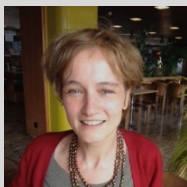


WOMEN AND FINANCE

Women's voices from the FEBEA network

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Interview with:



Liesbet Loeys
Hefboom



Charlotte Skovgaard
*Merkur Cooperative
Bank*



Fanny Gerome
France Active



Please introduce yourself

Liesbet Loeys (**LL**) is working for the cooperative Hefboom. Hefboom was founded in 1985 to act as an intermediate between shareholders (individuals and civic society organizations) that want to invest their money ethically and a wide range of professional initiatives in the field of social and sustainable economy.

Charlotte Skovgaard (**CS**), 49, CEO, Merkur Cooperative Bank, Denmark.
CEO since September 2020, after almost a year as director in charge of customer relations and internal service functions at Merkur.

Fanny Gerome (**FG**) works for France Active, France. France Active is a pioneer network in the field of solidarity finance, it has been supporting and funding businesses for more than 30 years. Last year it raised over €410 million for 30,000 companies. France Active is more than just a network. It is a genuine movement of *entrepreneurs engagés* who seek to build a more cohesive, solidarity-based society. Its mission is clear: to accelerate the success of entrepreneurs by giving them the means to commit to the social, environmental and economic development of their region.

How would you describe/explain your experience in the field of finance?

LL: I have worked in finance in different fields. First of all I worked several years for the corporate tax department of the Ministry of Finance in Belgium where I was taxing Belgian branches of big multinational companies, a task that most of the time resembled a David versus Goliath struggle. After that I learned to know the world of trading rooms, private wealth, asset management by working for the financial information division of Reuters in Geneva and Brussels. This was in the late nineties and what already struck me at the time is how little some of the users knew about the instruments and underlying assets that they were trading and how far removed from the real economy all this was. I think I can say that these two professional experiences made me reflect and in 2004 I made my way in ethical finance, more specifically as credit consultant at the Swiss Alternative Bank and at Hefboom in Brussels. **I am on the field, in touch with real people, and real projects that make a difference for society and this gives me purpose.**

CS: I have a solid background in the traditional banking/financial sector, and have found a renewed sense of a larger purpose with banking in Merkur, Denmark's largest completely sustainable, values-based bank combining classical banking with a vision of a sustainable society. I've worked with banking and finance my entire adult life, both within the sector and as a management consultant with a focus on the financial sector. Throughout my career I've always strived to innovate, improve and develop. Both in terms of simply doing things smarter and better, but also through a keen and sincere interest in customers. How to attract them and keep them, and

how to design and ensure the good customer experience have been among my main priorities throughout my career.

I am also co-founder of the online Coop Bank – owned by a Danish cooperative grocery chain association with 1,4 million members.

In general, in this world (finance) but not only, there's not a good balance between men and women in top positions. Why do you think this happens?

LL: Certainly not because of lack of competent and qualified women in society!

A lot has to do with psychology.

There is still a lot of unconscious stereotype thinking - even by those that like to think of themselves as progressive. Unconsciously women are still today more easily associated with “soft qualities” as empathy, sociability, dedication, caution, even beauty! On the other hand men are associated with what are considered “leadership qualities” as determination, ambition, drive and risk-taking. This plays a role in the selection for candidates in top management positions.

Women themselves too are victim of this stereotype thinking, because they underestimate themselves a lot and only tend to apply for top positions when they are sure they meet all the requirements.

The male culture at the top is not so attractive or easy for women to be part of. This culture can only be changed by having a critical mass of women on board. As long as there is only very few women at the top, these women will always first be perceived as women and not as persons with own qualities. **Once you have a larger representation and women are no longer an anomaly, there is room for change towards an inclusive culture** where women can be themselves instead of trying to adapt or having to stand their ground against men.

CS: No, and that is to say the least. Here in Denmark, where gender equality is prevalent in so many aspects of work life, we're still only five (5!) women in top-management in the financial sector. This is despite the fact that we Danes have rights to publicly supported maternity leave for both parents, we have excellent, accessible and affordable daycare and after-school care for children, as well as a genuine public focus on cross gender talent recruitment, just to mention a few aspects that may be a barrier in many other countries. In Denmark we have the largest percentage of working women in the world, women even hold 50% of positions in the financial sector. Still, only 26% of mid-management and up financial positions are held by women.

