

**WOMEN IN DECISION-MAKING
IN FINANCE**

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in co-operation with the European Network "Women in Decision-Making"

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FOREWORD

Balanced participation of women and men in decision-making in all sectors and areas of our society is one of the major objectives of the Medium-term Community Action Programme on Equal Opportunities for Women and Men (1996-2000). The Commission has supported a series of measures (projects, studies, high-profile events) which have helped to raise awareness among politicians, policy makers and the general public about the importance of women's contributions in decisions at all levels¹.

A Council Recommendation² to the Member States and the European Institutions gave a boost to these efforts and suggested development of an integrated overall strategy by all relevant actors. The conduct of studies and the collection of data are considered important tools in the implementation of this strategy.

Finance together with the judiciary, health and education were the first areas where sectoral studies were conducted with the aim of exploring women's participation in decision-making in both quantitative and qualitative terms. These studies were co-funded by the Commission and carried out with the help of the European Expert Network "Women in Decision-Making" in the period 1995-1996.

This study on "Women in Decision-Making in Finance" was undertaken by Wissenschaftszentrum Berlin für Sozialforschung and covers the 15 Member States. The first part examines the position of women and men and analyses access to and promotion in the professions in the national and European financial institutions. The second is a survey of banks and women bank managers in the European Union. They both provide useful data on women's participation as well as important recommendations for future action in this field.

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¹ See Women in Decision-Making. Panorama of Activities, EU CE-05-97-575 and Directories of the Projects supported under the Fourth Action Programme (1996-1997, 1997-1998 and 1998-1999).

² 96/694/CE in OJ L319/10.12.96

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PART I

Women in Decision-Making of National and European Financial Institutions

1. Introduction

This report presents results from a research project on the position of women in decision-making of political institutions in the financial sector of the European Union. It covers finance ministries, central banks, banking supervisory institutions and sectoral interest associations at the level of the 15 Member States as well as the European Central Bank, European investment banks and interest associations which have emerged over recent years at European level.

The decisions taken in these institutions have wide-ranging consequences for the economic and social life of European citizens: at micro level, they determine the access of companies and private households to credit, as well the capacities to accumulate savings for investment or private needs. At macro level, the decisions of these financial institutions influence economic development, monetary stability and employment growth. At both levels, decision-making of political institutions has also considerable impact on the access to and distribution of economic resources between men and women - be it as entrepreneurs, employees or citizens.

In the past, political functions of finance have been largely confined to the national level. European integration, however, is changing the role of national institutions. Before European integration, the government and central bank could, for example, fuel economic growth by devaluing the currency and make goods and services produced in the national economy cheaper for export. However, since the entry of the national currencies into the European monetary system, all national currencies are obliged to stay within relatively narrow margins which are monitored by the European Central Bank. Gradually, as these examples illustrate, a new balance of influence is being established between existing national and newly-emerging European level institutions. To the extent that decision-making capacities are gradually transferred from the national to the European level, it is necessary to monitor the representation of women in political institutions at both levels.

So far, however, there has been little research on women in the executive positions of these institutions. Existing research is scattered and varies in depth and coverage between EU Member States. The purpose of this study, therefore, is to provide a comprehensive statistical panorama of the current position of women in high-level decision-making, to analyse the most important barriers to gender equality and to suggest measures which can contribute to empowerment of women in these institutions.

The project was launched in 1995 by the Equal Opportunities Unit (DG V) of the European Commission in co-operation with the European Network "Women in Decision-Making" as part of an initiative for a renewal of politics and society paying particular attention to the equal representation of both sexes in the leadership of all sectors of the society (National Commission for Equal Opportunities for Men and Women and European Commission).

The structure of this report is as follows: Chapter 2 examines the representation of women in national political financial institutions such as ministries of finance, central banks and banking supervision, and sectoral interest associations. Furthermore, it includes a discussion of equal opportunities programmes which have been implemented for these institutions in the various EU Member States. Chapter 3 studies the representation of women in decision-making among newly-emerging financial institutions and sectoral interest associations at European level. The conclusions and main policy recommendations of the study are summarised in an European Action Plan presented in Chapter 4.

If not indicated otherwise, the information provided in this report refers to the period 1994-1995. An update of the data will be undertaken during 1999 by the Frauencomputerzentrum Berlin and become available as part of the European Database "Women and Decision-Making" by the year 2000 (see homepage www.db-decision.de).

2. Women in Decision-Making of National Financial Institutions

In all Member States, the financial sector is subject to political co-ordination and specific state regulations. This is because of the central role that the financial sector plays in the economy and its sensitivity to crises if people lose trust in their banking system. The most important political institutions with regard to the co-ordination and regulation of the financial system are finance ministries, central banks and banking supervisory agencies. Furthermore, bank associations and unions are involved in decision-making on working conditions, service quality and the performance of banks, which affect all bank customers.

In the following section we will investigate to what extent women are represented in the decision-making of political institutions and associations in the financial sector of the various Member States. The analysis is based on data which the national experts of the European Network "Women in Decision-Making" collected from various sources such as annual reports, administrative yearbooks and direct communication with the institutions in question. Given the variety in forms of organisation, the following sections can of course only give a rough overview of the situation in the different countries.

2.1 Finance Ministries

Within the national governments, finance ministers are responsible for the financial affairs of the state and, depending on how autonomous the central bank is, for monetary policy and banking supervision. In some countries, ministers for economic affairs are also involved in setting goals for monetary policy.

In the fifteen EU Member States, the ministers of finance and the heads of treasury are all men except for one female deputy minister in Finland. The next highest ranks in the administration of the ministry of finance are also mostly held by men. Only two out of 25 state secretaries (8%) and 9 out of 139 heads of departments (6%) in the ministries of finance are women. In Austria, Belgium, Denmark, Finland, Ireland and Italy, women are not at all represented in these positions. In Belgium, data available for the next highest ranks also indicate very low proportions of women among administrative directors and general inspectors (4% of a total of 106 persons) and financial inspectors and first advisors (3% of a total of 113 persons). In Germany, one out of two temporarily elected state secretaries is a woman, whereas three other state secretaries with a permanent employment status as civil servants are men. In Spain, six out of 23 departments (26%) in the Ministry of Economics are led by women. This might indicate that younger university educated women are increasingly entering the field of economic policy in Spain.

The Scandinavian Member States and the United Kingdom are the countries where most progress has been achieved in recent years. In Sweden, the previous Minister of Finance was a woman, and currently one out of three state secretaries is female. At the next highest level of the administration, the political office³, six out of 14 employees (43%) and at the management level eight out of 44 employees (18%) are women. It is also of interest that the National Tax Board and the Swedish National Audit Office have a female president.

In Finland, Ms Arja Alho, one out of three Ministers in the Ministry of Finance, is a woman. The Minister of Finance, however, is a man. There are no women among the five directors and two deputy directors of departments. Four out of twenty-two units are led by women (18%) who are responsible for information, personnel policy and the budget, law and tax unit. At the next lowest

³ The political office is comprised of undersecretaries, pressofficers, political assistants and advisers.

levels, women account for 38% of senior officials (councillors, advisors and experts) and 45% of junior officials (assistants and secretaries).

In Denmark, too, quite a few women hold top positions in the "economic world". Marianne Jelved is Minister of Economic Affairs and as "Royal Bank Commissioner" also supervises Denmark's National Bank. Mimi Jakobsen, as Minister of Business and Industry, is - among other areas - responsible for banking supervision. Furthermore, one out of the three "wise men" who head the Economic Council for the first time is a woman - Nina Smith, a professor at Handelshøjskolen in Aarhus. Within the Ministry of Finance, however, women are still largely absent from the higher ranks. There are no women among the top decision-makers and women account for only 15% of middle level administrators. Women seem to be better represented in positions which are filled with academics: more than one out of three academics at the level of head of section is a woman.

In the United Kingdom, the ministry of finance is called the Treasury. Political responsibility for the Treasury is held by six ministers with seats in the House of Commons. The Prime Minister and First Lord of the Treasury as well as the Chancellor of the Exchequer and Second Lord of the Treasury are men. However, one out of the six ministers who are responsible for the Treasury is Mrs Angela Knight, Member of Parliament acting as Economic Secretary. Furthermore, three out of 23 (13%) directorate managers are women, and 11 out of 63 (18%) directorate standing teams are led by women. Despite these improvements, even in Scandinavia and the UK women are still largely under-represented in the decision-making of finance ministries with respect to both their share among the ministry's staff (ranging from 44% in the UK to 55% in Finland) and in the population as whole.

The reasons for the very low representation of women in the high level decision-making of finance ministries are illustrated by the results of a study undertaken by the "*Groupe d'études et de réforme de la fonction administrative*" (GERFA) in Belgium⁴. The study identifies four major barriers:

1. As seniority is a basic requirement for promotion, women still suffer from their "late arrival" in the upper levels of public administration. This disadvantage might lose importance in the medium term as greater numbers of young women enter the higher service.
2. Promotion systems favour employees with university degrees in the disciplines of engineering, economics and law. With the exception of law degrees, women are still under-represented among graduates in these subjects.
3. The nomination procedure for high-level positions itself is unfavourable to women. The selection committees are composed of directors, and are thereby nearly 100% male-dominated. Furthermore, the politicisation of promotion to top positions contributes to the marginalisation of women. As there are fewer women in politics, women are also less often recommended for promotion.
4. Finally, reduced working times - even if this applies to only 1/5 of the total working time - are seen as incompatible with career aspirations. Given the well-known unequal distribution of domestic tasks between women and men, this represents a serious setback for women who want to combine career and motherhood.

⁴ The following information was provided by Mr Michel Legrand, President of GERFA, during a meeting with the national expert.

Table 2.1: Number of Women in Decision-Making of the Ministry of Finance, EU Member States, 1994/95 (women/total)

Country	Ministers of Finance	State Secretaries	Heads of Departments	Heads of Treasury	Women in % of total staff	Notes
Austria	0/1	n.a.	0/6*	-	44%	* Sektionschef (Director of Section); data refers to 1996
Belgium	0/1	-	0/19	0/1 *	42%	* General Administrator
Denmark	0/1*	-	0/1	-	47%	* Ministers of Economic Affairs and of Business and Industry are women; data refers to 1.1.1996
Finland	1/3*	0/3	0/5 (4/22)**	-	55%	* there are three Ministers in the Ministry of Finance; ** Directors of Units
France	0/1	n.a.	n.a.	0/1	n.a.	
Germany	0/1	1/5	0/10	-	n.a.	
Greece	0/1* (0/1)**	- -	n.a. (0/6)**	-	48% (53%)**	* Ministry of Finance; ** Ministry of National Economy
Ireland	0/1*	0/5**	0/10***	-	n.a.	* Department Secretary; ** Other and Second Secretary; *** Assistant Secretary
Italy	0/1	-	0/42	0/1	44%	
Luxembourg	0/1	n.a.	n.a.	0/1	n.a.	
Netherlands	0/1	n.a.	n.a.	0/1	n.a.	
Portugal	0/1	0/4	n.a.	-	n.a.	
Spain	0/1*	0/2*	6/23*	0/1	50,5%*	* Ministry of Economy
Sweden	0/1*	1/3	n.a.	-	45%	* former Minister was a women
UK	0/1 (see Treasury)	0/3**	3/23	0/1 (1/6)*	44%	* Six ministers are responsible for the Treasury; **Chief Executives
Total	1/17 (15)	2/25 (7)	9/139 (9)	0/7 (7)	-	

- = does not exist; n.a. = no answer.

Source: Data provided by the national experts of the European Network "Women in Decision-Making".

Some of these factors, such as seniority-based promotion and preferred university degrees might be specific to the Belgian case. Barriers resulting from nomination procedures or related to working times, however, are likely to exist in most European countries. For example, a study of the European Institute for Administration (Wurster 1990) showed that exclusively male selection committees tend to reproduce traditional stereotypes and thereby represent an important barrier to the promotion of women to top positions. Gender-specific disadvantages for women resulting from the politicised hiring and promotion to top level positions are also indicated by the British expert - independent of the fact that promotion in this country is based on merit.

Helga Hernes (1987), in a study of political representation in Scandinavian countries, found that women were very poorly represented in ministries with wider functions to define, coordinate and maintain the system, as for example the national Prime Minister's Office and the Ministries for Finance, Defence and Foreign Affairs. This can be explained by two related aspects: on the one hand, "The professional and institutional basis of these ministries lies where the posts held by women are few and far between, particularly at higher levels. Only a minority of professions (such as lawyers and economists) have achieved recognition as politically relevant - considered as both generally and specifically suitable for resolving key political assignments." (ibid., p. 83) Even if there is a higher proportion of women among the legal professions, as it is the case in some countries, few of them have the necessary specialisation and contacts to be considered for nomination. On the other hand, professions and organisations which are more strongly influenced by women, such as educational and teaching professions or consumer organisations, have no or only marginal influence on the decision-making and recruitment in these ministries.

These barriers deserve even more attention as they are not specific to ministries, but also likely to operate in the two other fields of public administration that we will subsequently analyse: the central banks and banking supervisory institutions.

2.2 Central Banks

In all EU Member States, central banks play a very important role with regard to the functioning of the financial and economic system. Although no two central banks are alike in structure and function, they all have some tasks in common. Central banks are the banker of the government; they are responsible for monetary policy and, depending on the country, they are involved to varying degrees in banking supervision and the operation of payment systems. All European central banks regard monetary policy as their primary task, i.e., to safeguard the domestic and external value of their currency. Central banks control money supply by increasing or lowering interest rates or imposing credit reserves on banks. A reduction of the money available in the economy, however, does not only guarantee price stability, but has also indirect effects on investment, employment growth and other macro-economic variables. Hence, central banks play a crucial role in the choice between employment and price stability.

Even though decision-making in all European central banks has become more autonomous in recent years, the power of central banks to decide on monetary policies still depends on and varies with their relationship with governments and parliaments:

1. In some countries, where the central bank is autonomous, the decisions are made by the governor of the central bank and his or her colleagues in the governing council. The classical example is the *Bundesbank* in Germany which has always been rather independent of the government.
2. In other states, the government, via the treasury and the ministry of finance, sometimes also including the ministry of economic affairs, makes the real decisions and directs central bank

policy. The *Bank of England*, for example, is an agent of the government, though less ostensibly than the *Banque de France* had been before it became independent in 1993.

