

The Effects of the Norwegian Quota Legislation for Boards

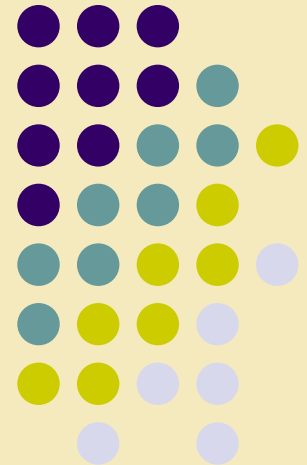
Preliminary Findings

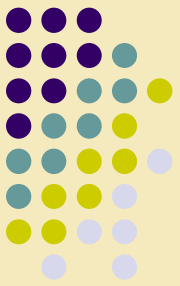
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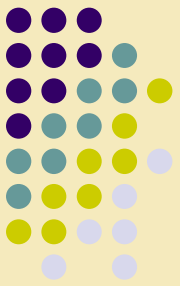
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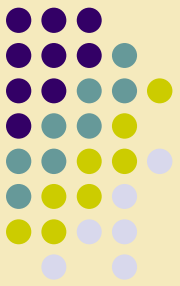
Types of companies

- The quota law applies for:
 - Public limited companies
 - Newly established (2006)
 - Established (2008)
- Inter-municipal companies (2004)
- State owned companies (2004)
- Municipal companies (2009)
- Co-operative companies (2009)



Number of companies affected

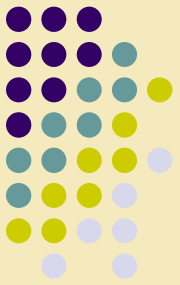
- Public limited companies:
 - ~ 400, of which 240 are listed on the Oslo Stock Exchange
- State, municipal, inter-municipal and cooperative companies:
 - ~ 800
- Total number of seats on these boards:
 - ~ more than 7000



The Company Act: § 6-11a. Demand of representation of both gender in the board

The gender representation for the affected boards is regulated in detail in the respective company acts. The acts state how many members must be of each gender:

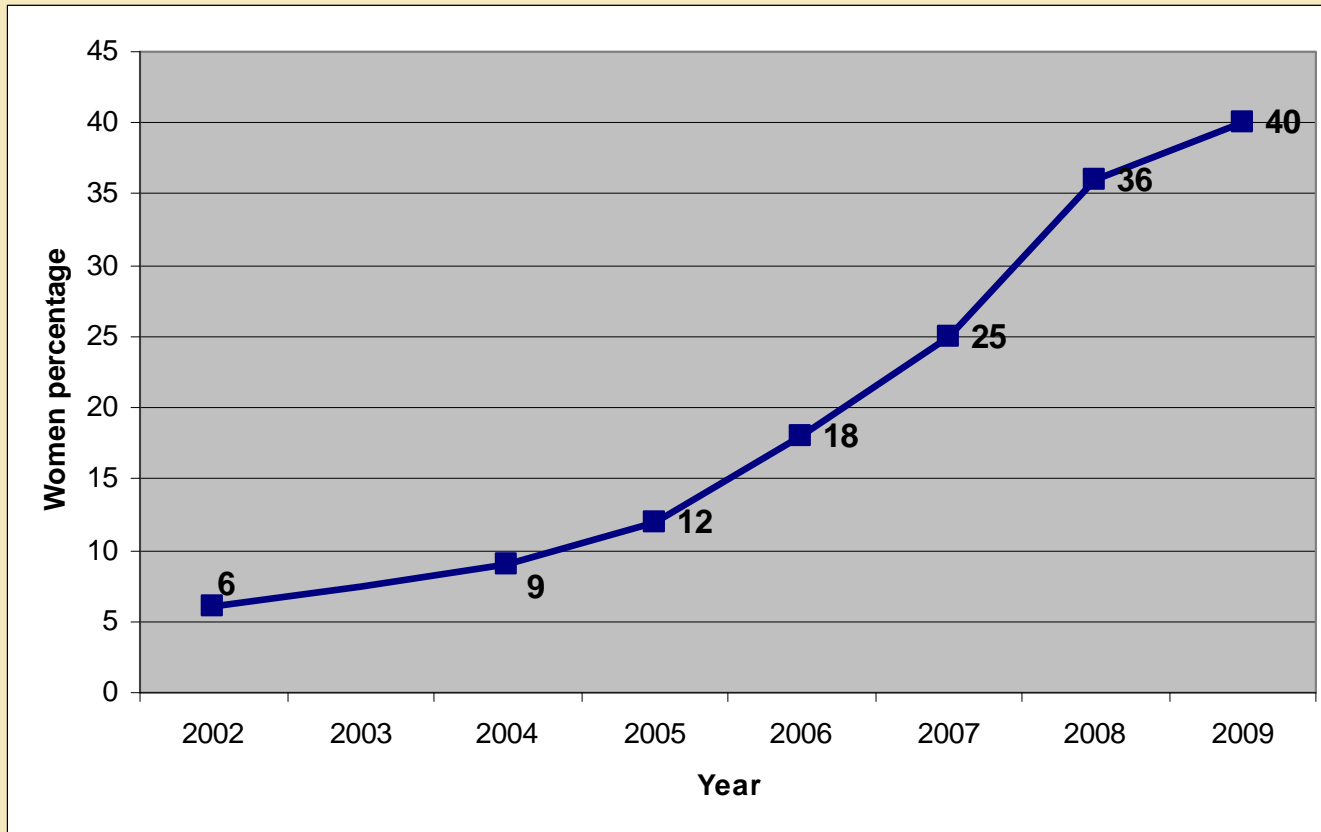
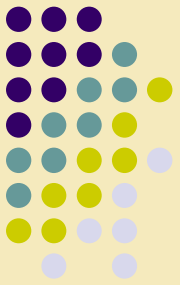
Number of board members	Minimum gender proportion required
2	50 % (1)
3	33 % (1)
4	50 % (2)
5	40 % (2)
6	50 % (3)
7	43 % (3)
8	38 % (3)
9 or more	40 %

