

# Working women are the secret to Norway's prosperity <sup>[1]</sup>

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## EXCERPTS

"Money is not the problem," the union leader tells me brightly - and for a moment I feel far from debt-stricken, austerity-obsessed Europe. Oil, I think - Norway has oil. That's how it can afford its outrageously generous cradle-to-grave benefit system and still run a 10 percent budget surplus.

"Women," says the union leader, Mie Opjordsmoen of the Norwegian Confederation of Trade, a mother of two. "Norwegian women work, pay taxes and have babies. That's our secret."

I am touring one of the world's last functioning welfare states and finding preconceptions shattered one by one. Unions here peg their wage demands to the needs of the export industry. Employers lobby for longer parental leave for fathers. Parties win elections promising not to cut taxes.

And gender equality is treated as a competitive advantage: By law, 40 percent of Norwegian boardroom seats are filled with women. Two male cabinet members, Knut Storberget, the justice minister, and Audun Lysbakken, the minister of equality (yes, this position exists), recently took three and four months off, respectively, to look after their latest offspring. The cost of full-time toddler child care is capped at the equivalent of about two Big Macs a day thanks to state subsidies.

Oil helps, of course. But ultimately, the Nordic success story isn't about lucrative natural resources - Sweden, Finland and Denmark can't rely on fossil fuel reserves - but lucrative human resources: The region combines the world's highest female employment rates with some of the most impressive fertility rates in developed countries - one reason why it has weathered the crisis with solid public finances and respectable growth (Iceland being the notable exception).

"One Norwegian lesson," Prime Minister Jens Stoltenberg said from his modestly sized office one afternoon, "is that if you can raise female participation, it helps the economy, birth rates and the budget."

Many Norwegian women work part time and for the public sector. Female chief executives and engineers remain nearly as rare as elsewhere in the West. But 75 percent of Norwegian women work outside the home, compared with 68 percent in the United States and 65 percent in the European Union.

That didn't happen by itself. Norway was the first country to invent a "fathers' quota" that has reserved a growing part of the yearlong paid parental leave for dads since 1993. On July 1, the quota will rise to 12 weeks from 10. Nine in 10 fathers share parental leave, up from about 2 percent 20 years ago, enabling women to go back to work sooner.

It was also the first country to impose a female quota for board directors in about 400 publicly listed and state-owned companies, lifting the share of women to 40 percent, from about 7 percent in 2003.

All told, family policy, including a system of child care from a guaranteed place for 1-year-olds to after-school and vacation care, costs the Norwegian government 2.8 percent of gross domestic product. "These policies are expensive, but their cost is offset by the return in terms of female labor supply and tax revenues," says Danielle Venn, a labor economist at the Organization for Economic Cooperation and Development. Even excluding oil, Oslo's deficit of 5.4 percent of G.D.P. is a percentage point below the E.U. average.

It is a cautionary tale - and not just for Europe's less productive, indebted southern rim, which was traditionally slow on women's advancement. Other countries are passing austerity programs that risk hurting women's work prospects. In Britain, for example, maternity and child care benefits are being cut, as are half a million public-sector jobs, most of which are held by women.

As many write the obituary of the welfare state, how much can other countries learn from the Nordic model?

-reprinted from the New York Times

**Region:** Europe <sup>[2]</sup>

**Tags:** mother's labour force participation <sup>[3]</sup>