3. Finally, central banks in some countries are governed directly by the parliament. The *Bank of Finland* and *Sveriges Riksbank* in Sweden stand out for being exclusively governed by the National Parliament. In *Danmarks Nationalbank* the Parliament has also more influence than in many other central banks since the board of directors is supplemented - among others - by members nominated by Parliament.

The organisation of decision-making in central banks also varies according to their degree of regional decentralisation. Whereas, for example, the Bank of England is highly centralised in London and thinly represented in the provinces, with just five branches; the German *Bundesbank* is a federal institution, and the central office in Frankfurt is backed up by nine central banks in the *Länder*, each of which has branch offices in provincial cities. Even though the *Banque de France* and *Banca d'Italia* have also regional networks, they are not as involved in decision-making to the extent they are in Germany (Deane and Pringle 1994).

The top figures of all European central banks are chosen by their governments or parliaments. In all countries, this applies to the governor and deputy governor. Furthermore, in many countries, members of the executive committee and governing council are also politically nominated, or at least need the approval of the parliament, government or head of state. By contrast, the recruitment for positions from the heads of departments downwards is the central bank's responsibility in most Member States, and is shielded from direct political influences (Deane and Pringle 1994).

From the little research that exists on career paths of central bank managers, we know that many, if not most, top central bankers will be economists by training. Most central banks start graduate entrants in their economic research and statistical department. But not all top central bankers pursue their career through the ranks of the bank. In fact, many of the politically nominated figures come from the outside. In examining typical career paths of central bank governors, Deane and Pringle (1994) found great variation among countries: According to these researchers, the *Banque de France* is likely to be headed by a governor who has risen from the élite rank of *inspecteur des finances* to head the civil service side of the French treasury. In the *Bank of England*, some governors have been insiders, but the more usual choice in the last fifty years has been a merchant banker who may have served on the court as an outside director. Like in France, education in elite universities is an important entry qualification. In the *Banca d'Italia*, the most recent governors were all professional economists who worked their way up in the bank, partly through the chief position in the research department. Presidents of the *Bundesbank* have come from various backgrounds such as the ministry of finance, commercial banks, university professors and insiders of the bank itself. In the corporate system of the *Scandinavian countries*, affiliation to influential and powerful professions and business groups might be as important as political support through the parliament. Women's access to decision-making in central banks, thus, is related to different factors depending on the country.

Historically, central bank decision-making has been an exclusively male domain throughout the history of European central banks. The list of governors who have been in power since the various central banks have been set up, provided by the European Association for Banking History (1994) and covering the time period until the mid-1980s does not include a single woman. Dean and Pringle (1994: 13) confirm this impression by the following description of the international meeting of central bank governors at *the Bank for International Settlements* in Basle:

"A woman among them will be a rare sight; if she is from one of the big central banks, she will be American, for the Fed (Federal Reserve Bank; the authors) is alone among the key groups in having women in high slots, though never at the pinnacle".

Data collected for the period 1994 to 1995, however, draws a slightly more optimistic picture. In some EU Member States a few women seem to have made a break through to top positions in central banking whereas in other countries women are still largely absent from the highest ranks. As Table 2.2 indicates, two out of fifteen central banks are led by female governors: Bodil Nyboe Andersen became recently director of *Danmarks Nationalbank* and in 1992 Sirkka Hämäläinen was elected president of the *Bank of Finland*. The previous governor of the Austrian central bank had been also a woman. At the time of the survey, out of the sixteen deputy governors elected in the fifteen EU Member States the two female ones came again from Denmark.

The higher representation of women in Scandinavia compared to other European countries becomes particularly visible in the composition of the central banks' executive committees and governing councils: in the ten represented eleven central banks for which data is available, women represent 5% of the members in executive committees and 10% of members in governing councils. In Denmark, in contrast one out of seven (14%) persons forming the executive board and seven out of 25 (28%) persons on the board of representatives are women. In Finland, too, the proportion is more favourable with one out of six (17%) members of the board of governors and two out of nine (22%) parliamentary trustees being female. In Sweden, women account for three out of nine (33%) of the members and two out of 10 (20%) deputy members of the governing council.

Among the other European countries, the *Conseil Général* of the *Banque de France* is the only one to have a woman among its members who at the time of the survey was Ms Denise Flouzat acting as a consultant. The representation of women in the governing councils of central banks in non-Scandinavian countries is by no means better. In the *Österreichische Nationalbank*, *Banque Nationale de Belgique*, *Banque de France*, *Bundesbank* and *Banca d'Italia* women are again completely excluded from the governing councils. In the history of the German *Bundesbank*, only one woman has ever been seated in the *Zentralbankrat*: Julia Dingwort-Nusseck, a former president of the regional central bank of the *Land* Lower-Saxony. The governing council of the Greek central bank comprises one female among a total of thirteen (8%) members. In the Irish Central Bank, Mary Walsh, a female accountant, was appointed in 1988 as one out of nine members (11%) of the board of directors. In the *Banca de España*, a woman has never occupied one of the seven political positions (governor, deputy governor and five general directors). The *Bank of England* is governed by a Court of Directors in which women represent two of 18 members (11%). The two female members, however, are among the external directors from commercial and financial companies who, according to Deane and Pringle (1994) do not deal with sensitive policy matters, nor do they have access to special inside knowledge.

Table 2.2: Number of Women in Decision-Making of Central Banks, EU Member States, 1994/95 (women/total)

Country	Governor	Deputy Governor	Executive Committee	Governing Council	Heads of Departments	Women in % of total staff	Notes
Austria	0/1*	0/2	0/6**	0/11***	1/5	35%	* previous governor was a woman; ** Direktorium; *** Generalrat; **** Bereichsdirektoren
Belgium	0/1	0/1	0/7*	0/27**	n.a.	37%	* Comité de Direction ** Conseil général
Denmark	1/0	2/2	1/7*	7/25**	1/6 (directors) 1/17 (head of units 1.3.1995)	n.a.	* Bestyrelse (Board); ** Repræsentatskab (Board of representatives); if not mentioned otherwise data refers to 1.8.1996
Finland	1/0*	0/1	1/6**	2/9***	1/20	n.a.	* President ** Board of Governors *** Parliamentary Trustees
France	0/1	0/2	1/10*	0/13**	0/10	52%	* Conseil général; **Comité de Direction
Germany	0/1	0/1	0/7*	0/16**	n.a.	39%	*Direktorium **Zentralbankrat
Greece	0/1	0/2	-	1/13	1/15	35%	
Ireland	0/1	-	-	1/9*	0/7** 0/15***	n.a.	*Board of the Bank **General Directors and assistant DGs *** Heads of functions
Italy	0/1	-	0/3*	0/14**	0/10***	25%	* Consiglio superiore; ** consiglieri superiori =high counciln.a.; *** funzionari generali
Luxembourg	-	-	-	-	-		does not exist
Netherlands	0/1	n.a.	n.a.	n.a.	1/11*	31%	*including deputy directors
Portugal	0/1	0/2	0/6*	n.a.	0/12 (1/19)**	40%	*Conseil d'administration ** Directeurs Adjoints
Spain	0/1	0/1	0/7*	0/12	1/22	31%	*General Directors
Sweden	0/1	0/1*	n.a.	3/9 2/10**	4/15	61%	*Chairman; ** deputy members
UK	0/1	0/1	0/4*	2/18**	2/24	44%	* Executive Directors; ** Court of Directors
Total	2/15 (15)	(2/16) (11)	3/62 (10)	16/176 (12)	12/157 (12)	-	

- = does not exist; n.a. = no answer. Double counting between columns is possible due to double membership/functions.

Source: Data provided by the national experts of the European Network "Women in Decision-Making".

The representation of women among heads of departments - the highest administrative position within most central banks that is not subject to politicised recruitment - is equally low. In the twelve central banks listed in Table 2.2, 12 out of 157 heads of departments (8%) are women. *Banque de France*, *Bundesbank*, *Bank of Ireland*, *Banca d'Italia* and *Banco de Portugal* do not have any female head of department at all. In the central banks of Finland, Greece, the Netherlands and the UK, less than one in ten departments have a female director. Only in Denmark (17%), Austria (20%) and Sweden (27%) do women account for a higher proportion of heads of departments. In short, differences between Scandinavian and other European countries are less pronounced in administrative than in political decision-making of central banks.

The proportion of women among the total staff of central banks varies considerably among countries, the lowest percentage being in Italy (25%) and the highest in Sweden (61%). In Belgium and Italy, the proportion of women among the employees in the central bank is clearly lower than in the finance ministry. This indicates that, at least in some countries, central banking, even more so than public administration in general, is regarded as a male sphere. However, women are increasingly entering employment in central banks. The Portuguese expert reports that, despite a general reduction in staff, the proportion of women working in the *Banco de Portugal* has slightly increased from 37% in 1991 to 40% in 1994. The Spanish expert reports an even more pronounced increase of women among the staff of the *Banca de España*, from less than 21% in 1985 to 31% in 1995. The share of women rose particularly in staff positions (including inspectors, research department, computer specialists and technicians) from 7% in 1985 to 26% in 1995.

In sum, three aspects of recruitment and nomination seem to be important with regard to women's access to higher level decision-making in central banks:

1. When top central bankers are nominated from outside the bank, the choice tends to reflect the existing under-representation of women in other areas of society. So far, there is only a small pool of female university professors of economics, top managers of commercial banks and high-level bureaucrats in financial and economic ministries. These few female candidates have even lower chances of being nominated than their male counterparts because they are less visible in the political arena.
2. Internal recruitment for management positions in central banks is often based on criteria which are disadvantageous to women. Most of the central banks will favour applicants who are economists by training - a discipline in which women have, until recently, been under-represented in most EU Member States. In some countries, such as France and Great Britain, education in elite universities like the *Grandes Ecoles*, Cambridge and Oxford is a necessary requirement for a career within the central bank. Again, women have entered these universities in greater numbers only recently. Furthermore, recruitment decisions for higher management positions are made by the heads of departments, who are predominantly male and tend - according to the results of the above-mentioned study - to reproduce sex stereotypes.
3. In Scandinavian countries, the strong increase of women's influence which occurred during the last decades in the parliamentary system has - via the power of the parliament to nominate candidates - positively influenced the presence of women in higher decision-making positions of central banks. Furthermore, women's growing participation in relevant academic professions such as economics and law has helped to reduce the gender gap. As we will show (see chapter 2.5), the Scandinavian countries were also among the first to establish serious equal opportunities policies which to some extent reflect their more egalitarian culture (Hofstede 1980).

2.3 Banking supervision

Since finance has become an extremely complicated field in advanced capitalist countries, and since finance is really the money of many people who trust the bank, but who are not in a position to control the bank themselves and convince the financial officers to be more careful with their money, the state has assumed the responsibility of controlling the commercial banks. In many countries, control over the banking system is the job of a department within the central bank. This is the case in Austria, France, Italy, Ireland, Greece, Great Britain, Portugal and Spain. In other countries, the central banks look after the functioning of financial markets, but performance and balance sheets of commercial banks are controlled by a separate agency, which frequently resides under the treasury or the ministry of finance. Such independent institutions exist in Belgium, Finland, Germany, Luxembourg and Sweden. In Denmark, the supervisory authority is part of the Ministry for Business and Industry. In Austria, a department within the Ministry for Finance deals with Banking Supervision.

Finland is the only EU country with an independent supervisory institution that has a woman as president, Ms. Sirkka Hämäläinen, who is at the same time president of the Bank of Finland. The representation of women in executive committees is also clearly higher in Denmark (20%), Finland (33%) and Sweden (33%) than in the other countries. In Belgium and Luxembourg, the executive committee consists exclusively of male members.

Table 2.3: Number of Women in Decision-Making in Banking Supervision, EU Member States, 1994/95 (women/total)

a) Independent Supervisory Institutions

Country	President	Executive Committee	Heads of departments	Heads of units	Notes
Austria	-	-	0/1*	-	* Department for Banking Supervision within Finance Ministry
Belgium	0/1	0/7*	0/4	0/6	* Commission Bancaire
Denmark	1/0*	1/5	1/4	5/13	* Minister for Business and Industry; data refers to 1.4.1996
Finland	1/0	2/6*	2/5**	7/14	* Board; ** General director and heads of departments;
Germany	0/1	-	2/7	5/41	
Luxembourg	0/1	0/7	0/3	n.a.	
Sweden	0/1	2/6*	1/5**	n.a.	* Board; ** Heads of Executive Committees

b) Banking Supervision within the Central Bank

Country	President/Director	Executive Committee	Heads of departments	Heads of units	Notes
France	0/1	1/3*	0/6**	n.a.	* Conseil d'administration; ** Board of Directors
Greece	-	-	0/1*	n.a.	* Department for Banking Supervision
Italy	0/1*	-	0/11**	15/72***	* General director; ** directors; *** managers;
Portugal	-	-	0/1*	0/1*	* Department for Banking Supervision
Spain	-	0/n.a.*	0/n.a.*	0/n.a.*	* Dirección General de Supervisión

- = does not exist; n.a. = no answer. No data available for Ireland, Netherlands, Spain and UK.

Source: Data provided by the national experts of the European Network "Women in Decision-Making".

At administrative level, distinctions are less clear. Finland is again leading with 40% of heads of departments and 50% of heads of units being women. The representation of women in Denmark (20%) and Sweden (20%) among heads of departments, however, is lower than in the German supervisory institution (28%) - the latter being a reflection of the fact that German women are increasingly entering legal professions and higher public service. The two German women heading departments are responsible for general administration, including illegal banking activities and linking controlling functions at the national and international level.

The country differences point again to the importance that improved parliamentary representation in Scandinavia has had for the nomination of women into leading positions in banking supervision. However, more systematic research is necessary in order to investigate whether Scandinavian countries compare equally favourable to other countries with regard to women's opportunities for internal promotion through the administrative hierarchy.

France, Italy, Greece, Portugal and Spain are countries in which the central bank undertakes the task of banking supervision, sometimes under the responsibility of the finance ministry⁵. The *Commission Bancaire de la Banque de France* is presided over by a man, and the board of directors consists of six men. The executive committee, however, includes one woman among three members (33%) who has been delegated from a bank for this task. *Banca d'Italia* has a number of departments responsible for different aspects of banking and financial market supervision. The division for banking supervision is headed by a man, as are the 11 departments within this division. Within these departments, 15 out of 72 managers (21%) are women. In Portugal, banking supervision is assumed by a department within the *Banca de Portugal* whose director and deputy director are men. In Spain, there is no woman among the members of the executive committee, heads of departments and units who are responsible for banking supervision within the *Banco de España*.