It is a common myth that women don't want top positions, numerous reports show that this is not true. There are plenty of women that have both the talent and the ambitions to make it all the way to the top.

In my perspective there are numerous reasons as to why so few of us do. Habits are one. It so much easier to do today what you did yesterday, than it is to decide to change. This means that both internal and external candidates never make it to the top, simply because **there is no sincere focus on developing and seeing women talents as candidates for management. Women need to express their ambitions more – and to dare do it.** But overall, it is a shared

responsibility of both top management, recruiters and HR departments combined to make sure to look beyond the bias of habits and have the numbers change.

And in order to make real change, it's the top management that holds the key – a culture change must start here.

And if asked the question as to why is it important to have women in top positions – in general and in the financial sector my answer is this: To overlook one half of a population of talent, whether it is caused by bias, habits or ignorance, is a blind spot and bad for business, because you simply waste potential talent. **You miss out on the important value diversity and different angles have on agile strategy and decision making.** Many excellently qualified (women) candidates will be overlooked, simply due to the fact that they are not a mirrored image of male recruiters, unless these are conscious of their biases. And yes, there may be differences in the way the genders act, appear and talk, but there must be room for these differences – for the benefit of business and to let some fresh air and thought enter the top floor.

FG: There has been a lot of progress in recent years, in all sectors, and also in the financial sector, which is traditionally more masculine. **However, there is still a long way to go to really achieve equal opportunities and equal access to positions of responsibility.**

Is it the same among ethical banks and ethical finance organizations? Which critics - if you have any – are to be made to the entities that promote this alternative economy but sometimes reproduce systemic dynamics?

LL: Ethical Finance organizations differ a lot from each other and it is difficult to generalize. But of course they are faced with the same realities as mentioned above. Some of these institutions probably have already taken action and others are maybe stuck in the intentional stage.

As for FEBEA itself, things could be better. Two of the twelve board members are female. There is awareness of this but not enough to take immediate action. It is more seen as a fatality. Also the annual international conference that is organized every year is very “virile” with overwhelming amounts of male speakers. Whereas women mainly are bringing around the drinks and translating the words of men.

In my own organization Hefboom I admit we also have work to do. Women are underrepresented at board and direction level.

I think ethical finance should lead by example. Change does not happen overnight but the sense of urgency has to be there and has to be taken seriously at board levels with concrete action plans that follow.

CS: It is hard to make statistics based on only five Danish women CEOs. But the other four women in top-management are in traditional banking. I got my position because I was the best qualified candidate, not because of my gender. This is how it's supposed to be. This being said, I'm sure that the focus on diversity which is among the must win battles in a values-based organization like

ours, where human rights and respect for the individual is written in our business model, has helped the executive board that hired me to look more widely for just the right candidate for the job. To look beyond biases and old habits. Again, diversity is a top-management responsibility. This goes for values-based businesses as well as for any business. **Unequal representation is both antiquated and bad for business, so just get on with it, there's no reason not to.**

(Please note: Merkur does not work for an alternative economy, as stated in your question, but for making the world a better place by channeling finances to where money can drive positive progress. This is not being an alternative economy, it's core banking business with a values-based business and revenue model).

FG: Unfortunately, the universe of ethical finance is not exemplary on this subject even if, as elsewhere, the road to equality is underway! **At France Active, for example, in a few years, the management committee has achieved gender parity** and many positions of responsibility are held by women. A great evolution! **However, much progress remains to be achieved in our governance bodies to ensure a better balance in the representation of men / women.**

More broadly, the situation is quite similar in the world of the French social and solidarity economy. ESS France, the representative body of ESS organizations, only two years ago launched an Observatory for Gender Equality. The analysis of parity in the governance bodies of associations, cooperatives, etc. suggests significant room for maneuver!

Have you seen changes in the last years? If the answer is yes, what do you think they are due to?

