

ENGENDERING EQUALITY IN THE BOARDROOMS

Excerpt from an article by Richard Bernstein

Published in the International Herald Tribune on Thursday, January 12, 2006

On the first day of this year – and in the teeth of strenuous opposition from many Norwegian businessmen – Norway’s leftist government put into effect one of the more radical attempts to achieve sexual equality: requiring that within the next two years, 40 percent of the board members of the large, publicly traded companies of Norway be women.

“The government’s decision is to see to it that women will have a place where the power is, where leadership takes place in society,” Karita Bekkemellem, Norway’s minister of children and equality, said in an interview here.

“Of course,” she continued, “this is very forceful affirmative action, but it will set an example for other centers of society.”

Bekkemellem and other supporters of the law are pleased with some of the immediate results.

Already in Norway, for example, databases have emerged on which thousands of women looking for board positions have listed their names and qualifications, and where any of the 519 corporations affected can search for prospective board members. Headhunting companies are said to be very busy keeping up with the demand for women with business experience. Indeed, already in the past couple of years, in anticipation of the new law’s coming into effect, the representation of women on corporate boards has already increased from roughly 8 percent to 16 percent.

But the mere fact that Norway’s government felt it necessary to establish the quota for women in the top ranks of business and to enforce the quota as a matter of law – the penalty for non-compliance could be the disbandment of the offending corporation, although few seem to think that would actually happen – reflects a fact of European life that goes well beyond Norway.



Karita Bekkemellem

It is that the major countries of Europe are doing quite badly both in promoting women to positions of power in business and, more generally, in achieving other sorts of diversity, especially racial and ethnic. “Foreigners, women, and minorities are almost completely excluded from the top of the business heap,” Marta Dassu and Daniel Franklin wrote in an article that appeared in *The Financial Times* late last year, summarizing a study of 450 European companies carried out by the Aspen Institute Italia with the help of the Economist Intelligence Unit.

Not surprisingly, the study found that women and minorities “are making slow inroads “in Britain and Scandinavia, but “all surveyed nations have a dismal number of nonwhite males in top executive roles, if any at all.” Only two of the 75 British organisations surveyed are headed by women, the study found. In all of the 450 companies, only one, Britain’s Vodaphone, was headed by a member of an ethnic minority.

The situation seems paradoxical given that other elements of the European picture: that, for example, half or more of university graduates are women in many countries, and women are increasingly visible in politics, the media and elsewhere in public life.



Karin Dorrepaal – Schering

The paradox seems especially sharp in Germany, which late last year elected its first woman chancellor, Angela Merkel. About half of university graduates are women in Germany; one-third of the parliament is female; and one-third of the doctorates awarded go to women.

But in the top 30 companies of the German stock exchange, women members of their boards of directors are a grand total of one, Karin Dorrepaal, elected a year and a half

ago to the board of the drug company Schering.

“Compared to other Western European countries, Germany is in the rear guard of the emancipation,” Alice Schwarzer, perhaps Germany’s most prominent feminist commentator, wrote in an e-mail message. Indeed, she adds, even in areas where women appear to have made progress, as in politics, the advance is more a matter of appearances than real power.

“The women’s representation of one-third in Parliament and in the cabinet has led to a situation where powerful politicians withdrew from democratic bodies and made their politics in separate back rooms,” she said, referring to the socialist-led coalition that governed before Merkel took office.

“That’s why,” she continued, the mere existence of a female chancellor, no matter what she does, will shake up all the existing structures.”

But if women are at least numerically well represented in other areas of life, why not in business? The Norwegian answer to that question is clear: It is that the old boys’ business club functions in such a way as to exclude them. The law on sexual equality in business, adopted at the end of 2003 by the previous conservative government, was put into effect this year because earlier voluntary measures to increase women’s representation in business didn’t work, and some sort of legislative coercion was deemed necessary.

“Until recently, we didn’t see any change,” Elizabeth Grieg, director of a family-run shipping company said in an interview in her sleekly modern office, overlooking the Oslo harbour. “It was all talk about women in business and very little movement.”