2.4 Sectoral Interest Associations

2.4.1 Bank Associations

In all EU Member States, commercial banks have formed trade associations in order to represent their interests to other societal groups and the state. Depending on the structure of the banking system, associations of private, saving, co-operative and state banks may coexist within the same country. In many cases, these associations also act as employers' associations. In other cases, they have a specific "sister" association which engages in collective bargaining with the banking unions. Bank associations are involved in decisions which affect the working conditions of bank employees, the quality of bank services and the performance of commercial banks. The representation of women in the decision-making of these associations is, thus, of wider social interest.

The data in Table 2.4.1, however, reveals that bank associations are, even more so than finance ministries and central banks, overwhelmingly male clubs. Out of the twelve national banking associations for which data is available, the Swedish Banking Association is the only one which has a female president who is also represented on the board and director of a department. In the other Member States, women are completely absent from any executive position (including boards and executive committees or directors). Except for Sweden, the representation of women in banking association of Scandinavian countries does not significantly differ from other countries.

On the administrative side, the situation is not much better. According to the data provided by eight national banking associations, women account for 5 out of 77 (6%) of the heads of departments in

⁵ In Greece, the banking supervision functions under the Ministry of National Economy.

these organisations. In Belgium, Denmark, Finland, Italy and the UK at least one department is headed by a woman and women might be also among the heads of standing committees. Not a single woman can be found among the presidents, the members of boards and executive committees, or the heads of departments of the following organisations: *Verband der Österreichischen Banken und Bankiers*, *Association Française des Banques*, *Bundesverband deutscher Banken e.V.* ⁶, Irish Bankers' Federation, *Association des Banques et Banquiers Luxembourg* and *Asociación Española de la Banca*.

Certainly, the absence of women in the decision-making of banking associations can be partly explained by the fact that women are also largely under-represented among executive managers of the member banks. This, however, applies only to those positions in which the incumbents are elected or directly delegated by the member organisations (such as the president or members on the board). It does not explain why banking associations employ so few women as executive managers and heads of departments and why standing committees are mostly led by men.

⁶ An exhaustive analysis of five banks' associations in Germany, undertaken by the German national expert, shows that the same situation exists in other banking associations. The same result was achieved by the Austrian expert analysing the associations of saving banks and co-operative banks.

Table 2.4.1: Number of Women in Decision-Making of Bank Associations, EU Member States, 1994/95 (women/total)

Country	President	Board/ Council/ Conseil d'administration	Executive Committee or Director	Heads of Standing Committees	Heads of Departments	Notes
Austria*	0/1	0/2	0/13	n.a.	-	* Private Banking Association; ** Präsidium; *** Vorstand
Belgium	-	-	0/1*	15/18**	1/18	* General Secretary ** Consultants
Denmark*	0/1	0/10**	0/1	n.a.	1/6***	* Danish Banking Association; ** Bestyrelsen (Board); *** Board of Directors; data refers to 1.1.1996
Finland	0/1	0/7*	0/1**	3/51***	1/5	* Board of Directors; ** Managing Director; *** Members of Committees
France	0/1	0/21	0/9	0/10	-	
Germany*	0/1	0/7**	0/1***	-	0/7	* Private Banking Association; ** Board (Vorstand); *** Executive Director;
Greece	0/1	0/12	0/1*	n.a.	n.a.	* Vice President
Ireland	0/1	0/10	0/1	-	0/4	
Italy	n.a.	n.a.	n.a.	-	1/34*	* Dirigenti
Luxembourg	0/1	0/7	0/10	0/15	0/5	
Portugal	0/1	0/6	-	-	n.a.	
Spain	0/1	0/n.a.	0/n.a.	0/n.a.	0/n.a.	
Sweden	1/0	1/12	-	1/6	n.a.	
UK	0/1	0/20	0/1	-	1/3 4/18*	* Assistant Directors
Total	1/12 (12)	1/114 (11)	0/39 (10)	19/100 (5)	5/77 (8)	

- = does not exist; n.a. = no answer. No data available for the Netherlands. Where several banking associations exist, data usually refers to the private banking association.

Source: Data provided by the national experts of the European Network "Women in Decision-Making".

2.4.2 Bank Unions

Like employers' associations, unions are involved in decisions which affect working conditions of bank employees, quality of bank services and performance of commercial banks. Furthermore, unions can use their influence to promote equal opportunity policies both within their organisation as well as in the sector in which they represent the interests of their members so we include a short examination of the representation of women in the decision-making of unions which are active in the financial sector of EU Member States.

The data, however, needs some qualification: in some cases we deal with unions which specialise in the financial sector. In other cases, unions represent members from a wide range of industries and only the sub-division for the financial sector is of interest to us. In different countries, the executive functions are situated at different levels of the organisation and only partially comparable. Furthermore, in some countries there are several unions active in the banking sector; in others only one. As far as possible, information was collected for those unions and decision-making positions which are responsible for the banking sector. As the organisation of unions varies considerably among countries, the data can give only a rough approximation of the real situation.

In seven out of thirteen countries listed in Table 2.4.2, unions have at least one woman as their president, vice-president or in their national secretariat. The Finish Trade Union of Bank Employees has a female president and in Germany, the union *HBV* (responsible for trade, banking and insurance) is headed by a woman. In Austria, Greece, Luxembourg, Sweden and the United Kingdom women are not represented at this level. The general secretary of the Spanish banking union, *Federación Banca y Cajas de Ahorro de Comisiones Obreras*, is also a woman. Furthermore, the vice-presidents of *FEP-FIT* and *OGBL* in Luxembourg, the deputy executive director of the *DAG* in Germany, and one secretary of the *Sindicato dos Bancariós do Centro* in Portugal are women. In France, women represent between 13% and 20% of the members of the national secretariats of unions which are involved in the banking sector. Within the national secretariat of the *CGT*, a woman is responsible for the insurance sector; the national secretariat of the *CFDT* includes four and that of the *FO* three women. In Italy, one out of seven members (14%) of the national secretariat of *Unione Italiana Bancari* and two out of 10 members (20%) of the secretariat of *CGIL/FISAC* are women.

Table 2.4.2: Number of Women in Decision-Making of Unions Involved in the Banking Sector, EU Member States, 1994/95 (women/total)

Country	President/ Vice- President	National secretariat	Executive Committee	Heads of standing committees	Women in % of membership	Notes
Austria Gewerkschaft für Privatangestellte, Sektion f. Geld und Kreditwesen	0/1 (0/1)	-	6/20 3/7	3/n.a.	48%	* Political secretaries; ** Leitugsausschuß; *** Präsidium
Belgium	n.a.	n.a.	n.a.	n.a.	n.a.	
Denmark Finansforbundet	0/1 (0/2)	1/1	5/16*	4/10**	58%	* Hovedbestyrelse (Board); ** areas of political responsibility
Finland Trade Union of Bank Employees	1/1 (0/1)	0/1*	10/12	45/87**	92%	* Executive Director; ** Members of Thematic Committees
France 1) CGT	n.a.	1/6	20/70	1/12-15	n.a.	* Conseil fédéral
CFDT	n.a.	4/30	0/6	3/5-8	n.a.	
FO	n.a.	3/15	6/35	n.a.	n.a.	
CFTC	n.a.	2/10	6/30*	n.a.	n.a.	
SNB/CGC	0/1	1/10	6/55	n.a.	n.a.	
Germany HBV 2) DAG 3)	- -	1/1 0/1 (1/0)*	2/5(11/21)** 2/9	n.a. n.a.	n.a. n.a.	* Deputy executive director; ** honorary members
Greece OTOE 4)	0/1 (0/1)	-	1/15	n.a.	n.a.	
Italy CGIL/FISAC UIB 4)	n.a. n.a.	2/10 1/7	40/153 8/40	n.a. n.a.	n.a. 35%	
Luxembourg OGBL LCGB FEP/FIT ALEBA 4)	0/1 (1/3) 0/1 (0/2) 0/1 (1/2) 0/1 (0/3)	0/5* 0/3* - 1/1*	3/23 1/15 25% 1/6	n.a. n.a. n.a. 3/9	26% 20% 30% 45%	* Bureau exécutif * Direction * Secrétaire général
Portugal 4) S.d.B. do Sul e Ilhas S.d.B. do Nord S.d.B. do Centro	0/1 (0/3) 0/1 (0/4) 0/1	0/1 0/2 1/3	3/5* 1/6 1/4	n.a. n.a. n.a.	n.a. n.a. n.a.	* Conseil
Spain Fed. de Servicios UGT Fed. de Banca cc.oo 4)	- -	n.a. 1/1	1/15 2/24	n.a. n.a.	n.a. n.a.	
Sweden Finansförbundet 4)	0/1*	0/1	1/5 5/15**	1/3	n.a.	* Chairman; ** Board
UK BIFU 4) MSF 5)	- -	0/1* 0/1*	11/33 3/10***	5/11** -	58% 27% 50%****	* General Secretary; ** Instit. Committees; *** National officers; **** only finance

= does not exist; n.a. = no answer; no data available for Belgium and the Netherlands.

1) general union among others also active in the banking sector; 2) union for retail trade, banks and insurance; 3) union for employees; 4) union for bank (and sometimes also insurance) employees; 5) union for manufacturing, science and finance.

Source: Data provided by the national experts of the European Network "Women in Decision-Making".

The participation of women within the executive committee of unions varies from between 7% (*Federación de Servicios de Unión General de Trabajadores* in Spain) and 40% (*HBV* in Germany). In Finland even 10 out of 12 (83%) members are women. In the council of the *Sindicato dos Bancários do Sul e Ilhas* in Portugal, women also represent the majority of members (60%). In most countries, it is higher than 15%. In all countries, women are also in charge of some of the standing committees which unions have established to deal with specialised issues.

All in all, the participation of women in executive functions of unions is higher than in the public institutions and banks' associations analysed in the previous sections. Compared to the share of women among union members which ranges from 30% in Luxembourg to 92% in Finland, they are, however, still clearly under-represented in executive decision-making. Braithwaite and Byrne (without year), in their study on women in decision-making of unions, explain this situation with reference to women's family obligations, segregation of labour markets, the male-dominated political culture of unions and traditional gender role expectations in society.

2.5 Equal Opportunity Programmes

In recent years, positive action plans and equal opportunity programmes have been drawn up in a number of countries in order to improve women's access to jobs in fields in which they have been under-represented in the past. However, in eight out of fifteen Member States experts still report that there are no such programmes affecting national financial institutions. Out of those countries where such initiatives do exist, most have focused particularly on public service, whereas in some other countries, such as Sweden and Great Britain, these programmes were oriented equally towards private employers. Furthermore, women groups in political parties and unions have pushed for a more equal representation of women in elected positions. In the following section, we will analyse to what extent equal opportunity regulations and voluntary positive action have affected, or are going to affect, the access of women to high-level decision-making in the finance ministries, central banks and banking supervisory institutions studied in the previous sections.

In Austria, an Anti-Discrimination Act was introduced in 1979 and amended twice afterwards (1985, 1990). This law prohibited any unequal treatment of women and men in the private sector. A commission was established which dealt with complaints about discrimination but was rather powerless with regard to forms of hidden and indirect discrimination (Köpl 1995). In order to expand legislation to the public sector and to introduce positive actions in favour of women's career opportunities, the Equal Opportunities Law for the Federal Civil Service (*Gleichbehandlungsgesetz für den Bundesdienst*) was established in 1994. This law requires all ministries and departments of the Federal Civil Service to develop positive action plans for areas in which women are under-represented. The goal is to raise the proportion of women up to 40% during the period from 1996 to 2002. By the end of 1995, all Federal authorities had established such plans. The programme will be implemented in three stages and a first evaluation will take place in 1998.

In Belgium, a royal decree was adopted in February 1990 to promote equal opportunities in the Belgian public service. According to this law, each public administration is obliged to establish positive action programmes. In 1992, positive action plans had been introduced in 70% of the ministerial departments, including the *Ministry of Finance*. The positive action plans are intended to enhance women's career prospects by means such as further training, child care and awareness-raising among male colleagues and superiors. According to the Belgian experts, these instruments are useful in increasing the proportion of women in the middle management of the administration, but will remain without impact on the much more politicised recruitment for positions at the highest level. The Belgian experts suggest that career development plans might reduce the perverse effects of the nomination procedure (Vogel-Polsky and Zaid 1995).

In Denmark, under the Equal Opportunities Act from 1988 (amended in 1992) public authorities shall, within their areas, work for equal opportunities and may in connection herewith implement special measures in order to promote equal opportunities for women and men. According to the Danish expert, the most important step towards full equality between women and men was the adoption of the Government's plan of action on Equal Opportunities which was presented to the Parliament in 1987. According to this plan every employer in the public sector is obliged to draw up a plan for Equal Opportunities with target figures and to report on the progress to the Equal Status Council every second year. As part of the fulfilment of their action plans some ministries have initiated goal-directed training programmes for the development of candidates for top and middle level management.

A review of the national plan of action undertaken by the Equal Status Council in late 1993 revealed examples of impressive work but in general the outcome of the plans was disappointing. Less than 50% of the ministries or other central governments - among them most of the financial institutions under study here - had not worked out yet action plans with quantifiable objectives, priorities, programmes and a fixed time horizon. The Equal Status Council, supported by the Parliament, recommended in 1994 that the ministries should be put under an obligation to work out such concrete and operational plans of action for equality which as a minimum should comprise a distinct policy for more women in the management group and a fair balance between working and family life. Furthermore, guidelines have to be developed which secure a more uniform practice across all ministries.

