

Pioneering women in the oil and gas sector: securing human resources for tomorrow's economy

Statement by Ole Bjørnøy, ambassador of Norway to the Republic of Kazakhstan, 8. 10. 2013

(Check against delivery)

Dear participants

First of all, I would like to extend my gratitude to the organizers of Kazenergy for inviting me to this Women's Energy Club meeting.

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As many of you will be aware of, gender equality is very important to Norway, in fact so important that in 2005, the Norwegian government made equality between men and women one of its top priorities – both in domestic and foreign policy. My objective today is not just to explain why it is a priority, but more specifically why it is and should be an economic priority and why the lessons learned from gender equality are particularly relevant for the oil and gas sector.

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First of all, there is no doubt that oil and hydrocarbons have helped Norway get prosperous. As of March 2013, the total value of the government pension fund – commonly referred to as the oil fund was 729,2 billion USD. That makes it the largest sovereign wealth fund in the world. It holds one percent of global equity and is the largest stock owner in Europe. The fund is also present in Kazakhstan, where it owns shares in Kcell, KazMunaiGas and Kazkomertsbank for a total value in excess of 30 million USD.

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But it is not oil, gas, fisheries that will make our future living and it is certainly not financial assets. It is our inhabitants and their competence - the combined value of our human resources – the work, knowledge and innovation of our people which is the most important.

Estimates from the Norwegian Ministry of Finance, show that the value of our current and future employment – the human capital – makes up 81 percent of our national wealth.

In comparison oil and financial assets represent only 8 percent.

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So in which sectors of the economy are our human resources best employed? Where is our competence and where are our competitive advantages?

I would like to list five sectors in particular. As you will see, they are all linked to the particular proximity which exists between the Norwegians and the sea.

1) Energy – by energy, I do not refer to the value of our oil and gas exports, but to the petroleum service cluster, which is Norway's biggest industry and our second largest export article.

2) Marine resources – Norway is the world's biggest exporter of fish. Half of all fish is bred, requiring technology intensive methods and the highest phytosanitary standards.

3) Norway is a leading country within the field of green technology. We have important hydropower resources, we are one of the world's largest producers of silicon solar cells and due to the use of clean emissions technology every unit of oil and gas produced on the Norwegian continental shelf leads to only half the world average emissions of climate gases.

4) Maritime sector – Norway has the world's fifth largest merchant fleet, the same size as the USA

5) Tourism. Norway is famous for its long and spectacular coastline. In 2010, 4,8 million foreign guests chose to visit the country – that is one tourist for every Norwegian.

As you can see, the oil industry has had many positive effects. Through its numerous spill-over effects, it has rendered employment, workplaces and highly skilled industries in other sectors.

Which all brings me back to the spinal cord of our future prosperity – the industriousness, the knowledge and the innovation of our people.

For in 1971, in the same year as Norway embarked upon a remarkable adventure when oil production started on the Continental shelf, another, even more spectacular adventure, had already commenced.

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In 1971 only half of Norwegian women participated in the labor force. Today, the same figure is over 75 percent. That is one of the highest rates in the world and 16 percentiles more than the OECD average.

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So, dear participants – my point is the following : If female labor force participation would be reduced to the OECD average, the value of that loss would be the equivalent of our entire oil fortune – including subsoil deposits.

Equal opportunities between men and women are more than just a measure of fundamental rights – it is one of the most effective driving forces behind economic development.

And women are half of that population.

If women and men had equal economic opportunities, it would be a considerable financial gain. Numbers from the World Bank shows that this would mean a growth in productivity, from 3 percent

up until as much as 25 percent in some countries.

In Norway high participation of women in the labor market goes hand in hand with one of the most productive labor forces in the world. At the same time they are establishing families: the average Norwegian fertility rate of 1,85 children per women is amongst the highest in Europe.

This did not just happen however. It is the result of many years of struggle and alliances between women`s organizations, political parties, trade unions and employers.

I will give three examples of the results from these achievements in Norway:

Firstly:

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Paid parental leave and the right for women to turn back to their job afterwards ensures that women don't have to choose between a career and a family life. Today the parental benefit period is 52 weeks with 80 percent salary. 12 weeks have been earmarked for the father.

This is why I particularly salute president Nazarbayev's speech to the parliament of Kazakhstan where he underlined the necessity of compulsory pension contributions to working women on parental leave.

Secondly:

Rules to adapt work and family are equally important to ensure that women stay in their job after having children. In Norway these rules ensure the right to reduced and flexible working hours for parents with small children, shielding from overtime, and the right to take up to ten days off from work every year when the child or baby is sick.

