

Panel Presentation by Senator Vivienne Poy

**Women, Business & Politics
in the Canadian Context**

**"Creating an Entrepreneurial Culture:
the nexus between politics and business"**

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Hong Kong**

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Friends and sisters from our world community:

Although there have been considerable advances in most countries over the last three decades, gender discrimination remains pervasive worldwide. Change is needed if individuals - and nations - are going to achieve their full potential. We now make up the majority of the world's population (51%). As such our potential economic and political impacts are profound. It is, therefore, in the interest of all societies for the gender gap to narrow.

In the West, there have been significant gains in gender equality over the last few decades. Much of the reason for the change in women's status has to do with our increasing economic power. As we enter the workforce and found businesses, we also gain greater political clout.

According to a recent report by the World Bank, although the gender gap exists in all nations of the world, the situation is most severe in developing countries. It stated that "societies that discriminate on the basis of gender pay a significant price in greater poverty, slower economic growth, weaker governance, and a lower quality of life." In contrast, those countries that adopt specific measures to narrow gender gaps progress more rapidly economically and have more ethical business and government practices, and where the influence of women in public life is greater, the level of corruption is lower. Therefore, women are a positive force both economically and politically.

Unfortunately, economics has usually been studied in isolation from all other elements in society. Women's work in the informal economy in many countries, and in unpaid labour, such as in food production, has not traditionally been quantified in the GNP as Marilyn Waring pointed out in her book *"If Women Counted: a New Feminist Economics"*. It is not surprising, therefore, that the World Bank Report noted that African countries could boost agricultural productivity by 20% by granting African women access to education and land.

Accounting for social and political factors in economic outcomes has become increasingly significant to the health of economies, in light of the Asian economic crisis in the late 1990s, in which corruption and a lack of transparency in business practices were cited as major catalysts.

Despite growing awareness of the need for political participation, women continue to play a limited role in public life worldwide. The International Parliamentary Union (IPU) reported that despite the fact that women are gaining ground in legislatures around the world, we still account for fewer than 15% of members of all Parliaments. Women make up only 14% of the members of lower houses and 13% of the upper chambers. While women are most strongly represented in Nordic countries, their representation dropped in some developing countries in the past year. Therefore, it was certainly encouraging to hear 2 days ago that over 30% of the cabinet of the government of South Africa consists of women. In Canada, women hold 21% of the seats in the House of Commons and 36% in the Senate, so we are also doing better than the global average.

Najuna Heptulla of the IPU said that although the overall advance is laudable, it falls far short of the criteria for democracy because real democracy assumes "a genuine partnership between men and women".

In Canada, where we pride ourselves on the gains made in terms of women's equality, businesswomen are still shut out of many of the top positions in Canada's 560 leading companies. Women fill a mere 2% of CEO positions, 3.4% of titles with significant influence, and only 7.5% of board seats. You might expect a company like Thomson Corporation, owner of one of Canada's national newspapers, the Globe and Mail, to have a significant number of women on its Boards since women play a prominent role in communications. But that is not so.

In fact, nearly half of Canada's largest corporations have no women in senior management posts. The Canadian figures show that while some companies are making an effort to actively encourage women's involvement, others such as Onex Corporation, Seagram Co. Ltd, and Thomson Corporation remain firmly committed to male dominated management styles.

However, there are some surprises. Women are heading industries where one might expect to find men. For example, two of the major car companies have been led by women. In 1994, General Motors promoted Maureen Kempston Darkes to the top post in its Canadian operations. Following GM's lead, Ford Motor Co. promoted Bobbie Gaunt to Chief Executive and President of Canadian operations.

Despite the astonishing growth of women-owned small businesses over the last few decades, and despite the fact that women have proven to be equally as successful in business as men, the Canadian Federation of Independent Business found in a survey conducted in 1996 that there was "outrageous" discrimination by banks against female entrepreneurs. Women were refused loans 20% more often than men, and when they did get financing, they often paid a higher rate of interest than men. And what's more, some banks still ask husbands to co-sign these loans.

As long as women continue to hit the glass ceiling in their efforts to move into positions of power, our ability to influence society will remain limited. Large businesses in Canada, which control both money and the media, have a great influence on the social policy agenda.

When women do finally make it to the top in business, they are often treated more critically than their male counterparts. It is as if there are those who feel threatened by women wielding power. For example, when Heather Reisman, the owner of Indigo Books, Music & more Inc., recently engaged in a takeover of Chapters Canada, effectively giving her firm control over most of the book business in Canada, there were those in the media who diminished her accomplishment by suggesting her husband, Gerry Schwartz, had purchased her success. Ms. Reisman was disappointed by the suggestion that it was easier for her than most to reach the pinnacle of corporate Canada because of her wealthy and powerful husband. "I'm not angry, but it makes me sad. It's 2001, I'm 52 years old and I've worked in business for 30 years," she said.

Heather Reisman was second on the National Post's 2001 list of the 50 top women in business in Canada. At the very top of the list was Belinda Stronach, who, at 34, was named Chief Executive Officer of Magna International Inc. in February, 2001. It doesn't hurt that her father is Frank Stronach, the founder of Magna International Inc., but in the past, passing the family business into the hands of daughters, instead of the sons, would have been considered unthinkable. Increasingly, it is the daughters who are taking over.

But, these women remain the exceptions rather than the rule. Women remain largely shut out of the echelons of power. As such, they have little chance to have an impact on the policies that most affect them both within the corporate realm and within public policy.

Of course, the other way women can directly influence policy is by entering politics, but this too requires the support of the business community. And women have to want to play a role in politics. The statistics suggest that women are losing interest.