In Denmark (and other Scandinavian countries) membership in boards, councils, commissions and committees established at the central or local level which have the task to advise ministers or public authorities is an important way of being involved in the formulation and implementation of policies. In order to achieve a gender balanced composition of women and men in these organisations, two Acts were passed by the Danish Parliament. The Act on Equality of Men and Women in Appointing Members of Public Committees (1985) states that public policy boards and committees established by a minister shall have a balanced composition of men and women and that both a woman and a man should be proposed when a member has to be nominated. The Act on Equality of Men and Women in Appointing Certain Board Members of the Civil Service (1990) states that all authorities in the civil service directed by boards, councils or other collective management ought to have a balanced composition of men and women and again that both a woman and a man should be listed for nomination. These two Acts positively influenced the appointment of women. But statistics show that women are still in a minority among the members of the various bodies, and particularly in the category of the chairperson. In order to improve the situation some ministers have refused to appoint members from the organisations until these have nominated an equal number of women and men for their seat(s) (Jacobsen 1996).

Finland has also a strong equal opportunities legislation. The Equality Law from 1987 stipulated that women and men should be equally represented in government and municipal committees. In 1995, a reform of this legislation took place and gender quotas of at least 40% men and women were introduced in government and municipal committees and in the decision-making of companies with state-majority ownership. According to the Equality Law, public authorities and private employers have to actively promote gender equality. In one article of the Equality Law of 1995 it is laid down that employers (public and private) with more than 30 employees shall include measures to promote equality between women and men in the work place. These measures can include positive discrimination in order to achieve a higher representation of women in decision-making bodies. As far as political parties are concerned, only the Left Alliance has included quota rules so far and the Social Democrats will do so in the near future. However, even if they have not formalised such rules, all large parties have taken account of the recommendations of the Equality Law in their nomination of candidates for the national government (Kuusipalo 1996).

The new quota regulation of the Finnish Equality Law applies to the public financial institutions studied in this section, such as the finance ministry, central bank and banking supervision. According to the Finnish expert, the high representation of women in political financial institutions (compared to those in the private sector) is - among other factors - a result of the Finnish equal opportunities legislation. The Equality Law from 1987 already required that women and men should be equally represented in public committees. Another reason for women's higher representation in the decision-making of these bodies is that women are increasingly represented among experts in politics and public administration. Thus, it is difficult to say that there are no competent women to fill a position in case of vacancy.

In **Germany**, a law on equal opportunities was passed in June 1994 which requires all *federal ministries* and *other federal institutions* to practise positive action. The aim of the legislation is to promote women's participation at all hierarchical levels where they continue to be under-represented and to enable women and men to better reconcile family tasks and gainful employment. In order to achieve these goals, ministries and other federal institutions must appoint an equal opportunities officer and establish positive action plans. In order to increase the proportion of women in higher levels of decision-making, the institution must establish compulsory numerical targets and report on the achievements after completion of the time period. In the hiring of new personnel, internal promotion and access to in-house training, women enjoy preferential treatment provided their qualifications are equal to those of their male competitors. This legislation applies to the Ministry of Finance, the *Bundesbank*, the banking supervisory institution and to the Association of Public Banks.

As of the summer 1995, the *Ministry of Finance* and the *Bundesbank* had appointed equal opportunity officers, but had not yet implemented positive action plans. In the German supervisory institution, the *Bundesaufsichtsamt für Kreditwesen*, a positive action plan was being developed to be enforced at the beginning of 1996. Since 1994, the *Association of Public Banks* has also had to comply with the equal opportunities legislation. A working group on equal opportunities is planning the necessary steps for the implementation of the law. Prior to 1994, the working group had organised an exchange of ideas and experiences of member banks which had already introduced positive action plans and offered special parental leave and family returnee programmes.

The two *German unions* represented in the banking sector are interesting with respect to equal opportunities policies of organisations in which high level decision-makers are nominated and elected by the membership of the organisation. Women's committees in both unions have pushed for quota regulation for years. Such regulations were passed in 1994 by the convention of the *DAG* and in 1995 by the convention of the *HBV*. In the *HBV*, relevant bodies must from now on represent women according to their percentage in either the union membership or in the employment structure of the relevant sector. This regulation has already resulted in a considerable increase in female representatives in the national negotiation committee for the banking sector from 12% before the adaptation of the quota regulation to 39% afterwards. The quota regulation of the *DAG* prescribes that both women and men must be represented with a quota of 40%. This union has also a positive action programme for its own employees which includes parental leave and preferential treatment of women in hiring and promotion in cases where female candidates are as qualified as male applicants (Seeland 1995).

In **Spain**, the union confederation *Comisiones Obreras* has decided (as an obligation in Cataluña and País Vasco, and as an orientation in the rest of the country) that the proportion of women in decision-making positions has to be the same as the proportion of women among the membership of each federation. It has also adopted the obligation of creating a secretary for women's issues in each federation whose head must be part of the executive committee.

In the **United Kingdom**, the *Treasury* and the *Bank of England* are members of the **Opportunity 2000** campaign. Public and private employers can join this campaign on a voluntary basis if they agree to implement equal opportunities policies and to ensure that no one should receive less favourable treatment on the grounds of sex, marital status, colour, racial origin, religion or disability (for more details see Vinnicombe and Colwill 1995).

The *Treasury* has introduced equal opportunities policies for women, ethnic minorities and persons with disabilities. An equal opportunities officer is in charge of implementing and monitoring this policy. There is also a specific programme of positive action on race. The policy targets for women address recruitment, annual reporting, promotion, retention, career development, postings, working patterns and training. In 1994, more than 75% of Treasury staff, including senior management, attended equal opportunities awareness seminars. According to the Equal Opportunities Officer, the training was well received and post-seminar evaluation showed increased understanding of equal opportunities issues and consciousness of the risk of inadvertent indirect discrimination. According to the English expert, however, the targets are very vaguely defined so their achievement is difficult to measure. There are no sanctions for failure to promote the policy (Segerman-Peck 1996).

Since 1992, the *Bank of England* has actively supported *Opportunity 2000*. According to the company's statement, the goals consist of

- ensuring that equal opportunities are recognised as a business issue and a management responsibility;
- ensuring that men and women are able to compete on equal terms by informing and, where necessary, seeking to change attitudes of all staff at all levels;
- increasing the quality and quantity of women's participation in the workforce, so as to achieve a balance of women and men in all areas and at all levels, especially in management, that reflects the abilities of the labour force as a whole.

Table 2.5: Equal Opportunity Programmes Applying to Various Political Institutions in the Banking Sector, EU Member States, 1994/95

Country	Ministry of Finance	Central Bank	Banking Supervision	Bank Associations	Unions active in Banking
Austria	Since 1994 the Equal Opportunities Law for the Federal Civil Service (Gleichbehandlungsgesetz für den Bundesdienst) requires all ministries and departments to develop positive actions plans for areas in which women are underrepresented. The goal is to raise the proportion of women up to 40% during the period from 1996 to 2002. By the end of 1995, all Federal authorities had established such plans.			no	no
Belgium	Positive Action Plan exists since Equal Opportunities legislation for public sector came into force in 1992	no	no	no	n.a.
Denmark	According to the Equal Opportunities Act of 1988 (amended in 1992) and the government's plan for Equal Opportunities (presented to the Parliament in 1987) each employer in the public service is obliged to draw up a plan for E.O. with target figures and to report the progress to the Equal Status Council every second year. Public committees and boards established by a minister (according to an Act of 1985) and boards, councils and other collective management which direct authorities in the civil service (Act of 1990) are required to have a balanced composition of men and women, and both a woman and a man should be proposed for each nomination. The Ministry of Finance is preparing an E.O. plan, Denmark's Nationalbank does not yet have one and the banking supervision did not reply.			n.a.	Action plan for equal treatment in the political area. No E.O. plan in the secretariat.
Finland	Since 1995, the Finnish Equality Law requires gender quotas of 40% in public committees and in the decision-making bodies of companies in which the state holds a majority of shares. Furthermore, public and private employers with more than 30 employees have to develop and implement measures to promote gender equality.				
France	no	no	no	no	no
Germany	Under the Equal Opportunities Law for Federal public institutions of 1994, these institutions have to install an E.O. officer and draw up an Positive Action Plan.			no (except for association of public banks)	Quotas for women's representation adopted by union convention in 1994/5.
Greece	no	no	no	no	no
Ireland	n.a.	n.a.	n.a.	n.a.	n.a.
Italy	no	no	no	no	no
Luxembourg	no	no	no	no	Women's section
Netherlands	no	no	no	no	aim to increase participation of women
Portugal	no	no	no	no	Women's section
Spain	no	no	no	no	Comisiones Obreras: secretary women's issues; orientation towards quotas for women's representation
Sweden	According to the Equal Opportunities Act from 1991 (amended in 1994) every employer has to draw up a plan for E. O. and to report on the progress.				
UK	As members of Opportunity 2000 these institutions have to install an E.O. officer and to set up a positive action plan.			E.O. statement	Women's subcommittees; mainstreaming of E.O. policies

n.a. = no answer.

Source: Data provided by the national experts of the European Network "Women in Decision-Making".

The action plan does not include numerical targets or reserved positions for women, but in areas historically staffed by men, women are encouraged to apply. The main focus is on awareness-raising training for all staff and the incorporation of equal opportunities within managers' responsibilities and objectives under the performance assessment system. Furthermore, the bank will undertake statistical monitoring in order to identify possible structural barriers and to measure progress towards achieving agreed goals. The bank offers enhanced maternity and paternity leave arrangements and options for flexible and part-time working.

The *British Bankers' Association* has a short statement of equal opportunities which specifies equal treatment with regard to sex, marital status, race, colour and national or ethnic origin. Serious cases of discrimination may result in dismissal. There is no commitment to or mention of positive action. The duties of the Personnel Officer include equal opportunities matters. According to the Personnel Officer, the *British Bankers' Association* is too small and too tightly managed to require or provide in-house training on equal opportunities, nor would anyone be sent on external courses.

Sweden has a long experience in equal opportunities legislation going back to 1979. The currently valid *Act concerning Equality between Men and Women* was introduced in 1991 and amended in 1994. In contrast to Germany and Belgium, the act applies to all employers with more than 10 employees in both the private and the public sector. Every employer has to draw up a plan of how she or he will promote equality in the workplace. This plan of action must comprise a summary of necessary measures in order to achieve the following goals:

- to assure appropriate working conditions for men and women,
- to facilitate the combination of gainful employment and parenthood,
- to promote an equal distribution of men and women in various types of work and different categories of employees,
- to make special efforts when taking on employees in fields with an unequal distribution of men and women,
- to review pay differentials between men and women annually,
- to protect employees from sexual harassment and sex discrimination.

The plan must also state which goals have been achieved during the last year and which measures will be introduced in the upcoming year.

The Swedish Equal Opportunities Act applies to all institutions studied in this chapter. As the law was changed in 1994, most of the institutions had not yet evaluated the results by summer 1995. The Swedish expert, however, indicates that even under the previous regulation, the Ministry of Finance made a lot of progress in previous years with regard to women in decision-making positions. As our analysis revealed, the participation of Swedish women in decision-making of political financial institutions was higher than on the average of all EU Member States. These results must be seen in the context of Sweden's more than 15-year experience with equal opportunity legislation and a general sensibilisation to gender equality in Swedish society (Josefsson 1995).

This sensibility for equality issues is also expressed by the fact that the Swedish Ministry of Health and Social Affairs has appointed a special expert who is assigned to survey and analyse the *distribution of economic power and economic resources between women and men*. This initiative is based on the assumption that men and women should have the same opportunities to be

economically independent. In reality, however, women are largely excluded from the economic power exerted in private industry, commerce and finance. The task of the study is to analyse the extent to which systems of economic rules encourage or counteract economic equality between women and men and investigate the extent to which economic and political measures are examined from a gender perspective. Furthermore, the expert shall analyse the extent to which women and men have the power to create, abolish and amend systems of economic rules and to determine methods for describing and following developments regarding the proportion of women among those who have power in the economic sphere.

A citation from the assignment of the experts highlights how far the situation in the political institutions of the financial sector analysed above still is from equality:

"A more equal distribution of influence between women and men in different arenas of society is an important objective for policy for equality between women and men. The prerequisites for a better basis for decision making in various types of questions with societal implications will improve if women are represented to a greater extent. Female representation in decision-making bodies in line with the proportion of women in the population as a whole is also an important issue in a democratic perspective. If real equality between women and men is to be achieved, women must participate in all areas of society on the basis of their competence, qualifications and experience. This also applies to the forums in which systems of economic rules are shaped." (Ministry of Health and Social Affairs 1994).

In sum, most of the existing equal opportunity programmes are oriented towards achieving a critical mass of women in middle and upper level positions of public administration. Several conditions need to be fulfilled for these programmes to be successful: They must be focused and have clearly defined targets which are regularly monitored, and they need to be supported by a strong commitment on the side of the top management of the organisation or institutions under question and/or sufficient external pressure from powerful political and societal interest groups.

In order to achieve a more balanced gender composition in politically-designated top decision-making positions, however, existing equal opportunities programmes need to be extended to the political sphere and other relevant spheres from which candidates might be recruited (professional associations, universities, etc.). The Scandinavian initiatives for balanced gender representation in public committees and boards and quota regulations in German unions provide examples of how this can be achieved in the political area.

Achieving a critical mass of women at upper levels which will provide a pool for future nominations for top positions is undeniably an important goal. This, however, has not only a quantitative but also a qualitative dimension. Working towards these goals means going beyond conventional methods of recruitment and traditional labour pools to identify and hire qualified women. Selection profiles might need to be modified and mechanisms established which facilitate interaction between and mobility among executives in public administration, non-profit organisations and private business organisations in order to prepare women for senior leadership positions. Partnerships between academic institutions, professional associations and public institutions might also help to develop programmes for the full empowerment of women.

2.6 Summary

In this chapter we have analysed the representation of women in national financial institutions such as finance ministries, central banks and banking supervisory institutions of the 15 EU Member States. Attention was also focused on the participation of women and men in sectoral interest organisations.

The data presented indicate that women are still largely absent from top level decision-making in political financial institutions of EU Member States. At the time of the survey, none of the ministers of finance and only two of the central bank governors and heads of banking supervision were women. If we also include the second level of decision-makers, we observe a slightly higher participation of women.

The Scandinavian countries are the only ones where women seem to have made sufficient inroads to achieve top positions in financial politics. Among the factors which have contributed to the more favourable situation in the Scandinavian Member States are the increasing and high representation of women in parliament, the availability and visibility of female experts in relevant fields and equal opportunities programmes which pressure for a more balanced participation of women and men in both political and administrative decision-making.