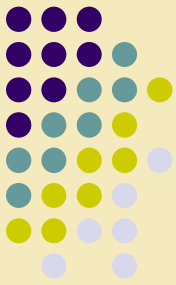
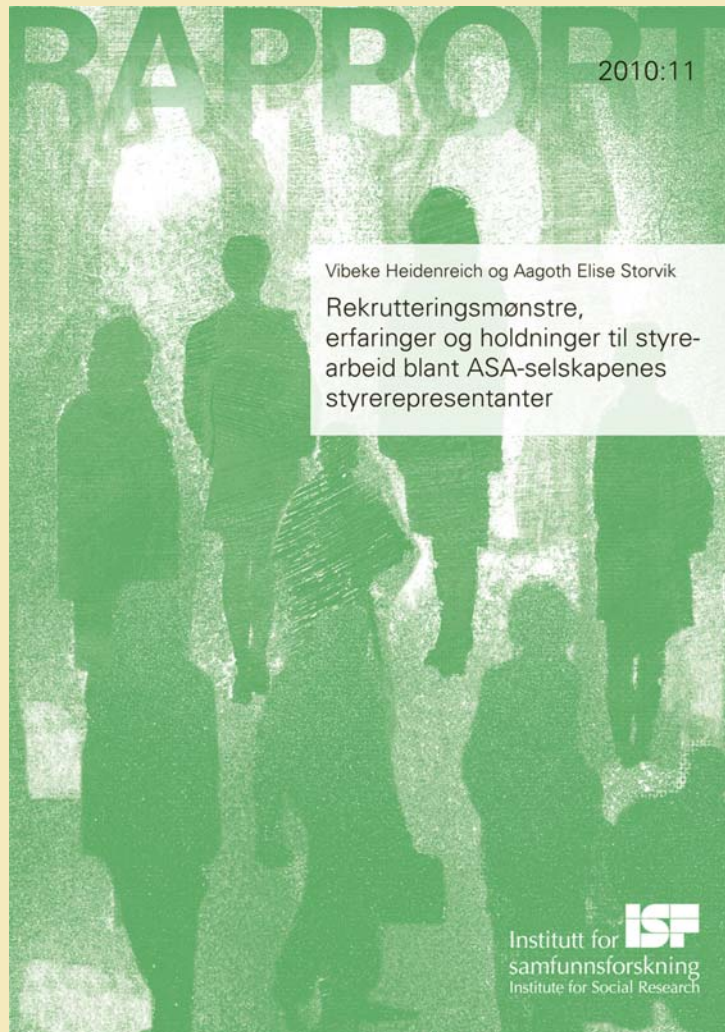


Sanctions

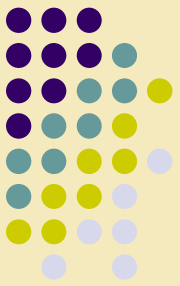
A company that does not have a legal board , despite several warnings with the possibility of correcting the matter, will be subject to forced dissolution.

Women on the boards of public limited companies, 2002-2009 (%)



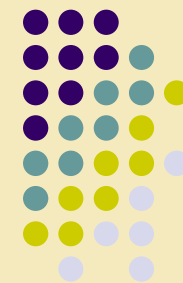


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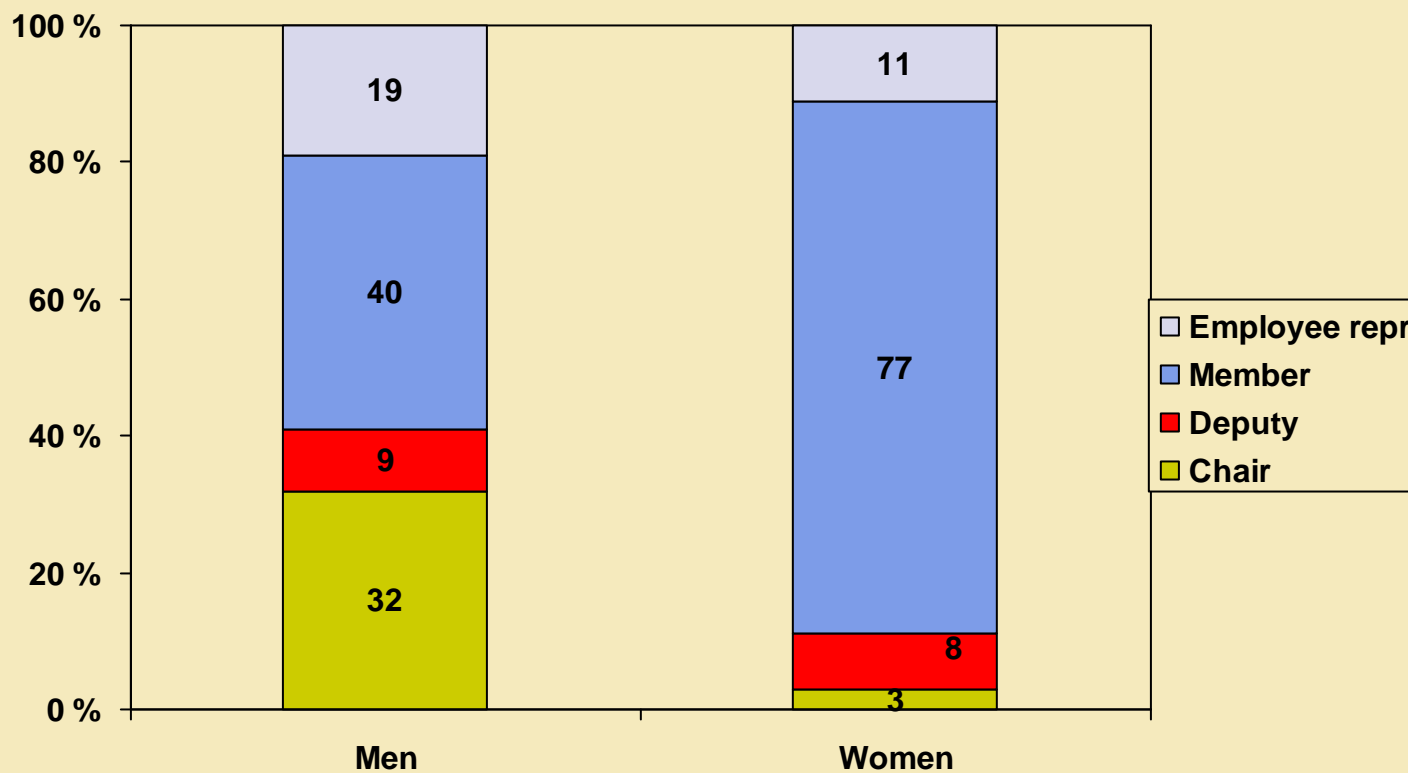


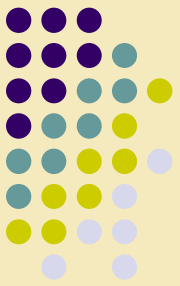
The survey

- Survey – autumn of 2009
- 900 members of boards – answered 40 different questions
- A response rate of 62 %
- Statistically representative

