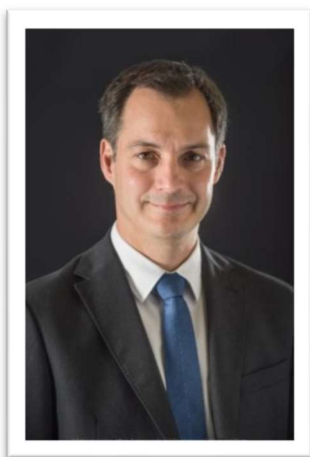




“Women in Finance opened the debate on gender inequality, stereotypes and the need to fight them in the sector and beyond”



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ABSTRACT

Interview with Alexander De Croo, key-note speaker at the Belgian Financial Forum colloquium “Gender in finance; why diversity matters” in Brussels on June 17, 2019.

INTERVIEW

Mid 2018, the financial sector launched “Women in Finance”: an organisation that wants to promote gender balance at all levels within the financial sector. Do you believe in this sector approach, and do you think that we can make a difference?

In Belgium 51% of people employed in the financial sector are women, but they occupy only 25% of management positions. And only 1 in 5 members of boards of directors are women. The so-called leaky pipeline is very evident in the finance sector.



But there is much room for progress. Brains are more important than muscles in this sector. Change is within reach, but it is a matter of policy. That is exactly why the finance sector should take the lead. With clear results, you will be able to convince other sectors as well.

Parallel to that, the public sector needs to start leading by example. In the last government, there was no gender balance at all and if we look at the most senior positions within the public administration, they are all taken by men. We can't expect the private sector to push for change, while lagging behind ourselves.

What should Women in Finance definitely do to reach impact?

A butterfly flapping its wings in Brazil can produce a tornado in Texas. This is how Edward Lorenz, meteorology professor at MIT, described his chaos theory in 1972, later known as the Butterfly Effect. Whilst it sounds a little ridiculous as a concept, it is not meant to be taken literally. "The Butterfly Effect" is metaphor to demonstrate that little insignificant events can lead to significant results over time.

Women in Finance is nothing close to a butterfly flapping its wings. It's more like 200 elephants starting to march. Because the finance sector is a male dominated sector with a lot of stereotypes. Men in suits, scenes from the Wolf of Wall Street. The birth of an initiative like Women in Finance opened the debate on gender inequality, stereotypes and the need to fight them in the sector and beyond. By joining forces, putting forward hard and soft targets, and getting so many actors involved, you are already leading by example and putting other sectors under pressure to get their act together. In a next phase, when Women in Finance will be able to show measurable results, you can demonstrate to your peers that change is possible and a matter of policy. This is exactly what I argue in my book 'The Age of Women'. More gender equality in our society and at the workplace is not a matter of time. It is a matter of deliberate policies, positive measures, nudging, quota's and so on.

It is clear that at senior level, the finance sector shares the will to do something. The most important thing for Women in Finance is a next step, is to show results. Because Women in Finance is not a marketing stunt, but a clear fundamental choice to



radically transform the sector, to make it more equal and to stop wasting so much human capital in this sector.

You were guest speaker at the launch event of Women in Finance where 30 organisations committed to sign the Gender Diversity Charter. What was your overall impression of the event?

Changing the status quo requires two elements: a clear target and people who want to put time and energy in making it happen. The more powerful these elements, the easier the battle will be won.

As for the objectives of Women in Finance, they are just. Socially, ethically but also economically, the case for gender equality is solid. What is the point in having highly educated housewives? Every economist agrees we need more people at work, to be able to afford our welfare system. And research shows companies with more diverse boards perform better. More gender equality is a fantastic cause.

But a cause alone is not enough. You need activists and pioneers to advance your cause. And this case, you need men to come along. When I met the forces behind Women in Finance, I met a group of highly dedicated women and men (!) who want to carry the cross. The fact that Women in Finance is not just “a women’s club” is important, as I write in my book, because these clubs aren’t new. For decades, women in different sectors have assembled to find ways to change the status quo. The fact that men are joining the fight is the essential element for change. I’m very pleased to see men in finance are keen to take up this responsibility.

If you could give one key advice to CEO’s in the financial sector regarding gender equality, what would it be?

“It’s the economy, stupid”. I would use this famous one-liner Bill Clinton used during the presidential elections in the United States in 1992, in which he beat George Bush. Because gender equality is sound economics. All data indicate that companies and governments are more successful if they are more diverse. Diverse teams improve performance and reduce risk. It’s like Christine Lagarde said, the Managing Director of the International Monetary Fund: “If it had been Lehman Sisters, it would



be a different world". In recent years, one study after another has shown that companies with women in top management perform better. A study in Finland came to the conclusion that companies with a female CEO are on average 10 per cent more profitable. USA Today calculated that the share prices of companies led by women recovered twice as quickly from the financial crisis of 2008.

Forbes magazine concluded that the share prices of companies with female CEOs were doing considerably better. McKinsey has shown a strong correlation between the presence of women in top management and company performance. Companies where female executives make up at least one third, achieve better results which in turn lead to higher share prices.

