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Warsaw May 24 th 2011

Developmental paths in Norway –experiences and challenges

President Henryka Bochniarz of the Leviathan (Polish Confederation of Private Employers),

Ambassador Enok Nygaard of the Kingdom of Norway to Poland,

Ladies and Gentlemen,

Thank you for inviting me to this conference. I am so pleased to be here and partake in the ongoing cooperation between Poland and Norway. The theme of today is basic to both nations; as to prosper and develop society and keep up a competitive edge !

Being a large neighboring country of European importance, vital to Norwegian economy (the polish, very skilled, migrant workers in Norway) and more than 1000 Norwegian medical students attending Universities in Poland, and finally Poland being the largest beneficiary of EEA-grants. My Minister is expected to participate in the informal EU-Ministerial meeting you have set on similar topics, in October

Previously, my Ministry has had close cooperation with Poland on family/work life issues, attending among other events, a large conference in this city in 2003, headed by the Minister of Children and Family issues, at that time, Ms Laila Davoy. Later, we invited polish journalists to Norway, to experience and write upon Norway's equality policies.

To illustrate the "Norwegian Case";

This spring, the Norwegian Cabinet experienced a very special situation: Two male ministers, the minister of Justice and the Police and my own Minister of Children, Equality and Social Inclusion, enjoyed their parental leave, including the Fathers' Quota in the parental leave provision, for 4 month each. The Prime Minister was their most firm supporter and

they all entertained BBC some time in February, with babies in their laps. Telling the BBC that men and fathers looking after their small babies , taking paid parental leave, is now the accepted and normal thing to do, in Norway. To be a parent is no longer synonymous with being a mother, a women.

They also explained that this flexibility in work life, even for top jobs, is changing Norway forever.

Such a flexibility enables both men and women to work along with having families, it gives business and public sector the chance to recruit the best talents from both sexes, and mobilize the whole workforce into paid work paying taxes back to the common good , thus sustaining the welfare state.

Such arrangement, agreed upon by the social partners in consultations with Government; the so-called tripartite cooperation recommended by the ILO (before legalized by Parliament) , give more freedom to every individual, seeking to realize their dreams and possibilities. Neither women, nor men, are longer forced to choose **either work or family**; which would be no freedom of choice.

Not the least, such welfare provisions is good for the birth-rate. (In Norway, the fertility declined sharply during the 80's and 90's. After we introduced one year of paid parental leave, including a quota of this for the father, the fertility raised again, reaching 1.98 children pr. women in 2009 along with increasing female participation in the labor force).

Almost everyone would embrace the fact that equality is at the core of economic stability and growth. The World Economic Forum in Davos this year, spent quite some time to discuss the Nordic (or Norwegian if you like) model of organizing an economy. The report on the Global Gender Gap contains research of high quality, documenting facts.

The key issue is: How to go about the achievement of gender equality and a sound reconciliation policy for work/family life balance – to enhance the economy, a fair society and sustain the birthrate ?

I think the following figure, from our Ministry of Finance, illustrate my points: If women's participation in the labor market would have stayed on the same level as in 1974, the value creation in the economy would have been 15 % lower !

Certainly one cannot “import” systems – one to one – from one country to another. But it helps to discover what works and what does not work; what are the best practices and lessons learned ; the main outputs – over the years.

Let us see what Jacob Wallenberg, Chairman of Investors of the Tallberg Foundation, being one of the two authors, in the report “Shared Norms for The New Reality” (The Nordic Way), World Ec. Forum 2011, says :

“The fact that Nordic countries showed resilience during the recent financial crisis largely seems to be the result of previous deep crisis in this region...in the 80’s and 90’s. The Nordic countries renewed and modernized their respective economies then....

Many see the Nordic Countries as some kind of compromise between socialism and capitalism. This is not at all the case....Instead, it is the combination of extreme individualism and a strong state that has shaped the fertile ground for an efficient market economy: Less tied down by legal, practical or moral obligations within families, individuals of both sexes

become more flexible and available for productive work in a market economy. Gender equality has resulted in both higher fertility and higher female participation on the labor market than in other parts of Europe”

How can one express this connection between social welfare, benefits for families and economic success, better?