Compared to the Nordic countries, progress has been rather slow and in most cases not gone beyond medium level administrative decision-making in other EU Member States. Reasons for the persisting under-representation of women in political financial institutions are located both within these organisations and in their wider societal context. Measures and policies to improve women's positions must therefore reflect the variety of barriers in different fields of society.

Where top positions are filled by political nomination of economic professors, politicians and commercial bankers, the recruitment tends to reproduce gender inequalities that exist in university education, professional associations of economists, political parties and commercial banks. Equal opportunity policies in these fields should aim at increasing the share of women among students of economics and professors, raising awareness of the need for a more equal representation of women at the top of political parties and professional associations, and achieving a higher proportion of women among bank executives through positive action programmes within banks. In the medium term, these measures will increase the critical mass of women in positions from which political financial institutions choose candidates for high level decision-making.

Within political financial institutions, recruitment and nomination procedures need to be more closely monitored with regard to their possible gender bias in order to give women a better chance for promotion. Existing research indicates that currently women are disadvantaged not only by the type of recruitment criteria but also by the composition and dominant values of selection committees. Some of the countries under study have recently undertaken steps to implement equal opportunity programmes in this field - some focusing more on structural and others more on cultural barriers. A combination of combining numerical targets and awareness-raising measures for managers at all levels appear most promising in terms of increasing the proportion of women in higher levels of decision-making in political financial institutions.

With regard to sectoral interest associations, we observe an asymmetry between unions and banking associations. Meanwhile, unions in most countries have at least a few female members in their national secretariat and executive committees, though women continue to be under-represented compared to their share among union members. In banking associations, however, women are completely absent from the first and second rank of high level decision-making. They are represented neither in elected positions nor in the higher management of the associations. This raises the question of whether decision-making in banking associations should not - according to democratic principles - reflect to a greater extent the proportion of women among employees, managers and individual shareholders of their member banks.

To the extent that decision-making capacities are gradually transferred from the national to the European level, as it is for example the case with the creation of the European Central Bank in the European Monetary Union, it will be of crucial importance to monitor the representation of women

in the decision-making bodies of these emerging European financial institutions. This is the subject of the next chapter.

3. Women in Decision-Making of European Financial Institutions

Growing European integration, especially since the 1986 Single Act and the Maastricht Treaty of 1991, has become the background for the development of a relatively independent European-level financial and monetary sphere. Most sectoral banking associations and labour unions, for example, now have a European-level association, which co-ordinates their international activities and acts as a conduit for information in the two directions. Similarly, the plans for further economic and monetary integration have spurred on the growth of new international financial and monetary institutions.

It is, under these conditions, almost self-evident that we discuss developments in the role of women in decision-making in the European financial sphere. The list below presents the organisations for which we were able to collect and present data on the position of women in their decision-making structures in the course of this project.

A short note on presentation. Before we discuss the activities of the organisations and the role of women in decision-making structures, we drew a small table, providing as many quantitative data on female representation as we could distil from the information gathered. These statistics always present the number of women over the total number of members of a particular decision-making body. For example:

executive director
4/16

means that among the 16 executive directors in the organisation, there are 4 women. Underneath the name and abbreviation, we present the year to which the data apply; sources are listed at the bottom of each section.

3.1 European Investment Bank (EIB) 1994

Proportion of women:			
chair/ vice-chair	board composition	executive director	other
1/8	1/42	0/8	

The EIB is the "Main Bank" of the European Union. It is a development bank, with the implicit goal to contribute to sustained development and social and economic integration. The EIB thus invests in poorer regions of Europe, and funds projects that the EU Member States pursue with non EU States. The EIB has seats in Luxembourg and Brussels.

Decision-making in the EIB is largely a men's affair. The Board of Governors, which meets once a year, consists of the Finance Ministers of the Member States, traditionally not "female" positions. At the highest level of executive decision-making, the Executive Office, one woman is present among the eight members. At the Board level there is one woman among 42 members - the same woman.

The eight Secretary-Generals, the highest officials in the administration, are all men, and only four out of more than one hundred directors and division heads are women. One of these division heads also follows up equal opportunity policy.

Source: Annual Report 1993 and interview of EIB Branch Office, April 1995.

3.2 European Bank for Reconstruction and Development (EBRD) 1995

Proportion of women:			
chair/ vice-chair 0/NA	board composition 0/NA	executive director 16/163	other

The European Bank for Reconstruction and Development is the investment bank for the ex-Comecon economies currently in transition to a market economy. It funds investment projects in the former East Bloc countries. The bank was founded in 1990.

The EBRD has over 23% of women in management, but only 9.8% in top management. Nine women are unit heads, most of them in staff functions (e.g. personnel, information, languages). Because of the relatively flat organisational structure, women at relatively junior levels can play a larger role in decision-making than the mere numbers of senior managers suggest.

The career development and training policy is sensitive to the plight of women in the bank: "The bank continues to be concerned that its senior management levels do not have the proper ratio of women. There is encouragement in the fact that the EBRD is doing better than some of the other international financial institutions. Promotion will continue to be based upon merit, irrespective of gender but the Bank will do its utmost to encourage career development and training for women."

Source: Information obtained directly from the External Relations department in EBRD, April 1995.

3.3 London Stock Exchange 1995

Proportion of women:			
chair/ vice-chair 0/1	board composition 5/15	executive director 2/4	other

The London Stock Exchange is the largest in Europe and one of the three largest in the world, a position reflected in the very high proportion of foreign capital in the British financial sector.

Compared to other parts of the financial sector, women play a relatively important role in decision-making at the Stock Exchange. Beside the chair, who is a man, one third of the Board of Directors, and half of the executive directors are women. This relatively important position of women might reflect early experiments with positive action in English banks, and in subsidiaries of US banks in London.

Source: Annual Report London Stock Exchange 1995.

3.4 Bourse de Paris 1995

Proportion of women:			
chair/ vice-chair 0/1	board composition 1/17	general director 0/6	other

The Paris Bourse is the second in Europe, with a growing (national and international) role.

At first glance, the Bourse de Paris appears to be a relatively homogenous male club. At the top decision-making level, there is one woman on the Board, and none of the general directors is a woman. Yet this may reflect the relatively late date that women gained access to the *Grandes Ecoles* (only 1973), still a necessary entry ticket into the world of "haute finance." Those that finished their studies in the mid-1970s only just made it to the lowest decision-making levels. The numbers appear to agree with this interpretation: fifteen out of 41 directors, i.e. the next level down in the hierarchy, are women. It remains to be seen, therefore, if a relatively large voice for women in decision-making is just a matter of time.

Source: Annual Report Bourse de Paris 1994.

3.5 European Monetary Institute (EMI) 1995

The EMI was the precursor of the European Central Bank which since 1999 has been in charge of managing currency stability within the European Monetary Union. At the time of the survey in 1994/95, the tasks of the EMI were study of the process of monetary integration, and providing advice on the implementation and organisation of EMU.

In 1996, the governing board of the EMI consisted of the Governors of the central banks of the Member States which included two women (B. Andersen from Denmark and S. Hämäläinen from Finland). The president of the EMI was a man.

Source: newspaper reports, and European Monetary Institute, Annual Report 1996, Frankfurt/Main 1997.

3.6 Political Institutions of the European Union

The institutions of the European Union are organised, as any government in a democratic state, in a deciding body, roughly representing the popular vote, and an administrative body, charged with the implementation of policies. An overview of the Commission as a whole therefore complements the material on the two Directorates-General (DGs) directly involved in financial and monetary matters.

The division of labour between the Commission and the DGs is relatively simple. The Commission is roughly the equivalent of the government of the European Union. Accordingly, for a directive to even be considered by the Council of Ministers, the representative of the governments of the Member States, it has to be discussed and agreed to in the Commission. After acceptance by the Council of Ministers, it passes to the DGs for implementation.

In 1994, of the highest two levels of European civil servants (levels A1 and A2), five were women and 200 men. All management levels combined, the proportions were: 521 women against 3350 men, i.e. 16%. Women are concentrated in legal advice, in DG IX, which deals with Personnel and internal administration, and in the translation section. On the whole, industry and finance, monetary affairs and trade are areas where women are relatively absent.

Directorate-General II 1995

director	head of unit	head of division
0/2	0/6	4/24

At the two highest levels in DG II, "Economic and Financial Affairs," women are entirely absent. The management level just below, the division heads, has more women: one in six managers there is a woman.

Source: Telephone interview with spokesperson DG II, April 1995

**Directorate-General XV
1995**

director	head of unit	head of division
0/2	0/NA	20%

Women are relatively absent from DG XV, "Internal Market and Financial Services," as well. At the highest executive levels, no women hold decision-making positions. At the levels below, however, the situation appears slightly better: one in five division heads is a woman. The main question—but impossible for us to answer—is: is this the result of (a targeted equal opportunity policy in) recruitment and these women will naturally grow into a senior position, or is this an expression of a glass ceiling which will block female promotions?

Source: Femmes à la Commission Européenne 1984-1994.

3.7 European Banking Associations

**European Savings Banks (ESB)
1995**

Proportion of women:			
chair/ vice-chair	board composition	executive director	other
0/4	1/43		Equal Opportunity Officer in staff

The European Savings Banks Group represents the interest of the savings banks at EU level. Its seat is in Brussels, where the executive directors and staff reside. The organisation has 21 members, in all EU Member States and is part of the world-wide International Savings Banks group with members in all continents. Its main objectives are lobbying, pan-European services, information exchange and feedback about EU strategies to the member federations.

In the decision-making structures, women play a minor role. In the top decision-making body there are no women, in the board one woman among 42 men. At lower levels of decision-making, the influence of women is slightly higher. Of 30 thematic working committees active in the federation, two are chaired by women.

Among the research and the advisory staff, however, there are quite a few female collaborators, and one of them follows up equal opportunity policies at the European level.

Source: Presentation brochure 1995 and other documents provided by the ESB Group.

**European Association of Co-operative Banks
1994**

Proportion of women:			
chair/ vice-chair	board composition	executive director	other
0/3	1/40	0/4	1/10 working groups

The European Association of Co-operative Banks represents the national federations of the EU Member States (and a few other) at the level of European decision-makers. The federation has members from all the Member States. Its seat is in Brussels, where the executive director and staff reside. Its most important tasks are lobbying the European Commission and Parliament, dissemination of information among its members, acting as a representative employer association at European level and international co-operation.

Women play a marginal role in the decision-making structures. Among president and vice-president, there are no women, and one of the 40 members of the Board of Directors is a woman. Of the ten working groups active within the organisation, one was chaired by a woman.

The federation has, as far as we could find out, no officer among the research and advisory staff who follows up equal opportunity policies in the sector.

Source: Activity Report 1992-1993 and other Documents provided by the European Association of Co-operative Banks.

**Fédération Européenne des Fonds et Sociétés d'Investissement (FEFSI)
1995**

Proportion of women:			
chair/ vice-chair	board composition	executive director	other
0/3	3/17	1/2	

The FEFSI groups and represents the national associations of investment funds of the EU Member States. It has its members from within the EU and two further member organisations from non-EU European countries. The seat is in Brussels, where executive director and staff reside. The main tasks are lobbying, the collection and diffusion of information on the evolution of the sector in Europe, and co-ordinating the activities of its members at the European level.

Even though the role of women in decision-making is still limited, the situation in FEFSI is better than in many other sister organisations in the financial sectors at European level. The top decision-making level has no women among its three members, but the board has three women among its 17 members. At the executive level, moreover, one of two is a woman.

The staff is equally highly "feminised": the assistant to the executive director is a woman, as are many of the lobbyists and advisors.

Source: Documentation provided by FEFSI.

3.8 European Banking Unions

European wing of the Fédération Internationale des Employés et Techniciens (EURO-FIET) 1993

(A) General

Regional secretary 0/1	Sectoral secretary 4/10
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EURO-FIET is the European regional organisation of FIET, the International Federation of Employees and Technicians. FIET is the International Federation of white-collar unions; in Europe, EURO-FIET grouped 133 labour unions in 34 European countries, with a combined total of over six million members, roughly half of whom are women.

The EURO-FIET Executive Committee had 20 members at the end of 1993, six of whom were women. The regional secretary is a man, and of the 10 trade section (i.e. sectoral) secretaries, four are women.

There is, however, beside the main office in Geneva, a small office in Brussels, representing EURO-FIET at the European Commission, with four staff members, three of whom are women (data for end 1993).

(B) Banking sector

president/ vice-president 0/3	other 1/10 working groups
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Within EURO-FIET, there is an important trade section on the banking sector. Its main tasks are lobbying, dissemination of information and, since 1993, participating with European-level banking associations in the European social dialogue. A few years ago, the co-ordination of European Works Councils was added to the agenda.

Of the president and two vice-presidents, none is a women. The 1993 Activity Report of the trade section did not mention any specific initiatives for female employees.

Source: Activity Report 1990-1993.

3.9 Summary

Perhaps the most interesting conclusion from these data on the European-level financial world, is that the situation of women in decision-making is slightly more negative than at the national level. Why this is so, appears to us to be related to the relationships between these bodies and their constituent members, the national associations. Since many of the organisations that we discussed here represent national organisations and consist of the respective national presidents, who are almost always men, the net result is that the possibly larger number of women at the national level is blended out through this selection process. If this is indeed the mechanism behind these figures, it implies that even national-level positive action and increased openness does not automatically lead to more women at the European level.

This brings us to the second point. The situation is considerably better in some of the institutions discussed here than in others: in the FEFISI, the EBRD to some extent, and the Stock Exchanges in

London and (slightly less) in Paris. Two explanations, which do not necessarily exclude each other, can be given for this. The first is that these are relatively new financial activities in Europe (where the bank-based financing model has been and still is dominant). Because at least as many young women as young men have been leaving university since the mid-1960s, the numbers of women in these new institutions probably reflect these differences in recruitment opportunities for the institutions discussed here. The second explanation is that these activities, which regularly intersect with the "hard" world of international financial markets, simply force the organisations to recruit on merit, which (assuming that capabilities are distributed roughly evenly over men and women) automatically increases the proportion of women. Whichever of the two explanations is correct, further expansion of these new financial activities should then improve the role of women in these parts of the financial world—more even, perhaps, than many affirmative action policies could.