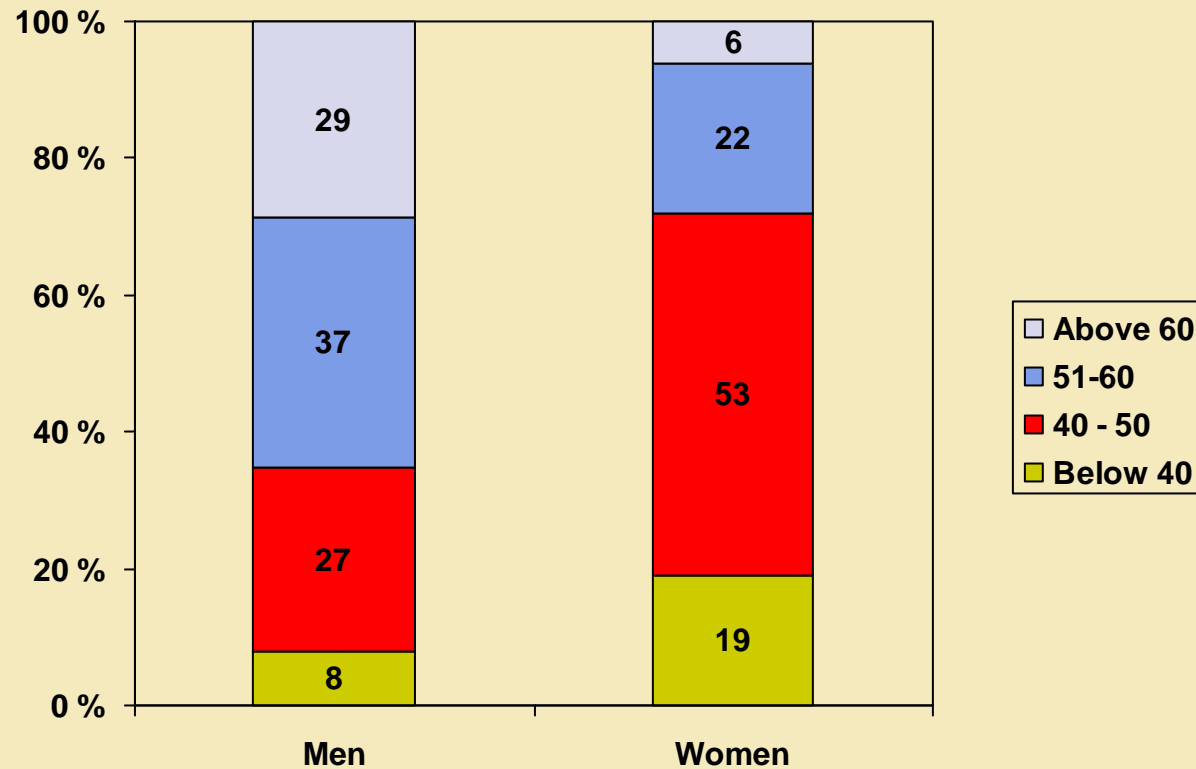


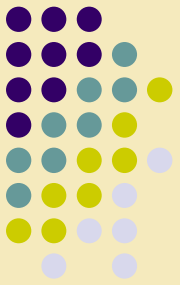
Position on the board (%)



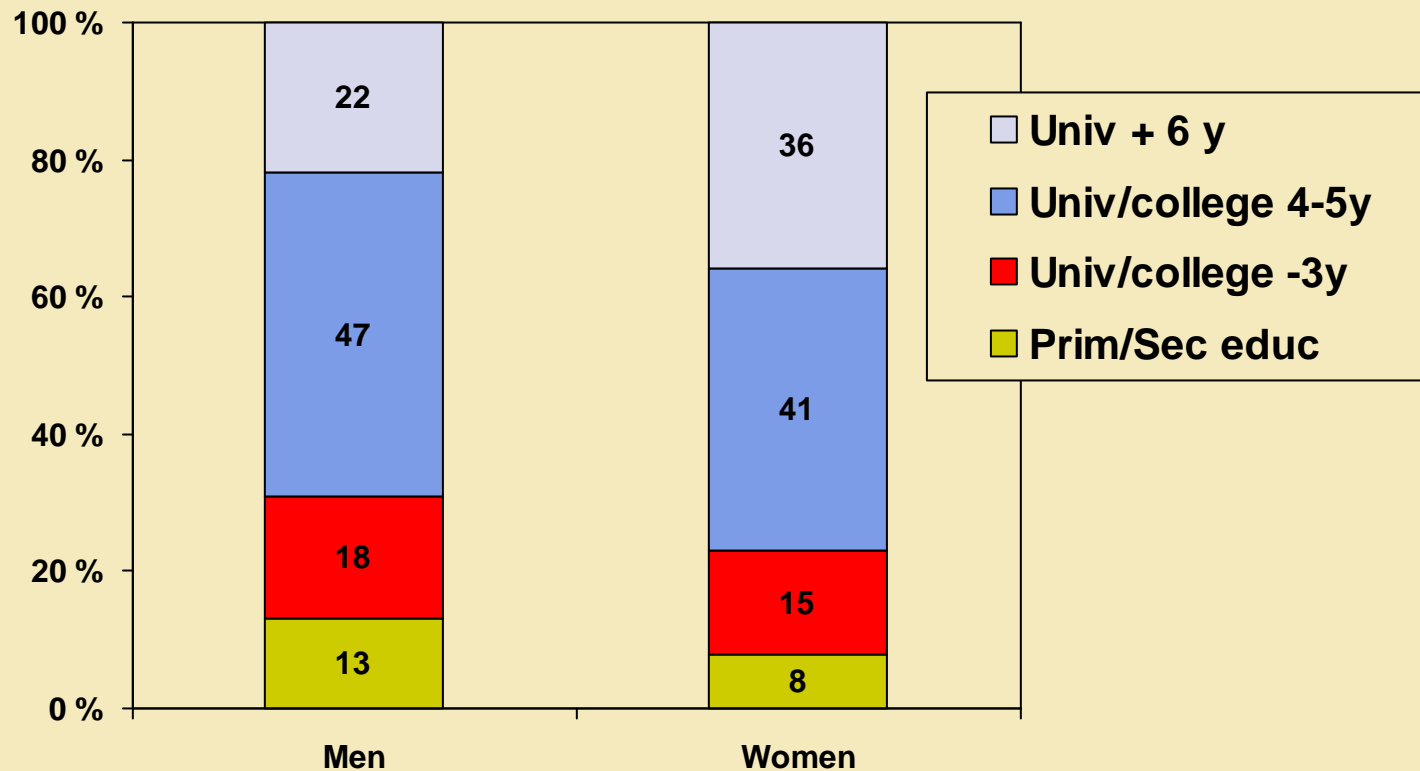


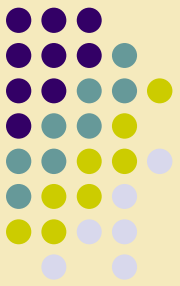
Age distribution (%)



