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Quotas – Zivile Courage or not?

It is a great honour for me to be here today at the 2nd Women's Finance Conference and to share with you some of the experiences we have made in Norway regarding gender equality and in particular the quotation rules.

Zivile courage or not? I hope that my presentation will show that to give women work opportunities and implement gender equality measures is not only zivile courage – it is logic, it is smart, it is fair, and it is based on a simple calculation: Gender equality pays off!

Let me start by saying that there has been co operation and exchange of views between Switzerland and Norway in the field of gender issues on different occasions. During the state visit of the Norwegian King and Queen to Switzerland in April 2006, Swiss and Norwegian representatives from science, politics and industry joined in a symposium in Zürich with the title “Quoting Nora” to examine the options and limitations of governmental gender policy. With literature theory and Ibsen's Nora from “A Doll's house” as a frame, the discussions inspired further reflections and showed that there is interest to continue the debate and the co operation between our two countries. I am therefore pleased that a co operation between the University of Zürich and the University of Agder in Norway is established in this field, and I am pleased that you invited me here today in order to contribute in the discussions.

Ladies and gentlemen,

Gender equality is not reached over night. Norway has a long history of social inclusion and equality strivings, the last 30 years standing out as to performance and results. Gender equality is a key factor in Norway's understanding of itself as a nation, it is (maybe) the most important cultural contribution our country has to show the rest of the world. Today Norway has the world's highest equality rate. For instance, 47% of the work force are women. Nevertheless, we still have some distance to walk – and in the meantime, being in process – new challenges emerge.

Firstly, I would like to present the Norwegian governments vision for a gender equal society; we call it: “*The need for redistributing work, power and care between the sexes*”. This implies that:

- More women should be able to enter full-time jobs, also in male dominated sectors, as well as men being recruited to the care- and education sector,
- More women should be engaged in senior positions and boardrooms in corporate sector – as to redistribute economic power,
- Women and men must share the responsibilities at home. A specific political goal in Norway is equality in parenthood, regardless of gender.

I will start to focus on the goal that more women should be engaged in boardrooms in the corporate sector. Thereafter, I will draw your attention to the Norwegian policy of securing equality in parenthood. Central in both regards is the use of quotas.

As to the quotas on company boards:

Women and men's access to economic resources is reflected in their participation in the workforce. Norwegian women are highly visible in the top level spheres of politics and public life. In the Norwegian government, 9 out of 18 ministers are women. Of every five members of parliament, two are women.

I must say, that it is therefore a paradox that women have such a weak position at management level in the business world in general and at executive level in particular. When ten business leaders meet, only one of them is a woman.

Innovative thinking has been the Norwegian government's guideline here, and radical steps have been taken to change the situation. In order to strengthen the position of women in business and industry, a new law was introduced requiring that at least forty per cent of the executive boards of public limited companies (from 1 January 2006) in state owned companies and inter municipal companies (from 1 January 2004) should be women. This proposal was backed by a broad political consensus, in fact, it was first introduced by the conservative middle-centre government in 2002.

The general idea of applying quotas is to give the development a push in the right direction. For example, in private businesses, where the percentage of women is particularly low, women emerging as high-profiled business leaders can act as role models for the up-and-coming generation.

Do we see any results yet? We do. Today the state owned and inter municipal companies are in place - the public limited companies will be measured by January 2008. But today 60 % of them have reached the goal.

Strong political will has been showed. To support the legal reform I have presented to you, several databases have been set up for women to register in, and also training courses for strategic board work have been arranged for some years, by the Public Investment Fund of Norway. The Confederation of Norwegian Business and Industry has, on its own footing, for 4 years run a programme called Female Future, to recruit and train women for positions in corporate sector - a very good practice that shows where political decisions pave the way, private sector will follow up!

The introduction of quotas is showing zivile courage – but rather than that I would say that it is logic – it is smart – and it is fair. In Norway we believe that the absence of women in economic decision making is a problem both for business, industry, and for economic growth. It now seems to be recognized in Norway that diversity is good for innovation, bottom-lines and company culture. According to the conservative politician and former president of the Confederation of Norwegian Business and Industry, Mr. Leif Frode Onarheim, the men sitting in the boards need people that think differently from themselves and that haven't been sitting in the same boards forever. Balanced participation in decision making is also a question of democracy and fairness, bearing in mind that the companies involved either have a broad spread of shares (public limited companies) or represent the society at large (the state owned companies).