The final conclusion is that the situation of the integration of women in decision-making is different for European banks, political institutions or the sectoral associations. The banking world at European level is frequently as much a men's world as the national banking world. The political institutions, on the other hand, are slowly reflecting the growing importance of women in politics more generally—although it must be added that financial policy remains relatively closed to them. In the sectoral associations, finally, the negative selection process mentioned above, makes women almost absent.

The implication of these observations is that different types of policies and measures may well be necessary in order to correct the different fields. For example: a policy based on quotas might be useful for political representation and especially for the European Commission; a policy geared towards advanced professional training for women in order to prepare for a position in the European Banks (EIB, EBRD and EMI); and a sustained policy to make the European-level sectoral associations more sensitive to the under-representation of women among many of them. We will raise some of these policy dimensions again in the final chapter of the report.

4. Conclusions and Recommendations

In this report we have analysed the representation of women in high-level decision-making of political institutions and sectoral interest associations of the financial sector at the national and European level. The results reveal that decision-making in these institutions is still largely a men's affair. No matter whether we consider finance ministries, central banks, banking supervisory institutions, sectoral interest associations or European level institutions - what we find are, in fact, "pyramids of exclusion". The recent nomination of two female central bank governors in Denmark and Finland, however, might indicate that the gender balance is slowly changing and women might be gaining better access to the decision-making in national and European financial institutions.

Why is the under-representation of women a problem?

As we have argued before, political institutions and interest associations in the financial sector are an important arena where actors decide about the allocation of economic resources and rules of economic behaviour. The equal representation of women in the decision-making of these institutions is, therefore, a question of both citizenship rights and economic efficiency.

In a democratic society, economic, social and political participation are fundamental citizenship rights. Women represent half of the population, 40% of persons in employment and contribute two thirds of all (paid and unpaid) working hours. The more than equal contribution of women to economic life means that women should also be equally represented in decision-making on the distribution of economic wealth. National and European financial institutions have a central function in the distribution and allocation of economic resources and outcomes since they decide upon access to credit and the capacity to accumulate savings at individual and societal level. By determining interest rates and money supply central banks and finance ministries exert wide-ranging influence on economic development, monetary stability and employment growth. Women and men are affected by these policies as consumers, employees and entrepreneurs - albeit based on different experiences related to the gender division of labour. Democratic principles demand the equal representation of women's and men's competencies and experiences in the political decision-making process on these central economic issues. Last but not least, a balanced participation of women and men in the decision-making on financial issues will contribute different ideas and styles of economic behaviour.

How to reach a more equal gender balance in decision-making?

The results we have presented for the financial sector indicate strong interactions between quantitative and qualitative factors: the absence of women from decision-making leaves space for the particularly strong dominance of male values in the sectors' political and corporate culture (see also Hans 1993). The dominance of male values, in turn, represents one of the most important barriers to access of women to higher decision-making positions. In order to break this *vicious circle* it will be necessary to combine

- firstly, measures which aim at achieving *the quantitative target* of a balanced representation of women and men at the different levels of decision-making in national and European financial institutions and sectoral interest associations. Such measures can include special leadership training for women, equal opportunities initiatives in higher management, as well as mentoring and support networks for actual and potential women leaders in this sector;
- secondly, measures which aim at a *qualitative change* of currently existing structures and values in the decision-making of these institutions and associations. How can these structures and values be changed so that equivalent recognition is given to women's and men's different contributions to and patterns of decision-making? A critical revision of the criteria and selection

processes for leadership positions which currently work to the disadvantage of women would be a first step in this direction. What is also needed is a public debate about what constitutes socially constructed "male" and "female" approaches towards money and power, and how they can be successfully integrated in a more gender-open leadership type;

- last but not least, measures which aim at *monitoring* the processes initiated by and the results achieved by these measures. One valuable example of how such monitoring can be combined with awareness-raising initiatives is the "European Data Base - Women in Decision Making" which has been developed for the political sphere by the Women's Computer Centre in Berlin and will be extended in the near future to the financial sector.

With the establishment of the European Monetary Union we have entered a new historical era in which decision-making in the financial sector gains a much stronger European dimension. More than ever, equal representation of women and men in the decision-making of the European financial sector will be a question of both democracy and economic efficiency. It is up to all of us to contribute to development towards such more balanced participation in this important sphere of economic and social life in the European Union.

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PART II

Women in Decision-Making of Commercial Banks in the European Union

A Survey of Banks and Women Bank Managers

1. Introduction

This report presents results from a research project on the position of women in decision-making of commercial banks in the European Union. The project was launched in 1995 by the Equal Opportunities Unit (DG V) of the European Commission in co-operation with the European Network "Women in Decision-Making" as part of an initiative for a renewal of politics and society paying particular attention to the equal representation of both sexes in the leadership of all sectors of society (National Commission for Equal Opportunities for Men and Women and European Commission).

In the past, banking has been regarded very much as men's business. This has changed gradually since more and more women have entered banks as employees. Today, more than 40 per cent or even half of all employees in the banking and finance sector of most EU Member States are female. Banks have also started to show more interest in women as clientele since they have increasingly entered the labour force or set up their own business and earn their own income. But how - if at all - has this affected the decision-making in commercial banks? At the very top, decision-making concerning "big money" still seems to be very much male dominated even though women have made recently some inroads into the management of banks (see e.g. Bird 1990). Authors like Epstein (1981) suggest that the gradual progress which women have made with regard to their participation in decision-making has been much less pronounced in the economic and financial world than in the political arena. Apart from national case studies, there is little systematic evidence of how changes in society and labour markets have affected the position of women in the world of "big money" within the European Union.

The purpose of this study is to provide empirical evidence on the position of women in high level decision-making of financial institutions, to analyse the main barriers of access for women and to suggest measures which can improve the women's participation in the future. The study aims to both make the current contribution of women more visible and raise awareness of the waste of talent and expertise that results from the persisting under-representation of women in the decision-making of commercial banks. By focusing on the traditionally male-dominated "heart of the financial world", however, we do not want to belittle the contribution of women - and men - at lower levels of the organisation - a dimension of decision-making which is likely to gain weight as the structures of financial companies become flatter and decentralised.

The commercial banking sector is not only of interest because it has become an important employer for women, but also because decisions taken in this sector have considerable impact on the economic and social life in the Member States and the European Union. Commercial banks play an important role in the allocation of economic resources and their decisions impact on women's and men's capacity to accumulate savings and to obtain additional finance - be it as entrepreneurs, employees or citizens. In some member states commercial banks have also considerable influence in the governance of other sectors and therefore could become a positive model for a more balanced participation of women and men in high-level decision-making.

At the same time, the European banking sector itself is undergoing considerable change. Faced with increasing international competition and growing European integration, commercial banks in all EU Member States are restructuring and reorganising their operations, and many of them have merged already with other banks or are envisaging such mergers within and across national borders. Corporate restructuring often involves a quite radical change of the corporate image and management styles of banks. This raises the question whether the restructuring of the traditionally conservative banking sector will open up new opportunities for women to take part in higher level decision-making or whether it will just lead to a reproduction of existing gender hierarchies.

This report, which is based on the first European wide survey of banks and bank managers, will present evidence concerning the representation of women in executive positions, the obstacles which hinder women from entering high-level decision-making positions and suggestions how to improve women's access to these positions. In Chapter 2, we briefly describe the methodology of the survey. Chapter 3 presents empirical results from the survey. The conclusions and main policy recommendations of the study are summarised in Chapter 4. If not indicated otherwise, the information provided in this report refers to the period 1990-1995. An update of the data will be undertaken during 1999 by the Frauencomputerzentrum Berlin and become available as part of the European Database "Women and Decision-Making" by the year 2000 (see homepage www.db-decision.de).

We would like to thank the Equal Opportunities Unit (DG V) of the European Commission for financial support for the study, the members of the European Network "Women in Decision-Making" for their co-operation in disseminating the questionnaires, and last but not least, the bankers who participated in the survey for their time and patience in filling out our questionnaire.

2. Methodology

In the following chapter we will analyse the position of women in decision-making of commercial banks in EU Member States based on a survey which we conducted among banks and women bank managers. In order to provide readers with a better assessment of the results, we first discuss the methodological aspects of the research and then analyse the results of the survey.

The empirical analysis is based on data from two surveys carried out in 15 EU Member States during the period from June 1995 to June 1996. Both surveys were based on written questionnaires⁷ which were posted to the interviewees in one of the following five languages: English, French, German, Italian or Spanish. Respondents with other native languages were offered the opportunity to answer in their mother tongue if this was more convenient for them. The national experts of the European Network "Women in Decision-Making" contacted all interviewees by phone in order to explain the importance of the research and to motivate them to participate in the survey.

2.1 The Bank Survey

The Bank Survey aimed to collect data at the organisational level of banks as employers. Of particular interest were banks' experiences and policies towards women in decision-making. The survey asked for mainly quantitative information concerning

- the representation of women in decision-making positions,
- recruitment of managers at different levels,
- obstacles for women's access to different management levels,
- the bank's initiatives to improve the proportion of women in management,
- type of business activities and regional location of the bank.

The objective of the sampling was twofold: On the one hand the sample should include banks which represent a considerable part of the banking business undertaken within the European Union, on the other hand it should include banks from all Member States and reflect their specific banking systems. Finally, the 10 largest banks within each Member State were chosen.⁸ This list included 154 banks from 15 Member States which, within each country, accounted for at least half if not even two thirds of the volume of banking activities. The national experts of the European Network "Women in Decision-Making" checked the addresses and gave names of persons to whom the questionnaires were sent.⁹ In October 1995, a first reminder was sent by fax to all banks which had not responded by then, followed by a second reminder in mid-November 1995 including a shortened questionnaire.

⁷ The full questionnaires are available on request from the author.

⁸ The selection of banks was based on a ranking according to assets published in *The Banker* in July 1994. In some countries, this list was modified to include all important types of banks or to take account of more recent changes in the banking sector. In Spain, Portugal and Greece one or two subsidiaries of banks from other European countries were included because of their rising market shares. Due to recent restructuring in the banking sector, the lists for Finland and Sweden included only 7 banks each.

⁹ Following the advice of the national experts, in some countries the questionnaires were posted to the presidents or executive directors (F, GB, I, NL, P), in other countries to the personnel director (A, B, G, DK, E, IRL, L, GR) or to the public relation officer (S, FIN).

Overall 63 banks returned their questionnaires out of which one in five was a shortened version. The response rate of 41 per cent can be considered as quite good compared to other results from postal company surveys and the sample does not seem to be biased by nation of origin or bank type. It appears, however, that banks which have already been concerned with equal opportunity issues were more likely to respond than those which have not and therefore are slightly over-represented in the survey.

Banks from Western European countries represent the largest group within the sample (41 per cent) followed by banks from Southern European, Scandinavian and Anglo-Saxon countries (see Table 1). Concerning their type of activity, universal banks dominate with nationally and internationally operating banks being equally represented. One in five of the banks in the sample is a specialised bank. Furthermore, most of the banks are joint-stock companies or private banks (64 per cent). State-owned banks represent 15 per cent and savings and mutual banks 21 per cent of the sample. On average the banks in the sample have about 11.000 employees (for more details see Quack 1997).

2.2 The Manager Survey

The goal of the Manager Survey was to gather information from individuals about the experiences and attitudes of women bank managers towards their representation in decision-making of banks. The survey contained standardised as well as a number of open questions relating to

- the current position and professional career,
- social background and education,
- private and family life,
- the situation of women managers in their bank, and
- type of business activities and regional location of their bank.

The sampling of women bank managers was targeted towards women in higher and middle management positions. Similar to the *Bank Survey*, women managers from each Member State and different types of banks were to be represented in sufficient numbers. In contrast to the banks, however, there is no comprehensive listing of European bank managers available and the small number of women in higher management advises against random sampling.¹⁰ The national experts of the European Network "Women in Decision-Making" were, therefore, asked to provide a list of at least 10 women managers who held positions as high as possible in the banking sector of their country. Some national experts wanted to include a higher number of women managers in order to secure reliable results for their countries. The overall list included 258 names of women managers in 15 Member States.

These addresses, together with the contact persons in the banks, were used as starting points for snowballing. The letters to women managers included two additional questionnaires which they were asked to distribute to female colleagues in higher management positions. The banks, too, were asked to disseminate three additional questionnaires to women managers in higher positions of their organisation.¹¹ Questionnaires were also circulated by the national correspondents of the European

¹⁰ Existing handbooks, like the DUNS EUROPE, list only the names of the top management and are not sufficiently comprehensive and up-to-date.

¹¹ Additional questionnaires could be requested with an answer coupon.

Women's Management Development Network (EWMD). Some 1,500 questionnaires in all were circulated through these different channels.

Altogether, 158 women bank managers returned their questionnaires. In proportion to the overall number of questionnaires sent out, this is a response rate of 11 per cent. The response rate among managers who had been mailed directly was slightly higher (14 per cent). The analysis of the answers of how interviewees received their questionnaire reveals that 22 per cent of the respondents received it by direct mail, 18 per cent from a colleague, 42 per cent from their bank and 17 per cent from the EWMD or other persons. Women in higher management received the questionnaire more often by direct mail (32 per cent). Overall, the results show that, by using different channels of distribution, we were able to reach a wide range of women in decision-making within European banks.

The vast majority of the women bank managers in the sample classify themselves as higher (41 per cent) or middle (52 per cent) management. Only 7 per cent belong to lower management. The average age of the interviewees is 42 years. Nearly every second women bank manager is 45 years or older. As far as educational qualifications are concerned, three out of four women in the manager sample have a university degree and/or one out of two holds a professional training certificate. Most of the women managers in the sample are married (75 per cent) and more than every second woman has children.

The distribution of women managers according to bank types and country of origin is quite similar to that of the bank sample which facilitates comparisons. Nearly every second women in the manager sample (45 per cent) works for a large universal bank with world-wide operations, one in three represent a national universal bank and one in five a more specialised bank. Compared to the bank sample, however, the manager sample includes a slightly higher proportion of women from Anglo-Saxon countries and a lower proportion of women from Western European countries.