Some lessons learned:

If equality is seen as a small bag of issues, on the side-line, and task for women only, development will meet obstacles. The boys and men have to be included. Important welfare initiatives, like the paid parental leave, the right to paid leave of absence when your child is sick , flexibility in work life and ample child care for small children, have to embrace both genders.

When working with the annual State Fiscal Budget, we (together with the Ministry of Finance) do ask all the line ministries to apply gender budgeting, where appropriate. To analyze how and where the use of public money can be used most effectively to achieve the expected, political and societal

results. Simply because the population is genderized. (Age, disability, ethnic origin is also taken due account of).

Further, we have a duty in central government, from many years back, to apply risk- and consequence analytics from a fiscal, environmental and gender perspective whenever planning a reform, amending a law, preparing a National Action Plan or a campaign. Thus we have practiced gender sensitive tools for years.

We do also have a positive duty , by law, for all private and public institutions, enterprises, organizations to work pro gender equality and report annually. The reports may be subjected to scrutiny by the Anti-discrimination and Equality Ombud and results published (“name and blame”, quite effective in an open market economy)

This positive duty is now extended, by law, also to cover equality as regards disability and ethnic origin.

But, this is not enough.

Traditional patterns in Government and society at large, die hard. It is very much about changing cultures and mental

imaging. Sometimes it takes legal and radical affirmative actions to produce results and eradicate some stern stereotypes.

It is further paramount to involve the work life social partners and NGO's in a systematic work. You need to champion their impatience and campaigns, even if it means critical remarks on Government. You need to engage deeply in dialogue with corporate sector.

Norway certainly has a tradition for using affirmative actions, gender balance regulations and bold initiatives for family friendly workplaces.

In politics, it started in the 70's with voluntary gender balance, called "quotas" (at least 40 – 60%) in major political parties when setting up election lists or electing bodies. Never since the first Cabinet (1986) with a 40 -60 % gender balance, has a Cabinet in Norway had less balance ! It has had enormous symbolic value and been an inspiration. We do not have a parity law, with legal "quota"- regulations.

Today we have parity in the Cabinet, 39 percent women in the Parliament, close to 38 percent women in the elected 430 Municipal Councils

The regulations of work life and welfare initiatives started long back (before the second WW) , but really took off in 1966 (the National Insurance Scheme, by law) into which we all pay taxes to secure our welfare, hereunder paid parental leave.

In 1977 a very strong Working Environment Act, regulating rights and duties for the partners in work life, securing flexibilities for the workers, rights for working parents , and so forth, entered into force

The WEA was in 1979 accompanied by the Gender Equality (cross-sector, not limited to work life only; a truly anti-discrimination act.

Further on “quotas”:

1988 a requirement for 40 % of either sex to all governmental appointed committees, councils, working groups and

delegations , was introduced in the GE Act. No ministry will have a committee or council approved in Cabinet if there is no gender balance. This practice is in itself a sanction, and is monitored by my Ministry.

In 1993 similar regulation (“quota”) of gender balance was introduced in the Municipal Act; applying for committees appointed by the elected municipal councils. (The County Governors (18) do the follow-up and inspections)

The Father’s “quota” (by law in 1993) within the Parental Leave Scheme. It was both an example of a gender “quota” and a bold initiative for family/work life politics. A number of weeks with refunding of income was reserved for the father and not transferable to the mother. With other words; it was “*choose or loose*”. From July 2011 this father’s “quota” will be 12 weeks of a total period of 47 (100 % pay) or 57 (80 % pay)weeks. The spouses can share the rest, except from 9 weeks for the mother; 3 weeks to be taken before giving birth. Both parents have to qualify through work life before the child is born.