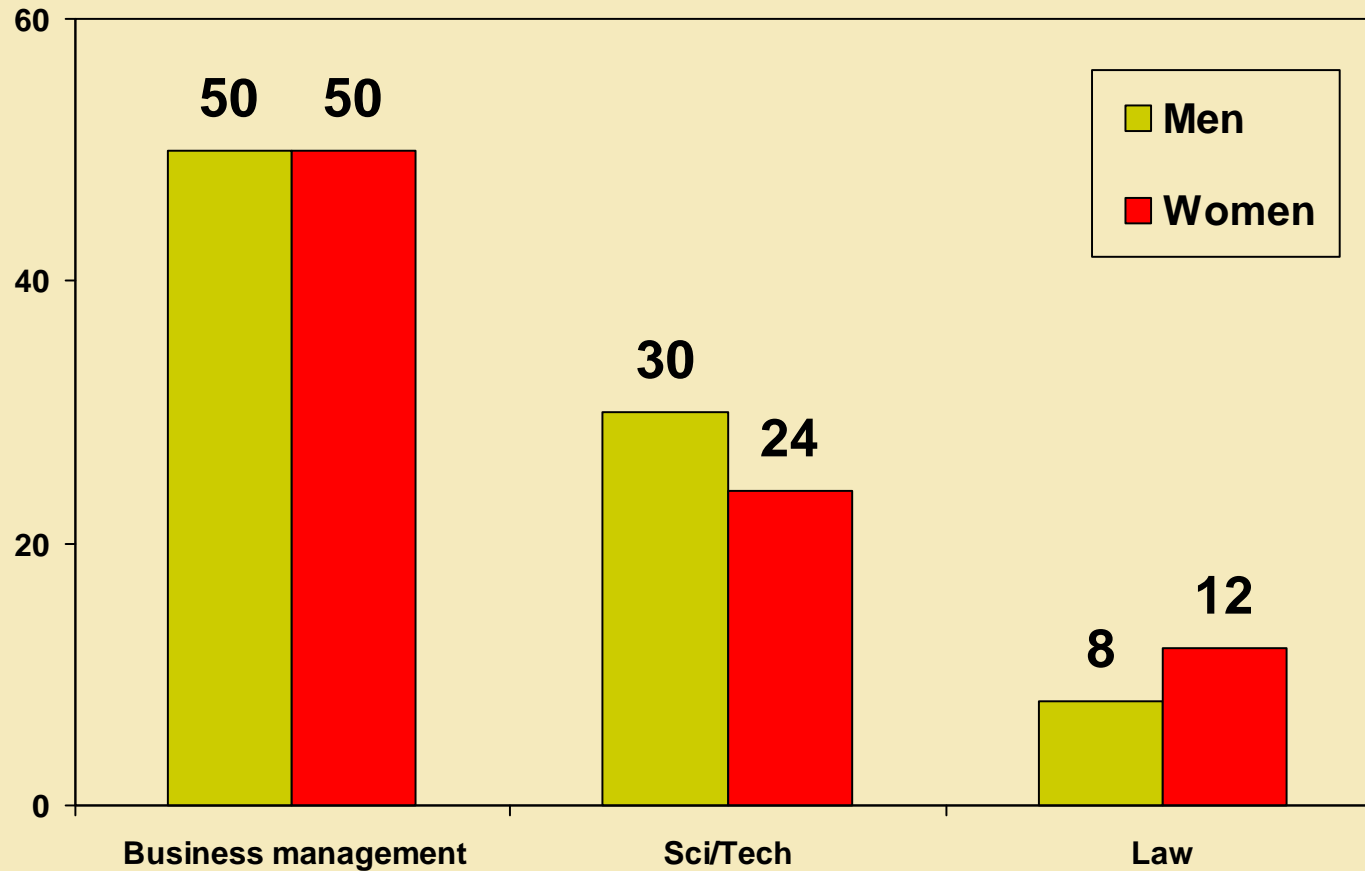


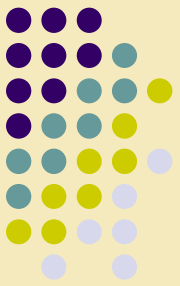
Education attainment (%)



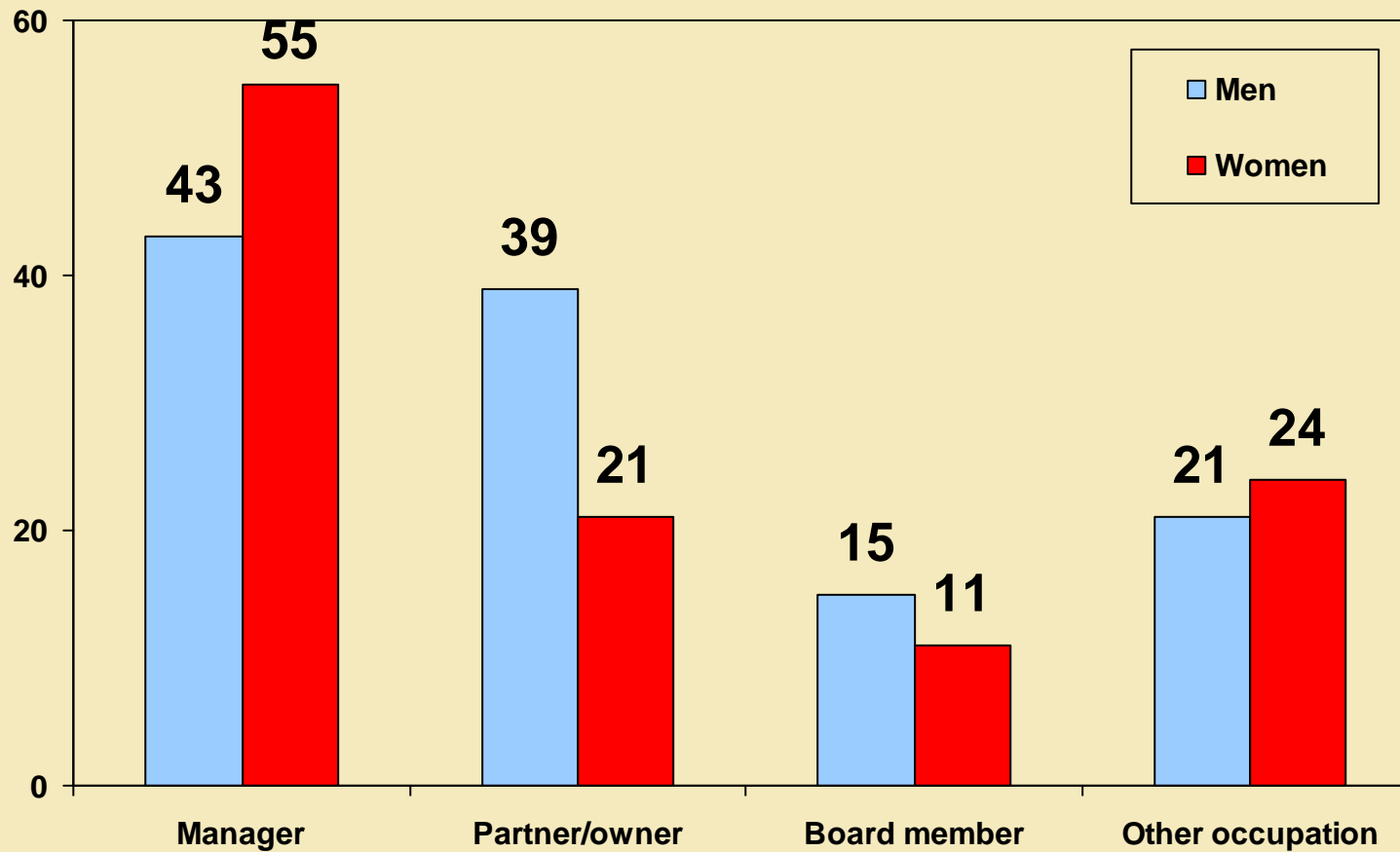


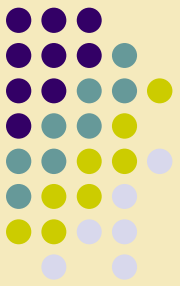
Type of education (%)