It is important to bear in mind that application of quotas is not about reinstating competent men with mediocre women, but to recruit skilled women to replace mediocre men. Men in leading positions often have their own recruiting methods. Men engage alike men in their boards and other leading positions – they have their own quotas system!

It is true that at the time the quotation rules were introduced, many companies were saying that it would not be possible to find competent and “willing” women. I am pleased to tell you that they were wrong. If you ask these companies today, many of them will tell that there is no trouble finding competent women at all.

As to fatherhood:

Europe faces two main challenges in the years ahead. The first is to ensure that more children are born. The second is to ensure that more people work and that more people work longer. The solution to these challenges lies in viewing family and equality policy in close conjunction with labour market policy. We must both increase the birth rate and achieve an inclusive working life.

In Norway we have a close link between development of family policy and gender equality policy. A good family policy is a cornerstone in our gender equality policy. This policy is based on the equal rights for both women and men to be able to have work and income - and at the same time to be able to raise and care for children. Norwegian authorities have invested in good government schemes such as 1 year paid parental leave, paid leave to stay at home with sick children, the right to apply for shorter and flexible working hours and, - not the least - kindergartens to an affordable price for all types of families. As part of the right to 1 year paid parental leave is the father's quota of six weeks, which is reserved exclusively for fathers. "Exclusively" means that if the fathers choose not to take this leave – these weeks are deducted from the total period of the parental leave. The introduction of the father's quota has been an important tool in changing attitudes and behaviour regarding the sharing of work and family responsibilities.

Have we succeeded? 70 % of the women in Norway work, and 83 % of the mothers. Norway has a birth rate of 1.9. This is among the highest in Europe. Today, nine out of ten fathers who are entitled to the father's quota utilise this right. One important goal of the father's quota was for it to lead to fathers gradually taking a larger part of the parental leave as well. This has not happened to the extent that was anticipated. Approximately 18 % of fathers who take the father's quota take longer leave. Nevertheless, research shows that 43 % of women work part-time, while fathers of small children work the longest hours!

Men too, find themselves squeezed between modern expectations of family life and career demands! This, among other issues, will be highlighted in the White Book on "Men and Gender Equality", currently under preparation by the Norwegian Government to be submitted in 2008. It is the first of its kind in the world. The report will include a discussion of the role of men vis-à-vis working life, parenthood and relationships, and of men in relation to power and their own health.

Ladies and gentlemen

Gender equality pays off!

If you look at international statistics (UN's Human development indicators) - the Nordic countries are always among the top ten. This includes high rating for gender equality as well as for economic development. The Nordic countries also have top rating in the World Economic Forums competitiveness report. Why?

We do have a system of extensive worker's protection and a public social security system. This is seen as a competitive advantage in those reports.

Several economic institutions have elaborated on and even quantified the cost of not reducing gender inequality.

According to a Global Economics Paper by Goldman Sachs (No:154 (2007)),
"Reducing gender inequality could play a key role in addressing the twin problems of population ageing and pension stability. In countries where it is relatively easy for women to work and have children, female employment and fertility both tend to be higher."

And he also said that "Closing the gap between male and female employment would have huge economic implications for the global economy".

The economic perspective on gender equality was also taken by our prime minister Jens Stoltenberg argued in the UN Economic and Social Council (ECOSOC) in June last year; "the greatest gains countries can achieve, economically as well as politically, come with empowering women, ensuring equal opportunity, health care, and increasing the ratio of women's active participation in working life."

Our prime minister also came with the assumption that:

- empowering women is a competitive advantage
- building kindergartens is a competitive advantage
- improving women's educational opportunity is a competitive advantage

He also underlined the reasons why Norway has developed the way we have. He assumed that we have achieved our economic welfare because we have invested in greatly extended maternity rules and in greatly improved maternity benefits. Together with kindergartens and day-care centres, these policies allow women to choose both to have family and children as well as professional lives and income. He concluded that those countries are most competitive and yield the best economic performance which offer women most equal opportunity. Those countries who manage to overcome cultural resistance to such policies are going to grow and prosper!

It is thanks to women's full participation in all areas of society that Norway has reached its position. Women have joined efforts to prepare the ground for the Norwegian welfare society. The full and equal participation of women has been decisive for Norway's social and economic development. It is therefore we continue to pay importance to these important questions.

I wish you fruitful discussions.

Thank you.

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Lars Petter Forberg.*