Table 1: Composition of Bank and Manager Sample according to Country of Origin (in %)

<i>(column percentages)</i>	Bank Sample		Manager Sample	
Country group ¹⁾	Distributed questionnaires	Returned questionnaires	Distributed questionnaires	Returned questionnaires
Scandinavian countries	13.6	11.1	18.1	29.7
Anglo-Saxon countries	16.2	20.6	17.3	13.3
West European countries	40.9	41.3	36.4	32.3
South European countries	29.2	27.0	28.2	24.7
Total (in %)	100	100	100	100
Number of cases (N)	(154)	(63)	(1406)	(158)

1) Country groups are defined as follows: Finland, Sweden and Denmark; Great Britain and Ireland; France, Germany, Austria and Benelux; Spain, Portugal, Italy and Greece.

Source: Survey of Banks and Women Bank Managers in Europe 1996.
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2.3 Definition of Management Levels

Comparative management studies are affected by a number of methodological problems because there is no generally-accepted view of what management is. Within most countries, let alone among them, there is no generally-agreed definition of the tasks of or level of responsibility at which one is deemed to be a manager (Berthoin Antal and Izraeli 1991). There is also no internationally-accepted body of recognition, path of entry or even job description. As Blum and Smith (1988: 540) point out "jobs labelled 'management' span a wide range of the job hierarchy within any organisation." In order to keep problems of comparability to a minimum, we have chosen the following approach:

In order to facilitate comparisons, in both questionnaires we operate with standardised categories of "lower", "middle" and "higher management."

In addition, we have asked both banks and managers to explain what these categories mean in their organisation. This allows us to check the reliability and comparability of the categories.

Furthermore, we have broken down higher management into more detailed positions such as the board of directors, executive committee, directors of divisions and sub-divisions, providing for each country the closest equivalent possible.

Finally, the questionnaire for women managers collects detailed information about title, description and responsibilities of their current position.

The analysis of the definitions that women managers and banks provided for the different management layers show that the term management covers in general strategic, operational and controlling functions within the corporation. In most cases somebody in higher management will be involved in strategic decision-making on important policy issues regarding the bank, whereas middle managers are concerned with operational decisions and lower managers with supervisory tasks which may include personnel responsibilities for a certain number of subordinates. There was not too much variation between countries, with the exception that respondents from Great Britain and Ireland used a wider definition for management than those from other countries; it included supervisory tasks which would not be classified as management tasks in other countries.

3. Results of the Survey

3.1 Representation of Women in Executive Positions

It is often argued that it will be just a matter of time until women have "grown" into top management positions. This argument assumes that the representation of women at a certain level of the organisational hierarchy needs to reach a "critical mass" in order to affect the next level up. In order to analyse the representation of women in higher management from a longitudinal perspective, we asked the banks to provide statistics for the years 1990 and 1995.

Table 2: Proportion of Female Managers according to Management Level in European Banks, 1990 and 1995 (in %)¹⁾

<i>(row percentages)</i>	Women in % of managers		Number of banks
	1990	1995	1990/95
Higher management	5.9	8.2	(28)
Middle management	13.1	18.2	(30)
Lower management	24.7	27.2	(26)

1) Table refers to banks which provided data for both 1990 and 1995.

Source: Survey of Banks in Europe 1996.

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As Table 2 shows, the proportion of women in executive positions has increased slightly over recent years. Among the banks of our sample the proportion of women in lower management rose from 25 per cent to 27 per cent, in middle management from 13 per cent to 18 per cent and in higher management from 6 per cent to 8 per cent between 1990 and 1995. Nevertheless, there is still a considerable gap between the proportion of women among bank employees and their representation among bank managers. Whereas in 1995 women accounted for half of the employees of the banks in the sample, they represented only 16 per cent of their managerial workforce. The proportion of women among managers decreases as management levels increase (see Table 3).

Both the representation of women among employees and managers varies considerable between EU Member States. The ratio of female bank managers was highest among Scandinavian and Anglo-Saxon banks which also have the highest proportion of female employees. West European banks were positioned in the middle, whereas South European banks were bottom of the league. Country-specific variation, however, becomes less significant as the management level increases. Whereas the proportion of women in lower management differed between 43 per cent in banks from Anglo-Saxon countries and 18 per cent in banks from Southern European countries, the ratio of women in higher management varied only between 14 per cent in Scandinavian banks and 5 per cent in West European banks. The higher we go the more general the exclusion of women becomes.

Table 3: Proportion of Women among Employees and Managers of European Banks, 1995 (in %)

<i>(row percentages)</i>	Women in % of employees	Women in % of managers				
		Total	Lower management	Middle management	Higher management	Number of banks
Scandinavian countries ¹⁾	61.5	22.2	38.1	23.8	14.3	(7)
Anglo-Saxon countries	65.2	24.4	42.8	16.2	6.8	(13)
West European countries	45.6	14.0	22.2	11.1	5.0	(22)
South European countries	28.9	7.9	17.5	11.3	5.9	(15)
Subsidiaries of foreign banks ²⁾	45.4	20.6	14.7	33.7	11.0	(6)
Total	46.6	16.1	26.8	16.5	8.4	(63)

1) Country groups are defined as follows: Finland, Sweden and Denmark; Great Britain and Ireland; France, Germany, Austria and Benelux; Spain, Portugal, Italy and Greece.

2) These are subsidiaries of French, German, Dutch and Belgian banks located in Luxembourg, Belgium, Portugal and Greece.

Source: Survey of Banks in Europe 1996.

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Table 4: Proportion of Women in Executive Positions of European Banks, 1990 and 1995 (in %)¹⁾

<i>(row percentages)</i>	Women in % of managers		Proportion of banks without women managers at this level		Number of banks
	1990	1995	1990	1995	1990/95
Board of Directors	5.0	4.9	51.5	51.1	(47)
Executive Committee	0.9	3.4	91.5	78.7	(47)
Directors/Heads of Divisions	1.6	4.9	65.8	52.6	(38)
Directors/Heads of Departments	10.4	13.5	31.3	25.0	(32)

1) Table refers to banks which provided data for both 1990 and 1995.

Source: Survey of Banks in Europe 1996.

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In top management in particular women are still very rare exceptions. As Table 4 indicates, the proportion of women among members of executive committees of banks increased from 0.9 per cent in 1990 to 3.4 per cent in 1995. At the level immediately below the executive board, e.g. the level of division directors, the proportion of women rose from 1.6 per cent in 1990 to 4.9 per cent in 1995. At the level of the board of directors, however, no significant change could be observed. In 1990 women held 5 per cent and in 1995 they held 4.9 per cent of the seats on the boards of

directors. Most of these women had been appointed to the board of directors as representatives of the banks' employees or outside public institutions. Only one in five female board members represented the interests of the bank's shareholders or owners.

A more detailed analysis shows that the moderate increase of women in executive positions in European banks is mainly due to the increasing numbers of banks nominating at least one woman for top level positions. Whereas in 1990 92 per cent of the banks in our sample still did not have any women at all on their executive committee, five years later in 1995 "only" 79 per cent of the banks still did so. The proportion of banks which had only male division directors went down from 66 per cent to 53 per cent over the same period. Inroads of women to the executive level of European banks, therefore, consist so far mainly in the nomination of "token" women. Rarely does any bank in our sample reach the ratio of about one third female executives which the American researcher Rosabeth Moss Kanter (1977) considered as critical for changing existing structures of gender specific discrimination in corporations.

The results indicate that the improved access of women to management does not automatically result in better promotion opportunities for women within management. This raises a question: which barriers and obstacles hinder women from entering higher level decision-making positions and contribute to the reproduction of gendered hierarchies in management?

3.2 Obstacles to Women's Access to Management

The literature reports on a number of different obstacles which hinder the access of women to management. At the individual level, women might not have the right education, might not have sufficient training or lack the necessary experience to be selected or promoted to a certain management position. At the level of the organisation, structural and cultural factors can become obstacles for women wishing to enter management. Among the structural factors are promotion and recruitment systems which might implicitly disadvantage women, i.e. by informal promotion without job advertising or giving women a career start mainly in specialised management tracks that in most cases do not lead into higher management positions. Due to an account of their underrepresentation, women managers might not have the same professional networks and personal contacts at their disposal for receiving information about vacant positions and possible promotions. Furthermore, male values which dominate corporate culture and the gender stereotypes and prejudices of personnel managers can keep women out of management positions. At the level of society, the unequal distribution of family obligations between men and women still notes it difficult for women to combine a management career and having children. The impact of these factors is likely to vary according to management level. In order to assess the relative importance, we asked women bank managers and banks to list the three most important obstacles for lower, middle and higher management.

In terms of recruitment and promotion criteria and processes, the results of the survey indicate that most personnel managers of banks and women bank managers see a glass ceiling between middle and higher management. According to both groups, the obstacles to women's access to management increase with management level: as Table 5 shows fewer than every second personnel manager (43 per cent) did not see any obstacles for women entering lower management, but only 17 per cent stated the same for higher management. Among the female bank managers, 11 per cent of the respondents did not see any obstacles for women entering lower management, only 1 per cent report the same for higher management.

The nature of the obstacles experienced by women managers are also documented in Table 5. Both personnel managers in banks and female bank managers point out that qualifications and family situation become less important as women attempt to move up into higher management positions.

At the same time, exclusion mechanisms built into the organizational structures and corporate culture of banks become more important .

Women managers report the following main obstacles for each management level:

- 61 per cent of the respondents see family obligations as the most common obstacle for women wishing to enter lower management, followed by male corporate values (39 per cent) and shortcomings in professional experience (36 per cent) and education (35 per cent).
- For middle management, the respondents again list family obligations (58 per cent), male corporate values (56 per cent) and lack of professional experience (38 per cent), but give more emphasis to lack of personal contacts (29 per cent) than to shortcomings in further training (25 per cent) or education (22 per cent).

Table 5: Obstacles to Access of Women into Lower, Middle and Higher Management from the Viewpoint of Personnel Managers and Female Bank Managers (in %)

Answers of Personnel Managers in Banks

Answers of Female Bank Managers

Lower Management	Middle Management	Higher Management	(Column percentages; multiple answers possible)	Lower Management	Middle Management	Higher Management
43.4	20.7	17.2	No, there are no barriers ¹⁾	11.4	2.0	1.4
56.6	79.3	82.8	Yes, there are barriers ¹⁾ , such as....	88.6	98.0	98.6
30.0	17.4	16.7	<i>Personal barriers</i> ²⁾ not the right education	34.7	21.9	21.9
33.3	21.7	8.3	lack of further training	29.8	25.3	11.0
6.7	17.4	31.3	lack of experience	36.3	38.4	29.5
73.3	63.0	45.8	family obligations	61.3	58.2	44.5
10.0	4.3	6.3	<i>Structural barriers in organisations</i> ²⁾ gender-biased promotion systems	4.0	6.8	17.8
10.0	21.7	16.7	career starts in specialized management tracks	5.6	8.9	11.0
13.3	15.2	25.0	informal promotion without job advertising	17.7	25.3	30.1
10.0	10.9	10.4	<i>Cultural barriers in organisations</i> ²⁾ prejudices of personnel managers	19.4	24.0	21.2
3.3	17.4	18.8	insufficient personal contacts	15.3	28.8	39.7
56.7	58.7	68.8	male values dominate corporate culture	38.7	56.2	77.4
53	58	58	Basis of calculations Total respondents (N)	140	149	148
30	46	48	Respondents who listed at least one barrier (N)	124	146	146
74	114	119	Number of answers	326	429	444
2.5	2.5	2.5	Average number of answers/respondent	2.6	2.9	3.0

1) Calculated on the basis of all respondents. Percentages add up to 100 %.

2) Calculated on the basis of respondents who listed at least one barrier. Since multiple answers could be given percentages do not add up to 100 %.

Source: Survey of Banks and Bank Managers in Europe 1996.

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- According to the respondents, the obstacles which prevent women from entering higher management are very different from those which confront them at lower levels. The majority of women managers (77 per cent) refer to male values which dominate corporate culture as the main obstacle. Apart from family obligations (45 per cent), respondents frequently mention insufficient personal contacts (40 per cent), lack of experience (30 per cent) and informal promotion without job advertising (30 per cent) as barriers which prevent women from entering higher management.

From the perspective of women managers, individual and societal barriers can explain to some extent why women find it difficult to enter management at the lower and middle level. As women progress further in their management career, however, these factors lose relative importance, whereas structural and cultural barriers within banks become more crucial.

The answers of *personnel managers in banks* draw a surprisingly similar picture to those of women bank managers, but also reveal some differences in intensity and focus:

- According to personnel managers in banks, the main barriers for women wishing to enter lower management are once again family obligations (73 per cent), male corporate values (57 per cent), a lack of participation in further training (33 per cent) and not the right education (30 per cent).
- In middle management, apart from family obligations (63 per cent) and male corporate values (59 per cent), women are mainly disadvantaged by a lack of further training (22 per cent) and a career start in a specialised management track (22 per cent).
- Personnel managers in banks also emphasise different barriers for higher management: 69 per cent of banks refer to male values which dominate corporate culture, followed by family obligations (46 per cent), lack of experience (31 per cent), informal promotion without job advertising (25 per cent) and insufficient personal contacts (19 per cent).

Compared to women managers, banks mention less frequently obstacles like gender-specific promotion systems and prejudices of personnel managers. With regard to the importance of cultural barriers within the organisations, however, the answers of banks and women managers coincide.

The results of the survey highlight several process factors that play a role in creating this glass ceiling effect. They confirm previous work which found that promotion and career advancement of women tends to take place more often within specialities than through moves into general management (Hammond 1988; Alimo-Metcalf and Wedderburn-Tate 1993). The way this contributes to the glass ceiling is twofold: First, although specialisation in management functions can lead to middle management, senior management demands broader experience. With specific reference to banking careers, this means gaining experience in such fields as corporate banking from which women are largely excluded (see also Bird 1990; Tienari 1996). Second, since female-style management specialities are associated with relatively little influence in the organisation, there is a (perceived) under-supply of female candidates for powerful positions in male-dominated specialities. Perceived lack of power and powerful contacts are serious impediments to access to powerful positions, particularly in systems and cultures whereby "power begets power."

Furthermore, the study underlines the importance of personal networks for career advancement. As several other studies show, women are less often part of such networks or they receive less support for their career advancement from these networks than men (Ibarra 1993; Scott 1996). On the other hand, research on mentoring programmes underlines their positive contribution to the career development of women (Berthoin Antal 1993; Segerman-Peck 1991). This goal, however, can be only reached if these programmes are fully supported by senior company management and higher level executives take also part as mentors in the programme.