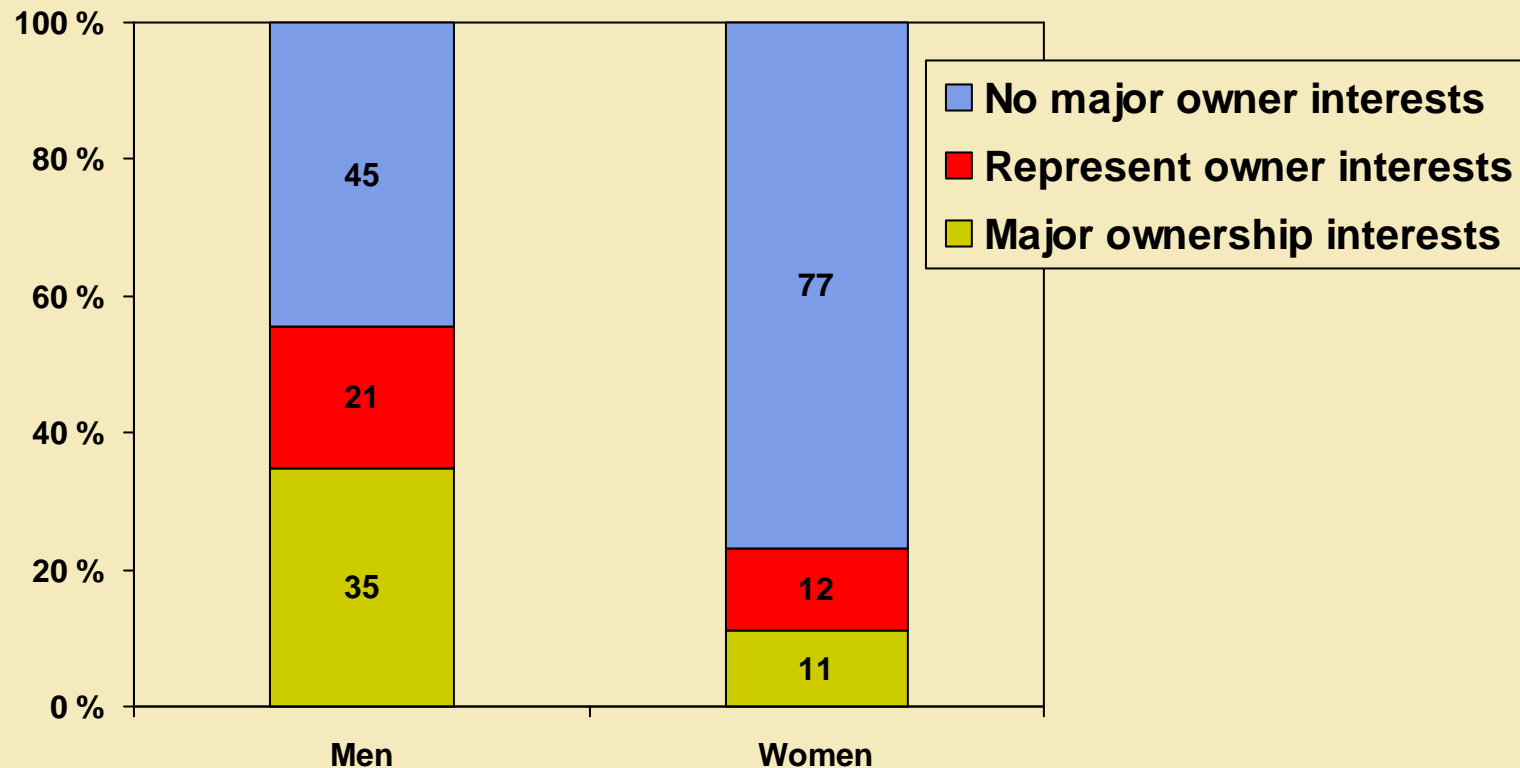


Main occupation (%)

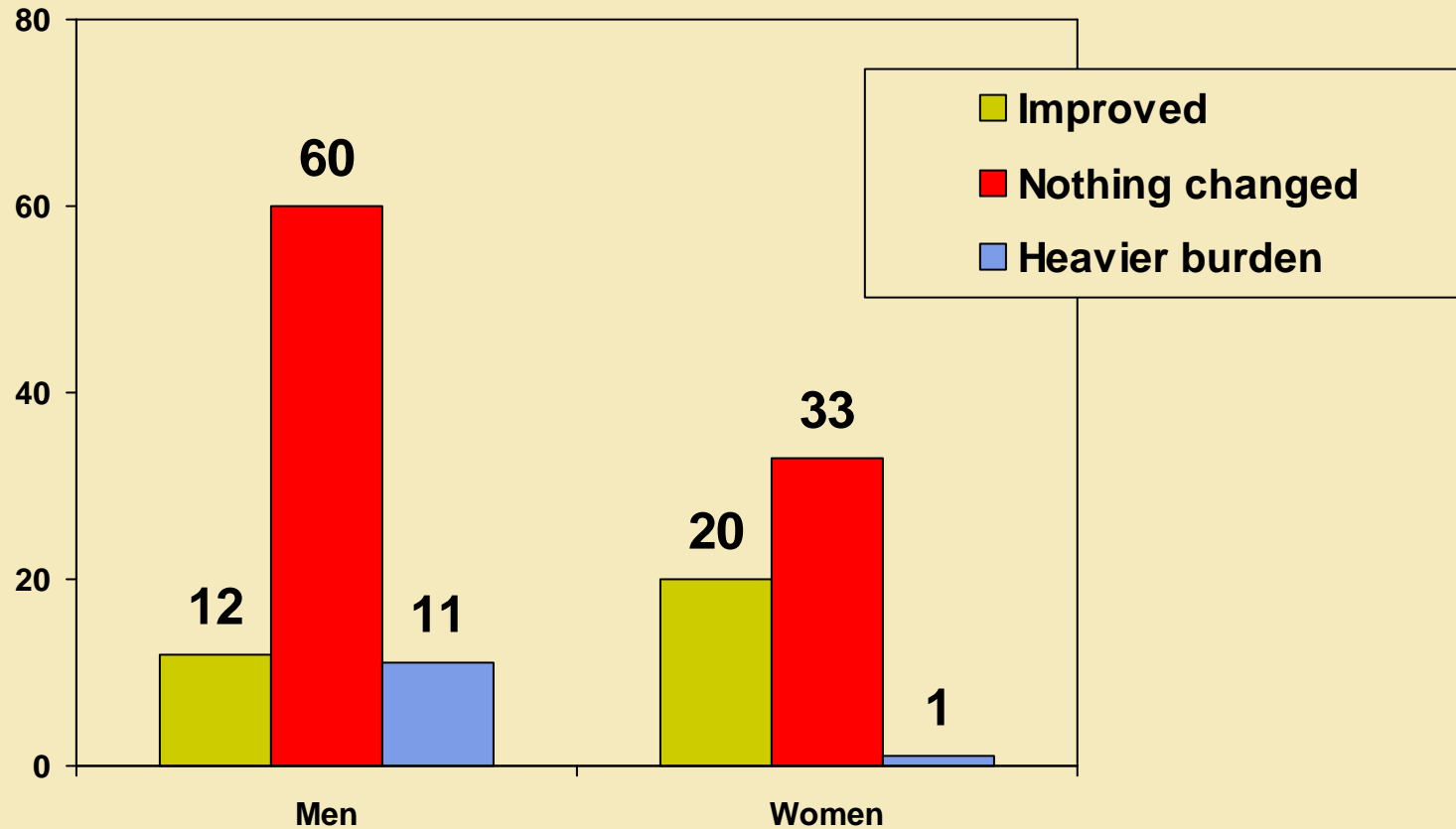
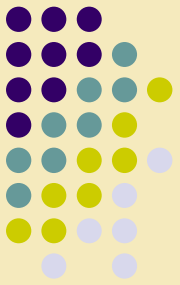