Thirdly:

The building of kindergartens and the guarantee of full kindergarten coverage of high quality at a regulated price is crucial for women who do not have the means to pay expensive nannies or an extended family which is able and willing to help out.

To summarize, three elements of our social model have proven essential to keep women in the workforce: paid parental leave, rules to adapt work and family and the building of kindergartens.

However, this doesn't mean that we have reached some kind of gender equality utopia in Norway. So let me name two problems and attempt an explanation:

Women still only hold 31,5 percent of leadership positions in Norway, but most of these are middle management jobs. We see that men in top management jobs take less parental leave and thus make

it less attractive for women to aspire to such positions. But the aversion against parental leave is a matter of work culture and perceptions – not of realities. The world does not go under by someone being away for a few months.

There is also a clear divide between the public and private sector. Whereas women represent more than 70 percent of the public sector, they are still only 36,3 percent of the workforce in the private sector. Again, the idea that the public sector is safer and more flexible than the public sector is largely a myth. In fact, many employers in the private sector are willing to go far in offering flexible solutions. They have understood that they have to offer this to stay competitive.

How does this relate to the oil and gas industry?

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First of all, there are still too few women in leadership roles in the oil and gas industry. Only two out of 10 employees in this industry are women, and they become fewer and fewer the higher up in the system. The oil and gas industry, which is Norway's most important sector, still has a long way to go in terms of gender equality. Underrepresentation of women means that we lose unique competence, competence who could have been a driving force for a more efficient and profitable industry. Fortunately, more and more employers see and understand this and have taken specific measures.

Offshore shift jobs used to be built for men by men. With total masculine dominance no one had thought of gender equality or adaptation. In the mid-1970's, it used to be a world without wardrobes for women, without toilets, without proper accommodation. In 1977, the first women were hired. Things are steadily improving, but there is still a long way to go: Today, 10 percent of all personnel working offshore are women, up from a mere 3,5 percent in 1985. This shift did not take place without active political measures and encouragement.

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There are no good reasons why there should not be more women at all levels: two thirds of the jobs in the oil and gas sector are onshore jobs who are very much about teamwork, analysis and office work. These jobs can perfectly well be combined with children, there is sufficient freedom and flexibility in these jobs. And everyone who has had small children knows the value of this.

Changes do not come about without initiative and political will. In 2006, the oil and energy ministry commissioned a major report on "The representation and influence of men and women in the oil and energy-sector". Surveys showed that only 20 percent of oil companies had defined objectives for gender equality, 8 percent had an action plan for gender equality and 23 percent had taken active measures to increase the female workforce. There had nevertheless been a positive development. The share of companies who had taken measured to increase the female component of the workforce had more than doubled from 2002. Today it is an established norm – at least for major oil companies.

Attracting women to the oil and gas sector has been a long and ongoing struggle. 72 percent of Norwegian girls are not interested in working in the oil and gas industry, compared to only 37 percent of boys.

Only 22 percent of those who seek employment in Statoil - Norway's biggest oil company - are women. But active steps are taken during the recruitment process and one out of three employees are women. The company has understood that if nothing is done to recruit them a great deal of talent is lost. And when women are hired, it is important to give them the same opportunities as men. 32 percent of leaders are women and in top management, the share is 20 percent.

The rapidly expanding exploration and production company Wintershall Norway is leading the way and has 44 percent women employees.

Competent female leaders attract and encourage other competent women. It is therefore particularly encouraging that the industry itself takes steps to promote female leaders. Through "Female Future", the Norwegian Oil and Gas association has put up a specific career development program for women in the oil and gas industry. Focus is on leadership, profiling, board committee work and networking. Companies themselves nominate participants to the program and take on an obligation to promote the candidates to management positions and eventually board committees.

Female oil-pioneers have set the direction for others to follow.

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In 1983, Anne Grete Ellingsen was made platformleader at the small DP2 platform on the Frigg oilfield in the North Sea. This made her the first female platform leader in the world. Many more have followed, pioneers in all positions and in all fields.

Gro Bækken is managing director of the Norwegian Oil and Gas association, Anne Næss Myhrvold leads the Petroleum Safety Authority of Norway. BP Norway is headed by Rebecca Wiles and her colleague in Exxon Mobil's Norway branch is Meg O'Neill.

In Norway's oil capital Stavanger the ordfører – the akim, is called Christine Sagen Helgø and the fylkesordfører of Rogaland – the akim of the oblast is called Janne Johnsen. And soon Norway will have a new government headed by another woman – Erna Solberg.

Norway will continue to set the agenda for gender equality, equal rights and equal opportunities, in all sectors of society, both onshore and offshore.

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