

Closing the Gender Gap: Global Perspectives on Women in the Boardroom

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Opening Dinner at the Embassy of Finland

Remarks by H.E. Pekka Lintu, Ambassador of Finland to the U.S.

**Check against delivery*

- Finland was the first nation in the world to grant full political rights to women (to vote and to stand for election) in 1906. The first Parliamentary elections were held in 1907. All the major parties had women as candidates, and 19 of them were elected. This was 9.5 per cent out of the 200 Members. The Embassy was happy to celebrate this CENTENNIAL with quite a few events – and of course – during two years 2006-2007 for maximum effect.
- From the start, women in Finland have been deeply involved in promoting issues important for women and in building the Finnish welfare society; incl. the family leave system, the smoothly running public daycare system and free school meals. Finland and other Nordic countries are world leaders in maternity care. These have been important elements making it possible for women to actively participate in the working life.

The Finnish highly ranked education system provides free, equal chances for boys and girls. Girls do well at school, and in fact, Finnish women of working age are already more highly educated in general than men.

- Today, there are a high number of women holding advanced positions in Finnish politics. The current President of the Republic is Tarja Halonen, Finland's first woman president serving her second term. Finland also has a female Prime Minister – Ms. Mari Kiviniemi, who was elected the new Prime Minister in June 2010.

- Women hold 42 per cent of the seats at the Parliament and 55 per cent, that is eleven of the twenty Finnish ministers are female
- On all accounts, situation as to closing the Gender Gap is good in politics. It did not use to be equally good in business.
- But today Finnish women fare well in business life as well. According to a recent survey¹ by GovernanceMetrics International the countries with the highest percentage of companies that have at least one female member in its board are Finland, Sweden and Norway. Norway has introduced a quota system for its public limited companies. In Finland, there is a non-binding corporate governance code that has proved to be very effective.
- In fact, there are several strategies for promoting women in decision-making positions, particularly on company boards, that have been put into practice in Finland. These active measures include studies, corporate governance codes, governmental action and media attention. Let me say just a few words about them.
- The Finnish Corporate Governance Recommendation of 2003 was among the first national codes in the world to mention the gender of board members. It was updated in 2008 and the tone became stronger. The Code now clearly states: “Both genders shall be represented on the board.” If a company does not comply with the recommendation, it must account for and explain the departure from the Code. The Corporate Governance Code is binding for listed companies according to the Stock Exchange Rules. The Helsinki Stock Exchange actively monitors the compliance of the Code by listed companies.
- The experience in Finland has been that most companies are reluctant to depart from the Code due to publicity. The media has played a big role in this by publishing negative examples, featuring companies with all-male boards. Very few companies want this kind of negative publicity.
- The effects of the Code are striking. In 2008, when the new Code text was issued, only 51 per cent of Finnish listed companies had a female board member. After the recommendation was given, the ratio soon started to change. In 2009, already 59 per cent of the companies had at least one female board member. In

¹ “Women on Boards. A Statistical Review by Country, Supersector and Sector” by GovernanceMetrics International, March 11, 2010.

spring 2010, the number rose to 74 per cent of all listed companies. The change from 51 to 74 per cent can be considered great success. It happened in two years and without much controversy.

- The Government of Finland has played active role in promoting gender equality - also in boardrooms. In 2004, the Government set a target of 40 per cent women board members in state-owned companies. This target was reached already in spring 2006. This has been an important factor in promoting women on company boards because state-owned companies include several important and well-known listed companies in Finland.
- All in all, much has been done to promote gender equality in Finland from politics to boardrooms and all aspects of society. However, in my country, as in all countries around the world, there still remains much to be done. This conference on “Closing the Gender Gap: Global Perspectives on Women in the Boardroom” is one important step towards that goal.