The results of this study also point to the need for a more differentiated approach towards gender relations in organisations. Organisations are now for the first time employing a significant number of women who have reached mid-life and mid-career. These mid-life female managers have, as Gordon and Whelan (1998) indicate, significantly different needs in terms of organisational support than their younger female counterparts and their male mid-life contemporaries. At the same time, the results indicate that different practices and discrimination mechanisms might be at work at the various levels of an organisation, so that it is necessary in both research and policies to target more specifically particular groups and structures.

Such differentiation can be also observed with regard to promotion and career patterns. Despite internal promotion still being the dominant path into management positions, the likelihood of experienced managers being recruited from outside increases with management level. On the one hand, this implies that an increase in the number of women in middle management does not automatically mean that their access to higher positions will improve. On the other hand, as Adler (1997: 29) argues in an article on global leadership, women might inadvertently become prototypes for a career pattern that is likely to be needed more broadly in the future: moving across organisations and sectors of society provides for development of alternative perspectives and an understanding of the context that is almost impossible to acquire within a single setting. Initiatives which aim to facilitate the access of women to executive and leadership positions should, therefore, not focus too much on organisation-centered measures and increasingly encompass measures which facilitate upward mobility of women from outside the organisation and between organisations.

3.3 Suggestions for Enhancing Women's Position in Management

In the survey, we also asked women bank managers what were the best policies at company level for improving the women's access to different management levels. The answers summarised in Table 6 clearly reflect the differentiated assessment that women managers made with regard to obstacles:

Table 6: Suggestions of Women Managers for Improving Women's Access to Different Management Levels¹⁾

<i>(Column percentages; possible multiple responses)</i>	Lower management	Middle management	Higher management
Equal opportunities programmes directed at all employees	40.5	38.5	29.1
Child care provision by the company	43.9	35.8	23.6
Special courses to support women in management ²⁾	77.7	68.2	43.2
Public advertisement of positions	35.1	35.1	38.5
Revised selection/promotion procedures	24.3	33.1	41.2
Mentoring ³⁾	39.2	47.3	45.9
Quotas for female representation	12.8	14.2	22.3
Reduce workload of individual managers	10.1	16.2	12.8
number of responses	452	462	398
number of valid cases	148	148	148
average number of answers ⁴⁾	3.1	3.1	2.7

1) Respondents were asked to choose the three most important items in each column.

2) Includes answer categories "special training courses" and "self-awareness training".

3) "Official mentoring programmes" and "informal mentoring by female managers".

4) Calculated on the basis of the ten original answer categories listed in the questionnaire.

Source: Survey Women Bank Managers in Europe 1996.

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- Special courses to support women in management, child care provision by the company and company programmes for equal opportunities are the most popular measures with a view to improving the position of women in lower and middle management. For middle management, the respondents also refer to mentoring programmes.
- For higher management, however, the respondents have other priorities. Mentoring by experienced management colleagues (46 per cent), special courses to support women in management (43 per cent), revised selection and promotion procedures (41 per cent) and public advertisement of positions (39 per cent) rank high on the listing.
- On average, women managers suggested fewer measures for higher than for lower management even though they stated that obstacles increase with management level. This might indicate that the listed measures are only partially appropriate for higher management and that new approaches need to be developed to further women's access to top management.

3.4 Equal Opportunities Policies in European Banks

In order to know to what extent equal opportunities programmes have been already implemented in the European banking sector, the bank questionnaire addressed to personnel managers included items concerning banks' current policies in this field. Two out of three banks in the sample state that they have made efforts in this direction. In the following section we will analyse which factors have motivated banks to undertake such initiatives, what is the content of these initiatives and how they compare with the suggestions made by women managers in European banks.

Table 7: Banks which have undertaken Equal Opportunities Initiatives for Women in Management (in %)

<i>(row percentages)</i>	Proportion of banks with such initiatives	Total number of banks (N)
Location of the bank		
Anglo-Saxon countries	100.0	(7)
Scandinavian countries	84.6	(13)
Western European countries	65.4	(26)
Southern European countries	41.2	(17)
Type of bank		
International universal banks	81.0	(21)
National universal bank	56.5	(23)
Specialised bank	53.8	(13)
Number of employees		
fewer than 5.000 employees	52.0	(25)
5.000 - 19.999 employees	70.8	(24)
20.000 and more employees	77.8	(9)
Total	66.7	(63)

Source: Survey of Banks in Europe 1996.
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As Table 7 indicates Anglo-Saxon and Scandinavian banks are much more likely to operate equal opportunities programmes than West and South European banks. As we have seen, banks in the first two country groups employ a much higher proportion of female staff and might find it more difficult to ignore the potential of female candidates within their bank when recruiting for management positions. In addition, public debates on gender discrimination and equal opportunities have been on the agenda for quite a long time now in Scandinavian and Anglo-Saxon countries and equal opportunities legislation is in general more advanced and extensive than in other countries. These factors have probably also had a positive impact on the equal opportunities policies of these countries' banks. Furthermore, large international (universal) banks are more likely to have equal opportunities programmes than banking organisations which operate on a smaller and predominantly national scale (or are specialised banks). According to Berthoin Antal (1996), multinational corporations are exposed to fiercer competition and therefore motivated to make the best use of their personnel resources - which includes the promotion of female staff in managerial positions.

Table 8: Equal Opportunities Initiatives of Banks for Women at different Levels of Management¹⁾

<i>(Column percentages; multiple responses possible)</i>	Lower management	Middle management	Higher management
Equal opportunities programmes directed at all employees	30.2	23.8	22.2
Child care provision by the company	14.3	14.3	12.7
Special courses to support women in management ²⁾	31.7	25.4	9.6
Public advertisement of positions	33.3	30.2	17.5
Revised selection/promotion procedures	25.4	28.6	15.9
Mentoring ³⁾	22.2	22.3	15.9
Quotas for female representation	9.5	11.1	6.3
Reduce workload of individual managers	17.5	15.9	17.5
No such initiatives	33.3	41.3	54.0
number of responses	63	63	63
number of valid cases	125	113	73
average number of answers ⁴⁾	3.0	3.1	2.5

1) Respondents were asked to choose the three most important items in each column.

2) Includes answer categories "special training courses" and "self-awareness training".

3) "Official mentoring programmes" and "informal mentoring by female managers".

4) Calculated on the basis of the ten original answer categories listed in the questionnaire.

Source: Survey Women Bank Managers in Europe 1996.
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A more detailed analysis of the measures which banks have undertaken to improve professional opportunities for women managers - as shown in Table 8 - indicates that the banks which stated that they did make an effort in this field have very often referred to rather general equal opportunities programmes under this heading (see also Schultz-Gambard et al. 1993). With regard to **lower management**, for example, one third of the banks listed equal opportunities programmes directed at all employees and 14 per cent of the banks mentioned the provision of child care which again was available to all employees in these banks. If we concentrate on measures specifically addressed to women in management, the number of banks which have implemented such measures diminishes considerably in our sample. About one in three banks offers special training courses for female managers in lower management. In order to reduce direct and indirect discrimination, one out of three banks now advertise all positions in lower management publicly and one out of four banks has revised recruitment and selection procedures at this management level. In one out of five banks,

women in lower management can expect to find advice and support from mentors; these are, however, often part of informal arrangements by women for women and not institutionalised as official company programmes. Quotas for female representation are very rare in the banking sector: only one in ten banks in our sample reports that it has established such quotas in lower management.

A comparison of the measures which banks have implemented for different management levels shows that in *higher management* in particular they still have to catch up in the light of the needs which female bank managers expressed in the survey. But even among personnel managers in banks there seems to be a considerable gap between their appreciation of the difficulties which women face at this level (see section 3.3 above) and the measures which their bank has undertaken to overcome these difficulties. For example, 69 per cent of the personnel managers in banks referred to male-dominated corporate culture as a main obstacle for access of women to higher management, but only a small minority has actually undertaken measures aimed at removing this barrier: Only 18 per cent of the personnel managers state that their bank has started to advertise higher management positions publicly and 16 per cent indicate that their bank revised their recruitment and selection procedures at this management level for these reasons. Fewer than one in six banks offers mentoring programmes in higher management. Just 6 per cent of the banks in the sample have set numeric goals for the proportion of women in higher management. Paradoxically, the number of equal opportunities measures decreases as management levels increase even though both personnel managers in banks and female bank managers identify particularly strong and persistent obstacles at this level.

Equal opportunities measures oriented above all towards women in management are most likely to be found in banks which have their headquarters in Scandinavia or Great Britain. These banks operate in a specific institutional and legal context. Equal opportunities legislation in most Scandinavian countries requires that public and private employers establish equal opportunities plans which include the managerial staff and report regularly on the results of their policies. In Great Britain, market-based self-regulation of employers has been established in the field of equal opportunities. Companies which participate in the "Opportunity 2000" initiative - among them the largest British banks - have agreed to appoint equal opportunities officers and to develop equal opportunities plans which guarantee that employees are not discriminated against in terms of sex, family status, colour and ethnic origin. With regard to the promotion of women, companies have to define equal opportunity goals which they want to achieve by the year 2000, to publish these goals and issue regularly public reports on their achievements (Vinnicombe and Colwill 1995). The equal opportunities initiatives of West and South European banks, in contrast, focus more often on qualification measures and reconciliation of family and work. These country-specific differences indicate that although equal opportunity policies in management are first and foremost a company matter, they have also to be seen in their institutional and legislative context.

4. Conclusions and Recommendations

The results from the survey of banks and women bank managers in Europe show that women are still rare exceptions in the top executive positions of commercial banks. In 1995, only 5 per cent of the members of boards of directors and 3 per cent of the members of executive committees of banks were women. Despite a gradual increase from 6 per cent in 1990 to 8 per cent in 1995, the proportion of women in higher management is still much lower than in middle and lower management.

Banks and women managers report that there are many more and different obstacles for women wishing to enter higher management compared to lower management levels. Both sides underline the importance of cultural and structural barriers within banks when it comes to women entering the top level of management. Male values dominate corporate culture in many respects: they are implicit in the requirement to be available full time for the job, they are hidden agenda in recruitment and promotion procedures and they may affect the availability and support from mentors for potential candidates for higher management. In order to tackle these cultural barriers, companies should step up awareness-raising programmes for the entire top management.

The results also indicate that top managers are increasingly recruited from outside the organisation. This implies that company-specific programmes for improving women's access to higher management are limited in their effectiveness where they do not include a cross-company perspective. Internal equal opportunities programmes can easily be counteracted if the top positions continue to be filled with male candidates from outside. What is needed is better networking and coaching of promising women managers across both national and European banking sectors.

One of the most interesting results is probably the importance that women bank managers attach to the support of a mentor as a necessary requirement for access to higher management. From the literature, it is known that mentors are likely to support juniors who show similar characteristics. There are only very few women in top management who can become "natural" mentors for younger women. How can male managers be motivated to mentor men and also to support women? According to the suggestions that women managers give for positive action, there is a substantial need for formal and informal mentoring that has not yet been taken up sufficiently by the banks.

Numerical targets might be another measure which could help to break the "glass ceiling" - even though they are not among the most popular measures for banks or women bank managers. Past experience shows that a critical mass of women at lower levels of the organisation does not automatically close the gap beyond the "glass ceiling." More positive action programmes are needed to target higher management in particular. Country differences which we noted with regard to the formalisation of equal opportunities goals at higher levels of the organisation suggest that the institutional and legislative context in which banks operate is an important factor. Of course, it is first and foremost corporate leaders who are called upon to establish and implement equal opportunities policies which guarantee equal representation of women and men in recruitment and promotion of managers and enhance the likelihood for women to be appointed to executive positions in the European banking sector. Nevertheless, European societies also have a responsibility to establish a legal and institutional framework which sets incentives for banks and other business organisations to take equal opportunities policies seriously.

The results we have presented for the financial sector indicate strong interactions between quantitative and qualitative factors: the absence of women from decision-making leaves the way open for the particularly strong dominance of male values in the sector's political and corporate culture. The dominance of male values, in turn, represents one of the most important barriers to women's access to higher decision-making positions. To break this *vicious circle* it will be necessary to combine

- firstly, measures which aim at achieving *the quantitative target* of balanced representation of women and men at the different levels of decision-making in European banks. Such measures can include special leadership training for women, equal opportunities initiatives in higher management and mentoring and support networks for existing and potential women leaders in this sector;
- secondly, measures which aim at a *qualitative change* in current structures and values in the decision-making of the banking sector. How can these structures and values be changed so that equivalent recognition is given to women's and men's different contributions to and patterns of decision-making? A critical revision of the criteria and selection processes for leadership positions which currently work to the disadvantage of women would be a first step in this direction. A public debate is also needed is on what constitutes socially-constructed "male" and "female" approaches towards money and power, and how they can be successfully integrated into a more gender-open leadership type;
- last but not least, measures which aim at *monitoring* the processes initiated and the results achieved by these measures. One valuable example of how such monitoring can be combined with awareness raising initiatives is the "European Data Base - Women in Decision Making" which has been developed for the political sphere by the Women's Computer Centre in Berlin and will be extended in the near future to the financial sector.

The under-representation of women in commercial banking and other finance companies wastes talent and competence. Skilled women are a vital human resource and enhancing their career opportunities can help to overcome skill shortages which might otherwise arise in the medium term. In the future, social and communicative skills, more likely to be found among female than male managers, will be crucial for the business performance of more decentralised, flatter organisations. Managing employee diversity as a source of business success is another important reason for expanding and elevating the positions of female bank managers. As the EU draws its Member States into closer integration, there are strong strategic and marketing reasons for a diverse senior management team that reflects the pluralistic and global markets in which banks are selling their services. Given the increasing purchasing power of women, female managers can make a major contribution within bank management teams to reflect more closely the gender make-up of markets. Balanced participation of women and men in decision-making will produce different ideas and styles of economic behaviour. It will contribute to the economic performance of banks and other financial companies by taking into account the interests of both female and male financial customers and using more efficiently the human resources of female and male employees.

With the creation of the European Monetary Union we are entering a new era in which decision-making in the financial sector is making on a much stronger European dimension. Now, more than ever before, at stake in both democracy and economic efficiency will be equal representation of women and men in the decision-making of European banks.

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