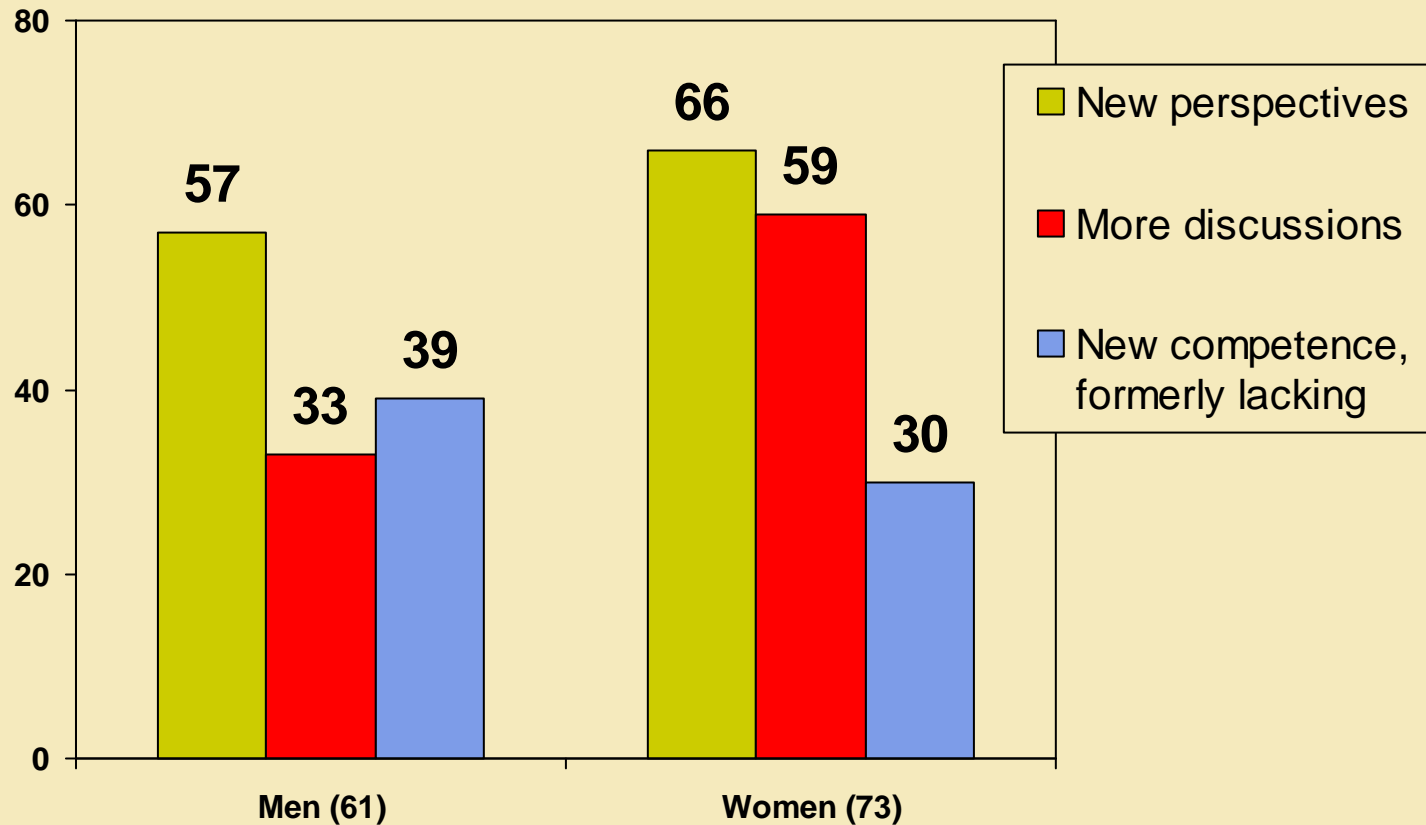
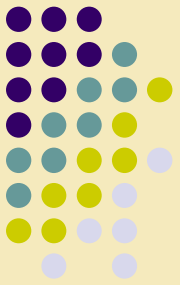
Ownership interests (%)



Changes in the functioning of the board (%)

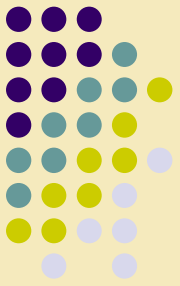


Improvements in the functioning of the board (%)



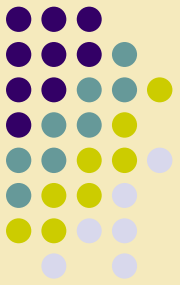


What about the recruitment procedures?