In the last Canadian election, in November, 2000, although the numbers of women elected stayed the same, the number of female candidates dropped dramatically. Why are women dropping out of the race? The reasons are familiar: women have greater responsibilities in their families, fewer financial networks, and sometimes less support in the nomination process among white males. And according to one female candidate, the nomination process can be costly, totaling between \$25,000 and \$100,000. This price tag shuts the door on a lot of talented women who otherwise might be interested. When women do make it into the House of Commons, they are often held up to a higher standard than men, and criticized for the slightest transgression.

The Canadian political world is still tainted with sexism which makes it an unfriendly place for women. Female politicians are described as "aggressive" and "shrill", and they receive regular criticisms for the way they look and dress. Male Members of Parliament have been heard to shout across the Legislature "Why don't you go home to take care of your kids?"

Clearly, a lot still needs to be done to achieve equality in both business and politics. However, a major barrier to equality is some women's

belief that equality has already been achieved. Outright discrimination has now been replaced by systemic discrimination, which is much more difficult to challenge.

Unfortunately, the media often champions the view that there is nothing more to be achieved, and feminists are referred to as a “special interest group”. When we speak out about continued inequalities, we are accused of being politically correct, overly-sensitive, or anti-male. An example is the debate I began in the Senate earlier this year on the issue of sexism in Canada’s national anthem, *O Canada*, and my initiative to change it so that it is inclusive of all Canadians. This has sparked debates across the country. One of Canada’s national newspapers referred to it as an effort to “neuter” *O Canada*. Can you see a connection between inclusiveness and castration? I certainly don’t.

The media also perpetuates stereotypes of women, focusing on our appearance or our high voices, and magnifies any mistakes that we make. Senator Sharon Carstairs, one of Canada’s most prominent female politicians, received a letter from a female constituent who said she was ashamed that Senator Carstairs wore a pantsuit when she was sworn in as the Leader of the Government in the Senate. And after 17 years in politics, much of the criticism directed at Senator Carstairs concerns her voice, hair, and dress, rather than her ability, and 90% of these comments come from women. It is so unfortunate that women often do this to each other.

It is a fact that it is important for women to get involved in social, economic and political policy development because, in our society, women have different concerns than men. Women’s responsibilities for their family’s needs, whether of children or the elderly, give them a different perspective. It is, therefore, of extreme importance that women should be given equal opportunity to attain positions of power, both politically and economically.

What difference would it make to a business to include women in management? According to research by the Ottawa-based Centre of Excellence for Women’s Advancement and the National Foundation for Women’s Business Owners in the U.S., quite a lot. Men are more likely to think in a hierarchical fashion and focus on established rules and procedures. In contrast, women business owners tend to emphasize creative thinking, are better communicators, and better power sharers. Women’s flexibility in

management may make them more responsive to both their employees and to the ever-changing globalized economy in which we now live.

I do believe the key to success in business is finding a balance between the two management styles, one in which men and women will learn from each other.

The Canadian Federation of Independent Business has made a series of recommendations to rectify discrimination against businesswomen by Canadian banks. Among the most sweeping is the decentralization of credit decision making to the branch level, where a relationship of confidence exists between the account manager and the borrower. They should note the experience of the Grameen Bank of Bangladesh, which has found lending to women who run small businesses makes good sense because they are more likely to be responsible with money and repay loans. The Bank lends almost exclusively to women. Similar facts have been repeatedly mentioned by some of the participants at this Summit.

The Federation also recommended that account managers be given training so that they will understand the importance of female entrepreneurs to the Canadian economy. After all, more than 700,000 women have created some 1.7 million jobs in Canada which is more than the *Canadian Business* Top 100 companies combined. Some 46% of new small businesses are led by women, making up nearly one-third of all the companies in Canada. The self-employed women business sector grew at an astonishing rate between 1975 and 1990 - by a full 172.8 %. Therefore, gender discrimination by the banks has a huge impact on Canada's ability to create new jobs and maintain a healthy economy.

Economics and politics do go hand-in-hand. In the political arena, equal representation means true democracy. Equal Voice, a political activist group, works towards lobbying for changes to give women a fair share of nominations in winnable ridings, instead of "sacrificial-lamb seats", and for lowering the financial requirements for getting into politics, as well as for changes in the electoral system. Groups, such as the Green Party, are lobbying for major changes to Canada's electoral system, arguing that the present system disadvantages women and small political parties, and should be replaced by some form of proportional representation.

The size of Canada also presents logistical problems for federal MPs who are wives and mothers, and who would like to get home to their families on weekends. As long as there is no provision for parental leave, women who want to get involved politically tend to do so at the municipal and provincial levels just so they can be close to home.

In conclusion, it's important to remember that the gains women have made in terms of their status in western democracies are very recent. A highly individualistic approach to government could lead to the loss of many of the rights we have come to take for granted. This could be devastating to many women, particularly those who are not in nuclear families. In politics, as in our daily lives, it is important not to become complacent.

Today, most men are still not willing to take on so-called "women's work", such as child-rearing and housework. As long as women remain primarily responsible for caring for the family, a reduction in social services, such as health care, daycare, or of maternity leave, will have a disproportionate impact on our ability to earn a living, to start businesses, or to seek promotions in management.

Ultimately, I believe the solution lies in the home where boys and girls must be taught the basic skills of cooking, mending, laundry, and caregiving. Parents need to realize that this upbringing will not make their sons effeminate. I know it works because that's how I brought up my own boys. When we eliminate the term "women's work" in the home, then we will truly have equality in our society.

Thank you.