the positive effects, as 'seeing is believing'. The *Gender Differences in the Choice of Major* study holds that we need to 'see' counter-stereotypical role models for our beliefs to change. Bringing more women into the boardroom can increase the diversity of ideas, and encouraging women into the field of economics will improve the talent pool in the field.

Through celebrating South Africa's brilliant female economists, we can all help to put a career in economics on the map for South Africa's girls and young women.

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