The legal “quota” of parental leave for fathers has contributed to a mental change of how one perceives gender roles, both in the business community and among the fathers and mothers. A generous parental leave scheme (by law) is also to the best of the child, having mother or father at home throughout the first year and to bond with both parents. *(The firms, as for public sector, will have the expenses for a substitute refunded from the National Insurance Scheme- fund, financed by taxes from the employers, the employees and the State)*

Full coverage of early child care places as of 2010 (now also a *legal right* for all children turned one year of age) is offered as a service by the Municipalities to an affordable “max tax” for parental pay. Together with the flexibilities mentioned above, these schemes make it quite possible for women and men to pursue full time careers and having kids. Or they can choose part-time jobs.

In 2003, the most famous “quota” was introduced: Four different company laws were amended with a requirement of 40 % of either sex of the companies’ **elected board of supervisors**. *(Notn to be confused with management jobs)*

This regulation was enforced for Public Limited Companies (PLC's, often listed on the stock exchange) in January 2006 with a period of transition to January 2008. The National Business Register enforces the rules and sanctions may apply; a company may be dissolved by court if not complying, or have a considerable fine. These sanctions were not developed for the gender balance regulations, but have been with us for 35 years, regarding setting up legal boards in any company.

(For the 3 other types of companies, state or municipally owned, some of them quite large, the amendments were enforced already by January 1st 2004. By 2006, after a transition period of 2 years, they were all in place, with 43 % women elected to their boards, on an average.)

Why these regulations ?

Back in 2002 women were almost totally absent in the board rooms of the stock exchange listed, PLCs. Only 7 % of elected board members were women; today the score is **39,6 %**.

We had invested billions educating our daughters as much as our sons. Equal number of women graduated from universities

and colleges already in 2000 (now 62 % are women); in law, science and economics (a little less in technology).

The ongoing exclusion of competent persons of the female gender from corporate boards (and top management in private sector)- so important to society - just didn't make economic sense. Nor democratic or moral sense.

It is simply a matter of return on investment and a decent societal development.

The regulation is a tool to “see” and employ women's competences. Not a goal in itself.

When proposed to the Parliament (2002/2003), these issues created heated discussions in the media and in the general public debate. Many a man from the corporate sector, male shareholders, women top leaders, uttered that this could not be done.

The new legal requirements were proposed by a conservative /liberal Cabinet (3 parties) – and endorsed by the opposition, but one party . It was truly bi-partisan and passed by large majority in Parliament.

However, this Cabinet waited two years before enforcing the requirement of gender balance to the boards of the PLC's (the other ones had the regulations enforced right away...), expecting that these companies would sort it out themselves, with a "sleeping law" eventually to be enforced.

The companies **did not** sort it out themselves, when measured after 2 years.

When the present Cabinet took office in October 2005 after the general election, the enforcement bill was immediately in place with 2 years of transition.

Several top Norwegian business leaders say today that they were opposed in principle to gender balance regulations, but believe the law has been effective and are happy with the results. Fears of not finding enough qualified women to fill board seats proved unfounded. Another expressed fear, that "women would not take on such responsibilities", was totally nonsense. That companies would have to flee Norway as to prosper, was another "popular" saying in 2003, but Norwegian companies are doing quite well. None of them "fled".

All candidates to board positions of PLC's, including of course the female ones, are nominated by an election committee set up by the General Assembly in a PLC, and it is for the General Assembly, shareholders in concert, to elect the board members from a short list.

To those who say that “quotas are wrong, competence should rule”, I would ask: Does anyone really believe that an election committee would look for incompetent candidates ? Or that a responsible General Assembly of shareholders would elect incompetent persons ?

(A study from last year, published internationally (of different types of enterprises ,not only the regulated PLC's), shows that gender balance on boards, or diversity, gives more focus on competence, long term planning, less conflicts.)

Norway has still not used quotas for elections to the boardrooms of the 213.000 private ltd.companies (mostly SME's, family owned, but some quite large). These companies have today 17 % women members elected to their boards.