LL: Yes, awareness in society is rising and more and more role models are appearing. In Europe by the way, we have a wonderful role model in the person of Christine Lagarde as president of the ECB. Moreover she is herself very supportive of the female cause and committed to the improvement of diversity in general at the ECB.

In Belgium more than forty financial institutions adhered to "Women in Finance" and signed a charter by which they engage themselves to make work of action plan for gender diversity.

Change can happen quickly once those at the top all of a sudden realize the necessity and the urgency. **Once boards take real commitment and put real objectives and policies in place things can move fast.**

Organizations that succeed do this by thinking differently: for example instead of accepting the idea that a management position for a woman is not possible in combination with pregnancy or raising young children, the question should be reversed and instead of that organizations have to ask themselves how to attract and accommodate those women.

CS: I definitely see progress and more attention being given to gender equality. Still no great revolution has been made in terms of more equal representation in large numbers, but I believe it's

coming. We have new generations of both men and women to whom equality in all meanings of the word comes much more naturally than to my own and past generations. To them, it will be a self-evident routine to have women in top positions. They won't think twice about it. But instead of waiting it out a generation or two, **we can speed up progress by making clear decisions about diversity when hiring.** If this means making quotas for women in management, so be it - sometimes we need strict guidelines to make things happen.

And the future is watching us! I believe that in some years to come we will look back on today's misrepresentation and wonder what took us so long to fix this – and why.

Does this lack of representation have consequences in the decision-making process in the organisation? And on the projects that social and ethical financial entities decide to support or finance? If yes, which? If not, how is that achieved?

LL: At Hefboom there is a compensating factor for lack of representation at the top and that is the democratic structure of the organization. **Organizations like Hefboom have a transparent and democratic internal decision making. This makes it possible for women (and for anyone) at the lower levels to express their point of views and put forward their ideas.** Moreover, the consultants working at Hefboom are the ones that are in touch with the organizations on the field. They are the ones that bring on the projects to be financed. In this way women also do have a big influence on the organization, only is this not reflected in the formal structure.

CS: No. Being the CEO, of course I have the final say over many decisions, and throughout our organization women are well represented. Even before I was appointed CEO, the male management sought advice and counsel from women employees and experts within the organization. So, this is not a problem in our organization. Gender does not have an impact on what we finance or support. We have strict guidelines as to which type of businesses and projects we support and lend money to, but they are based on standards of sustainability and positive progress, and of course the level of economic realism, but nothing else. Thus, there is no difference as to how our male and female investment advisors make decisions.

FG: It's hard to say that this has consequences. We nevertheless observe a much lower proportion of women managers among the companies supported by France Active. **Special attention is therefore always paid to women entrepreneurs because we know that they often face more difficulties than men in convincing, in particular funders!**

What are the kind of proposals inside ethical finance entities you think are genuinely made by women - with gender perspective and thinking about women's needs? Do you think they have something in common?

LL: I am not sure it is the right way to turn the question; asking specific female decisions as opposed to specific male decisions.

What I am sure about is that decisions made by more diverse teams will be better decisions.

Companies do need diversity in people in order to have diversity of thought and not have blind spots in decision making. Especially ethical finance organizations will benefit from diversity and inclusivity. Why? Because the projects they finance are very often directed towards diversity and inclusion of people. Isn't it strange to finance projects that help immigrants start their business, find housing or a job and there are no people from different cultural backgrounds in your own institution? Imagine what expertise and knowledge and network you could gain by having them on board.

But most of all we should not forget that gender diversity and more generally cultural and social diversity first of all is our duty because in a society everybody needs to get equal chances. This is basic democracy, otherwise people or groups feel excluded. **Diversity of society has to be reflected in the organizations. This will ultimately lead to more cohesion in society.**

CS: I don't really buy into the premise of that question. **I think men and women make the same kind of qualified decisions.** And I definitely don't buy into beliefs that women should be, or are, better qualified at making ethical financial decisions than men.

Merkur is founded by a man and has been run by him for the past 39 years. All the way through the male-run Merkur, the organization has had focus on sustainability, equal rights, climate and ethics. The world around us has changed a lot during this period, which has an impact on the kind of decisions and safety measures needed to run a bank of today. So, if anything, I have to make tougher decisions than my male predecessor. Simply because that's what's required by law and regulations nowadays.