So, there is an indisputable case for gender equality from a company perspective. It's clear what needs to be done: promote more women into management positions.

There is an indisputable business case for gender equality, would be my main message to any CEO today, as there is a clear case for gender equality from a company perspective. Besides the macroeconomic argument, which is that female talent is the most important underused natural resource we have. Too few women have a paid job, too few women work full-time, and too few women work at the level of their skillset. Worldwide, only 45 per cent of women are in formal employment. That explains why women contribute only 37 per cent to the gross global product. The Scandinavian countries have managed to close the unemployment trap for women. In Sweden, the gap between the formal employment rate of men and women is less than 3%. In other countries, that gap is much greater. In Belgium, that gap is 10 per cent: only seven out of ten men work, and only six out of ten women.

And let's not forget the human element. We can all try to make the world a better place. I'm sure their daughters or granddaughters will take them one day.

Due to the digitalisation, banks and insurance companies tend to recruit more IT profiles and less commercial and administrative profiles. As a result, figures show that the inflow of women in the financial sector might decrease. How can we make IT more attractive for female students?

What worries me the most in this respect, is that if all coding and A.I. – innovation will be done by men, will we not encode gender equality for decades?



But you are right, this is a serious challenge. One we need to tackle from a very young age, in education, at school, in literature, arts, pop culture, As a Minister of Development Cooperation, I financed schoolbooks for developing countries which show men and women in less normative roles. Women who are at work, using the computer. Men helping out in the kitchen. Using stereotypes of a woman in the kitchen and a man leaving for work are not innocent and have far-reaching consequences. Just like the fact that couples in schoolbooks are still too often consisting of a man and a woman.

Now, how will we be able to attract girls to IT, when games are considered something for boys? Toys, Christmas gifts, tv shows, pop culture, all confirm this stereotype over and over. In my opinion, we will need public policy and private initiatives to continue to make parents and teachers aware of the problem. Something I tried to do with writing my book and presenting it all over the world.

Do you see a link between the future of finance and gender equality?

The future of Finance will be gender equal of course! You know I am a liberal, therefore an optimist.

But I am not naïve. It won't happen unless we adjust our policies, install necessary measures and convince more men this is in their interest too. Gender equality does not mean a step back for men, but a step forward for both women and men. The emphasis should not be on loss of jobs or power, but on gains, on growth, on more options! It is not a zero sum game! That is why feminism also liberates men and we all need to become conscious feminists.

You describe your book "The age of women" as an assignment book for yourself and other men. Why?

Being an outspoken male feminist in 2019 is still a rare thing. Few men are against women's rights. We will all agree – in public – that women can work and vote. But "to actually do something" about the gender pay gap, the #metoo incidents, and violence against women, the bias ? This requires focus and consciousness.



We live in the most disruptive time ever. Artificial intelligence. Global warming. Globalization and migration. Ageing societies in developed countries. The population explosion in emerging countries. Some people wonder whether we will make it. Climate change may completely spin out of control. Illegal migration may undercut our democratic institutions. The fourth industrial revolution may lead to massive job loss and tear apart our social safety nets. Our society, our prosperity, and our economy can only survive the coming storms if the role of women expands – significantly.

If we mobilize the entire world population, we can make it. But if we mobilize only half of it, we won't. To date, the talent and potential of the female half of the population remain underutilized. That is why my book is aimed at men. As a man you can live blissfully in the belief that gender inequality no longer exists. But the evidence proves you wrong.

Gender equal societies are richer societies, in all senses of the word. Gender equal economies and companies perform better, according to all research. And the best news is gender equal societies are happier societies. I'm not making this up. Just google the OECD's Better Life Index and you'll see how Scandinavian countries, the countries with the highest gender parity, outrank the U.S. big time.

Gender equal societies offer a true choice. It's what Amartya Sen, a Nobel Laureate in Economics, calls freedom of opportunity: the freedom to seize opportunities, the freedom to make your own choices, to take your life into your own hands.

That's why I call upon all men to join me, be more conscious, and be part of the change.

Do you think your testimonial can help more men to become feminists?

That's what I hoped for and I must say one year of book presentations and speeches around the world did seem to open some eyes. Last week, Charles Michel called upon all world leaders at the General Assembly at the United Nations to promote gender equality. His audience there: mainly man.



My objective is not for every man to jump on a stage to do something similar. I do try to give a wake up call, that we are not making any progress if we don't turn gender equality into a priority. And I deliver the message to men that you don't need to be perfect to start. I have more men than women working in my office. In that office, the leading positions are taken by men. My personal assistant is a woman; my driver is a man. In my family, I work full-time, my wife works 4 days and is primarily responsible for the children. I know that has to change and I know I'm not perfect. But if we wait for perfection, we will never get started.

If you could give one key advice to young women who just joined the financial sector, what would it be?

Never stop questioning a system in which men promote men. Never be too shy to take up more responsibility. And make it worth it. Your studies, your internships, your grades, your hard work at school. Make it worth it.