Not so bad. We are however, at present, discussing if and how to design a similar legal action for the largest of these enterprises.

Norwegian law does not apply “quotas” **for any type of job**. Nevertheless, we have mild “positive discrimination” possibility in our Gender Equality Act (if two persons have the same competence in the competition for a certain job, **it is not discrimination** to choose/hire the one from the underrepresented gender at the workplace or the specific level of administration) . This goes for both private and public sector.

The corporate sector itself, does operate successful recruitment programs – such as the “Female Future” (The Main Business Federation) and the “Futura” (The Financial Sector Employers Fed.), in order to sustain a competence pool from where to elect women to boards and for inviting individuals to compete for corporate management top jobs.

They do this because they need to recruit talents from both halves of the educated population.

Together with the universal systems of parental leave, right to paid leave of absence when children are sick, flexibility in working hours (the right to negotiate such measures), the right to stay at home with your child one extra year – both parents – without pay, and the right to have your job back (or at least at the same level) and a place in an early child care institution secured, the businesses clearly can “pick” and retain able persons from both genders.

Further, enterprises and federations have many mentor-adept talent programs, diversity goals and targets with operative measures. (In many large corporations they now also include ethnic background and disability, as targets for recruiting and retaining the best persons.)

However, such regulations are not a quick fix to achieve gender balance in all sectors of society. If quota laws are to be immediately effective, certain other conditions have to be in place, like the welfare measures I have mentioned above. The women have to be visible and “seen”/appreciated in the labor

market; as a pool of competence. The men and fathers have to “come more home”.

Unless of course, one only aims at recruiting from the small group of elite people, already there (the golden collar or the golden skirt syndrome).

Mission is not accomplished.

- The wage gap between women and men per hour for work of equal value (15 % as to the average in the EU on 17 %). Norway had an Equal Pay Commission 3 years ago, with 8 independent experts analyzing wages in private, state and municipal sectors. A White Paper on equal pay was submitted to Parliament, and discussed on April 12th. The first one in our history and extremely important to make new politics on equal pay and keep the pressure on the social partners in the collective, annual bargaining on wages.
- The gender segmented labor market, due to historical reasons. The labor market is thus not effective enough. Statistics show that women in Norway are increasingly choosing more untraditional, but not the men. (The EU

measures focus much on the professional choices of women, but I think the real challenge lies with the boys and men)

- A high number of women in involuntarily part time jobs, esp. in the health-, care-, and retail sectors constitutes a problem and a challenge. These sectors are now asked what can be done, by the Government. May be we will see further legal actions to eradicate involuntarily part-time. However, the right to choose/negotiate part-time, has to be retained.
- The challenge of engaging boys and men more – in the equality project. We know equality is a win-win situation for men and boys, also when it comes to reconciliation of work and family life.
- Violence in close relations, domestic violence, often gender based. We have all laws and plans in place, and these issues are not privatized any more, but there is still a long way to go.

Our mission is:

- To have *more freedom* for every individual; being man or woman, boy or girl. Narrow gender roles are not very

productive. It is about liberating the individual citizen from all forms of subordination and dependency within the family and civil society.

- *To improve our economy and our welfare, through engaging all women and men in gainful, paid work and thus paying taxes back to the common good (Norway has a low unemployment rate of 3,2 %, 77 % of women between 16 and 64 is working, though many part-time), and we have a fertility rate of 1.95 (2010))*

Norway has used considerable oil revenues (since the 1980's) to invest in equality and welfare. Parallel with legal actions. It pays off. But closing the gender gap takes time, in any nation.

I am very happy, though, that several European Countries have followed suit as to regulate gender balance to elections to the boards of large companies: France, Italy, the Netherlands, Belgium and Spain (to a certain extent). In Germany, as in the EU on the Union level, it is a fierce debate at the moment.

I wish you the best of luck working with equality and family/work life balance, to engage, recruit and retain the best heads and hands, regardless of gender, in business and innovation !

Thank you!