1. Do companies need external help recruiting women?

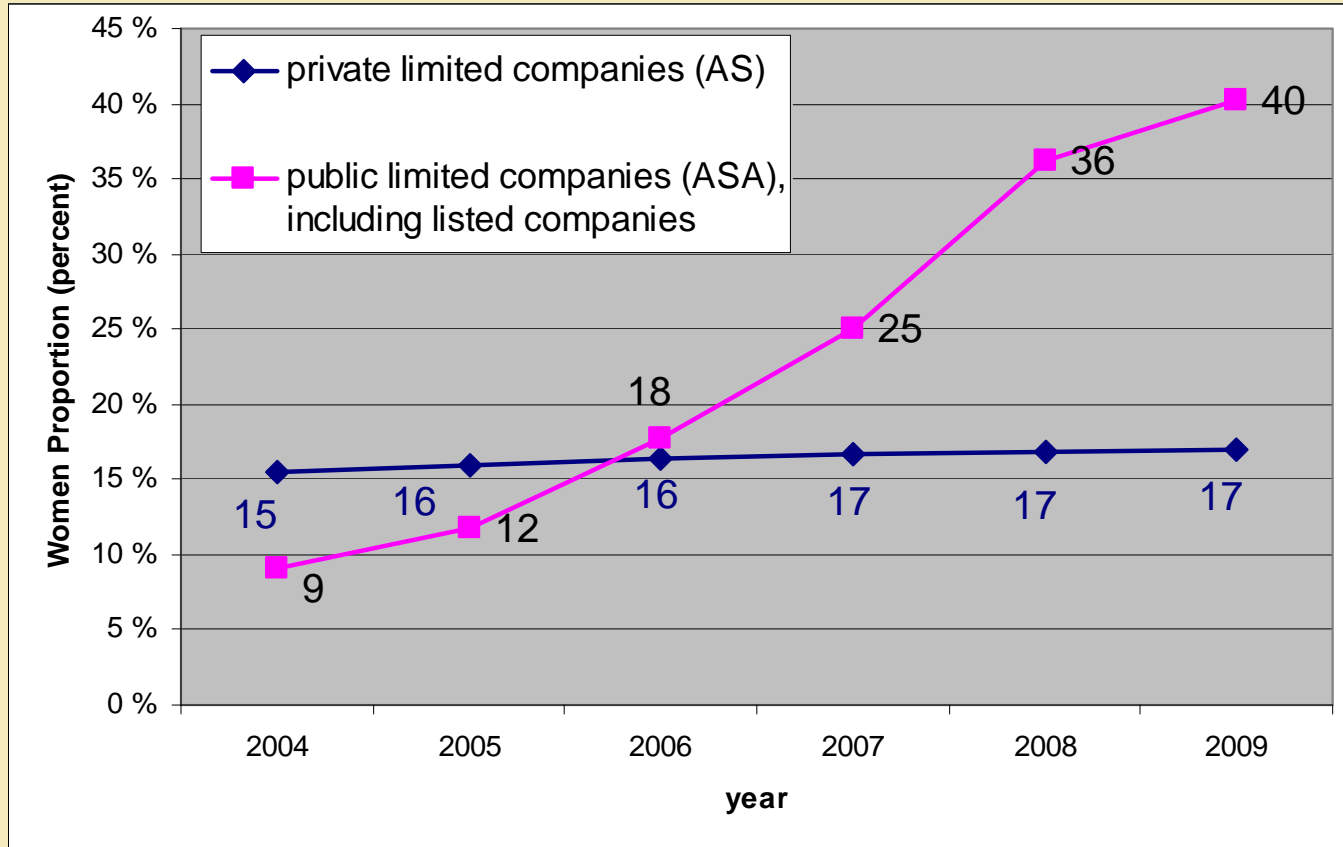
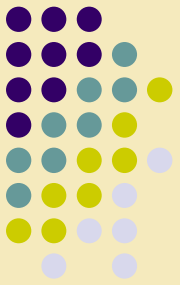
or
2. Do companies obey the quota rule by recruiting family and friends to the board room?



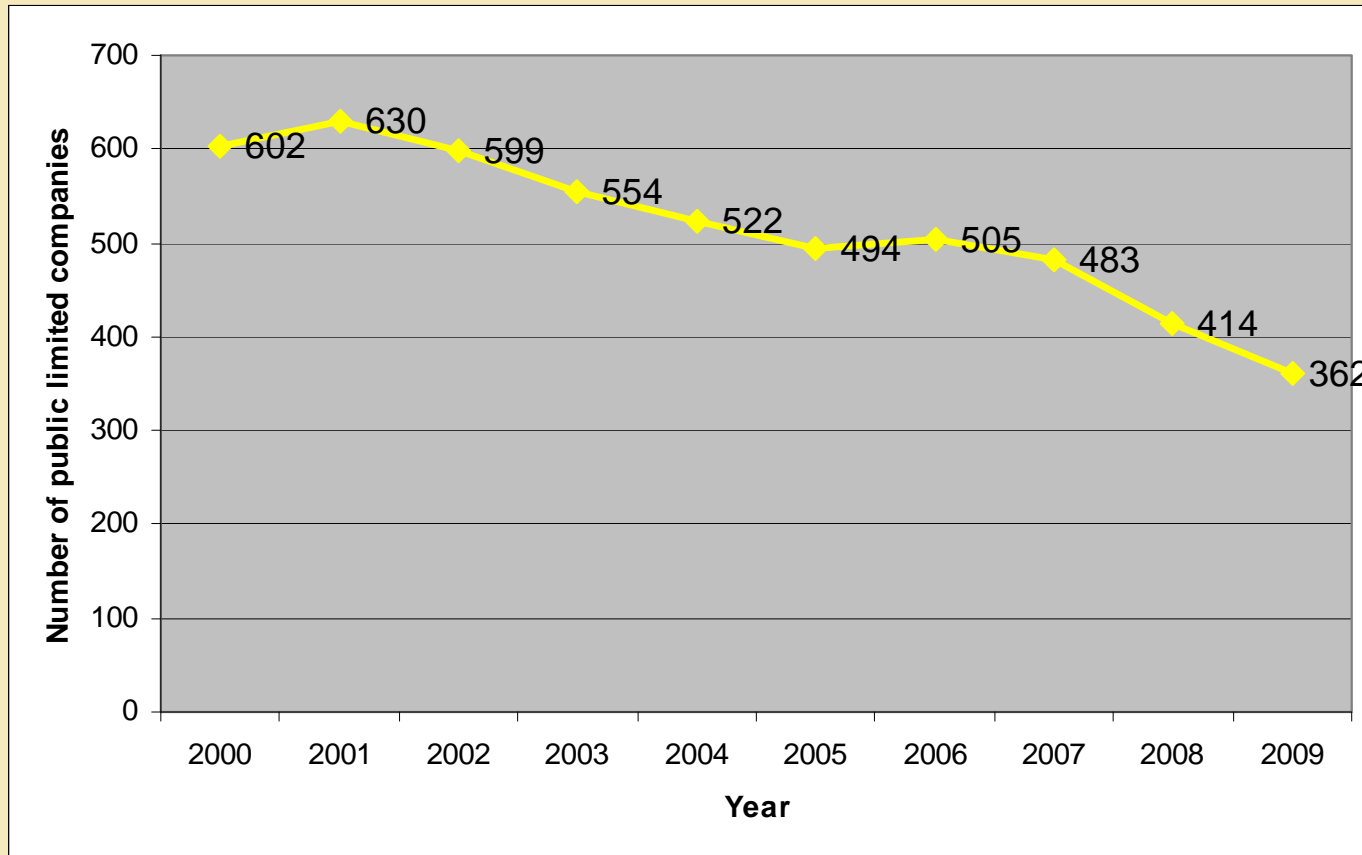
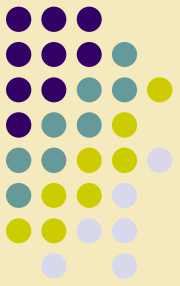
The Impact of the Quota law

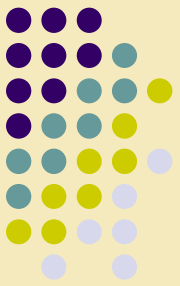
- Spill-over effects
- A case for democracy

Women on other company boards



Decrease in the number of public limited companies





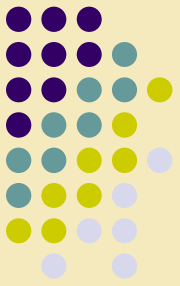
Reasons for reregistering

- More convenient/practical to be a private limited company (60 %)
- A change in the Norwegian law covering financial companies and requirements to their formal status (36 %)
- Restructuring (mergers, acquisitions) (36 %)
- The quota regulation (33 %)
- The company was taken of the stock exchange or not listed anyway because of a change of plans (32 %)

- 7 % of the companies report the quota regulation being the only reason for the reregistration. The most common problem reported, was an expected or formerly experienced lack of qualified women board member candidates.