In Merkur we make decisions and proposals that take humanity into consideration, not favoring one characteristic over another. We have no specific projects or products aimed at one specific gender, but we strive for diversity within our organization – across gender, age, ethnicity, etc.

And looking around in my network, I don't see any difference in the decisions made on the basis of gender – but on personality, perhaps, cross genders.

FG: Through my experience, I have noted that the notion of cooperation, of collective is often carried by a more feminine dynamic. Even if this assertion should be qualified since **I do not really believe in the automatic association of qualities with a gender, the human being is fortunately more complex than that!**

However, women often bring a stronger collective and participatory spirit to an organization. This resonates perfectly with the values carried by ethical and solidarity finance organizations, in particular our own. France Active is a network of 40 local associations acting as close as possible to the field, and a national association with pooled financial companies. A real field of experimentation, even learning of cooperation, and of the collective! It's not easy every day but it is a real strength!

For a more abstract overview, what are your ideas of a more fair relationship between finance and society?

LL: We need a financial system that includes and not excludes people, that creates real value for society instead of short term speculative profits in its own interest. How? By investing in the real economy by providing productive finance to real households, real companies and real projects.

The momentum is there for the sector to re-gain the faith of the citizens. The finance sector is indispensable in the years ahead in bringing on the necessary transition to green and low-carbon economy and this in a way that does not leave the most vulnerable behind. Investment choices today determine the world we live in, in 2030 and beyond. The sector therefore has to start making responsible and ethical investment decisions today. Biggest obstacle for a fair relationship between finance and society however is short-termism. This is reflected in the focus on short-term profits for shareholders, short term and excessive bonus and remuneration systems and so on... When instead investing with a long time horizon, the adverse effects of rising inequality, pollution and climate change would be taken into account, this would make green and responsible investments more attractive compared to the business as usual investments.

Another factor is uncertainty due to lack of clear national policies with regard to climate change. This is the task of politics. But politics is also stuck in short-termism. I would therefore say that **in order to get a fair relationship between finance and society we have to find a way to do away with short-termism.**

Secondly, for a just transition, investment should as much as possible be socialized. The necessary infrastructures and innovation need to be financed by ECB through multilateral (EIB), national and regional public investment vehicles in coordination with public banks, cooperatives etc. Otherwise the money flows from ECB risk financing the wrong projects or ending up in the hands of the *usual suspects* that will continue to possess the assets, collect the benefits and extract wealth from transition investments.

Lastly, I would also urgently plead for a change in the way economics are taught in universities. This education has not changed a lot since I was a student (unfortunately some time ago), and is still one-sidedly focused on the neoclassical doctrine. Economics is taught as a mathematical science, too theoretical and without regard for the real challenges on the field. **Economics cannot be reduced to mathematical formulas because it has a lot to do with our conceptions of how a good society should work.** There has to be bigger role for ethics and critical thinking. Ethics should not only be taught as separate course but integrated within the different courses of finance, economics, banking, business and so on. How can one expect to have a fair relationship between finance and society when even university and business school study programs do not make this connection.

CS: Money is power, and true positive change occurs where money is channeled to. This is our working beacon. This means that the financial sector can and should make positive change

through our investments. I.e. if we invest in businesses that work with solutions to climate change, we actively drive progress towards a cleaner environment. If we invest in projects that support better education, social integration and communities, these will thrive, and even more people and investors will be drawn here. This is the positive spiral for progress and development that money can achieve. This is even good business, because there is a huge demand for sustainable solutions to almost all aspects of life and industries at the moment. **As financial institutions we all have an obligation and a chance to do good for the planet. Because we have the money and the power to spend it wisely.**

FG: At France Active, we defend the idea of finance at the service of society, and in particular the engine of social and environmental transformations. We believe in the engaging power of finance as a link in a virtuous chain.

The example of the success of Solidarity Finance in France proves us right, in 2020, solidarity outstandings reach almost 16 billion euros thanks to the mobilization of committed citizens to give meaning to their savings.

At France Active, in cooperation with the traditional financial sector, which collects these savings, **we are committed to investing for the benefit of meaningful projects, with very strong impact for our territories and our society!**