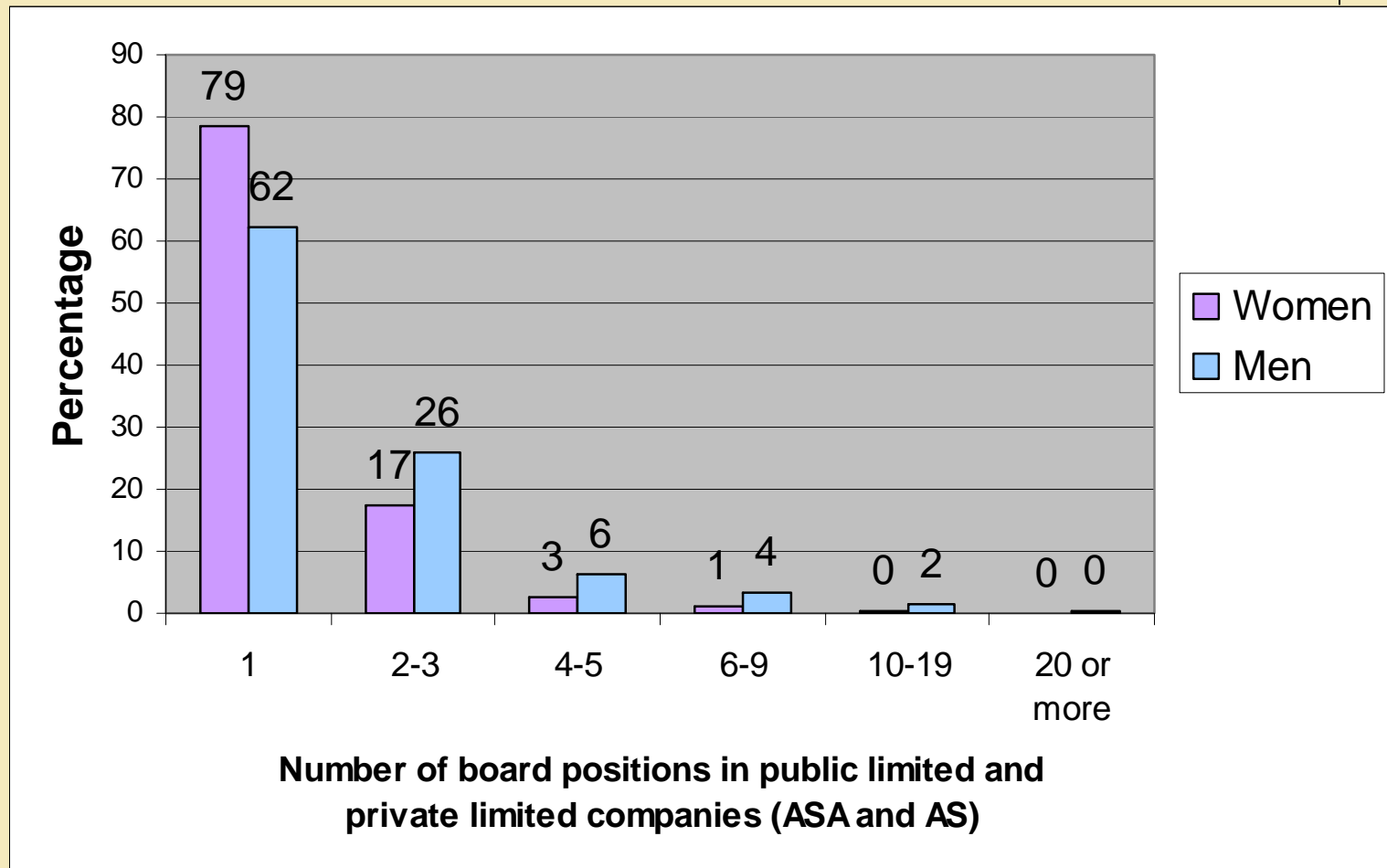
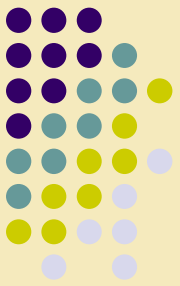


Democracy – Power concentration?



- Increase in the number of men with several board memberships in public limited companies
- Increase in the number of women with several board memberships in public limited companies

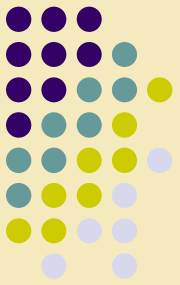
”Golden skirts?”

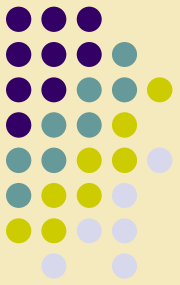
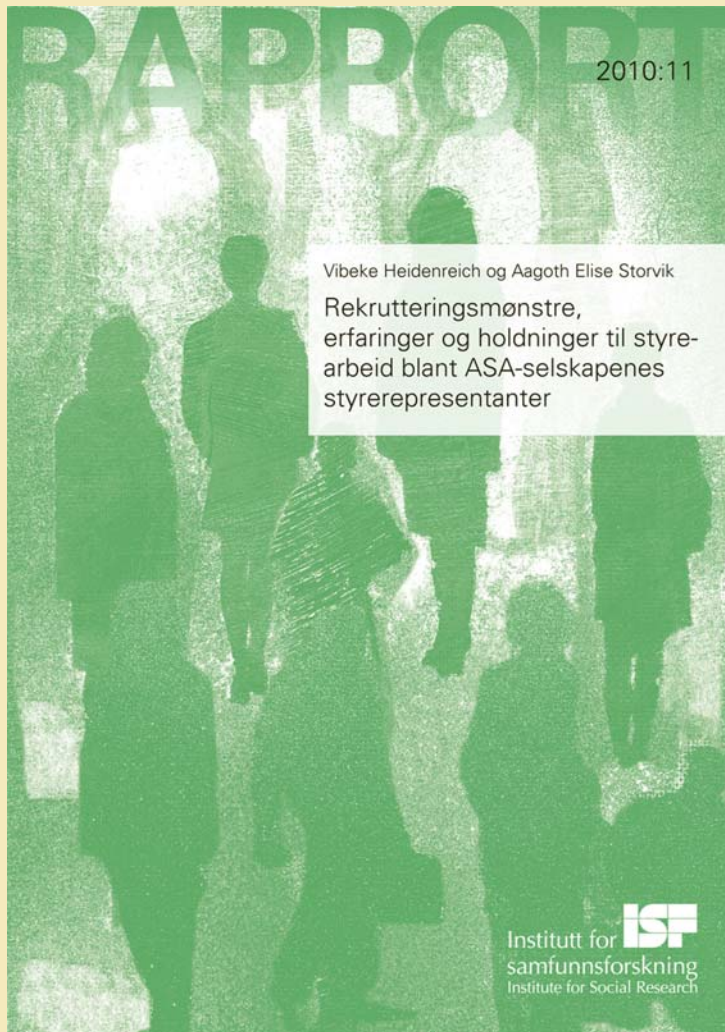


Register data



Impact of the quota law – final remarks





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