Minding the Nordic Inequality Gap

Andrew Soergel

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It’s difficult to find international rankings of gender parity in which Nordic and Northern European nations don't lead the pack.

The 2020 Best Countries rankings are no different. When asked to assess perceptions of gender equality in various nations, respondents from around the world scored Sweden, the Netherlands, Denmark, Finland, Canada and Norway the most positively. The United Kingdom, France, Switzerland and Australia round out the top 10.

Though the precise order at the top of the list has shuffled slightly over the years, this year's Best Countries report is the fourth straight to feature the same 10 mostly Northern European nations leading the rest of the world in perceptions of gender equality.

"Every country has its own peculiar and historical circumstances. But these countries have established, for historical and other reasons, a degree of political consensus around issues like social equality and social solidarity," says Geoff Hodgson, a professor in management at Loughborough University's London campus, highlighting the Nordic countries, in particular. "They've been remarkable successful by a number of measures of achieving social inclusion and equality."

Roughly 95% of survey respondents from Finland, Sweden, Norway and Denmark agree with the notion that "women should be entitled to the same rights as men" – slightly above the survey average of 90%. Only about 80% of respondents in Egypt, Saudi Arabia and Japan said the same.

Sweden ultimately registered the top score in perceptions of gender equality, while Norway topped all other nations in terms of income equality.

The egalitarianism that seems embedded in Nordic countries' DNA can be traced back to "the age of the Vikings, when women in Nordic societies had strong positions" in the societal hierarchy, according to Nima Sanandaji, an author and president of the European Centre for Entrepreneurship and Policy Reform.

"During the transition to the modern age, Nordic societies were among the first to give women formalized right to property, to tear down legislative barriers that stopped women from taking professional occupations and also to introduce true democracy by extending the right to vote to both genders," Sanandaji said in an email.

But just as it is challenging to find gender equality rankings that aren't led by some combination of Sweden, Denmark, Finland and Norway – whether that's on the basis of Gini coefficients or workforce participation gaps or global outlook – so, too, is it difficult to find analysts who believe true gender equality has been achieved in any one of these nations.

"We have statistics that suggest we haven't reached the goal. We're far from it in some points," says Anneli Häyrén, a researcher at the Centre for Gender Research at Sweden's Uppsala University. "It's the wage gap. It's harassment. And it's recruitment. All of these issues show the basic problem is men are higher valued and have a bigger space."

Indeed, although Nordic nations lead the rest of the world in qualitative, perception-based metrics, the reality in many of these labor markets is that men often dominate management and STEM professions while women find themselves isolated to support roles.

In a 2018 policy analysis published by the Washington-based libertarian Cato Institute, Sanandaji notes the gender-specific management gap that's developed in Nordic countries. In Sweden, 36% of women are managers. In Norway, that number drops to 32%. In Finland, Denmark and the Netherlands, no more than 30% of domestic managers are women, compared with 43% in the U.S., 40% in New Zealand and 39% in Russia.

Women have flourished in the Nordic public sector – the prime ministers of Denmark, Finland, Iceland and Norway are women, as is 47% of Sweden's parliament. But the private sector is a different story. And even though women's educational attainment is comparatively strong in Nordic countries, the gender gap in STEM degree attainment, is among the largest in the developed world, according to a 2018 study circulated by the Association for Psychological Science.

"Sweden is a very gendered labor market," Häyrén says, suggesting "this idea of suitability" leads men toward more management and technical professions and women toward caregiving roles. "We have very gendered bases, and when you try to cross over, for women to do male-gendered things, the exclusion process kicks in."

Independent studies support those views. The World Economic Forum noted that Sweden had slipped from first place in 2007 to fourth place in 2015 in its Global Gender Report.

Perhaps unsurprisingly, then, although Sweden ranked second in terms of the percentage of its respondents to the Best Countries survey who believe women should be entitled to the same rights as men, it ranked 15th when respondents were asked whether women do actually receive the same economic opportunities as men.

There are differences of opinion as to what drives this labor market bifurcation. Sanandaji, for example, points to the welfare state models in countries such as Sweden as an exacerbating factor, suggesting "policies such as public monopolization of women-dominated sectors such as education, health care and elderly care hamper women's career progress."

And despite Nordic countries' reputations for being bastions of equality, Häyrén says the #MeToo movement and the greater sexual harassment and assault awareness that it brought has hardly skipped over this part of the world. Iceland in 2019 hosted one of the first and largest international #MeToo conferences to date after the sheer number of Nordic public and private sector workers were encouraged by the movement to speak out.

"#MeToo was a Nordic wake-up call. Women and girls in all their diversity have broken the silence on the sexual harassment and violence that is taking place across all layers of society and in all parts of our community," Paula Lehtomäki, Secretary General of the Nordic Council of Ministers, said at the conference, according to the Nordic Labour Journal.

Still, there's a reason these countries have historically been revered for their egalitarian societies. Gender gaps in labor participation and employment are among the smallest in the Nordic region compared to other OECD member countries. Many of the nations have progressive childcare and parental leave policies that have allowed women to flourish in their careers without the same risk of being penalized in the workplace for having a child as they'd find in other countries.

But even where Nordic nations do well on the equality front, it may be difficult for other nations in the Western world to replicate their success, given the demographic and governmental structures that are relatively unique to this part of the world.

"These countries are relatively small and ethnically relatively homogeneous, at least historically," Hodgson says, also noting the high levels of taxation and welfare provisions available in these countries. "These attributes are not shared by other countries, and, particularly, larger countries. I think that point has to be taken seriously."

When evaluating Nordic equality, it's important to be specific about what is being measured, Hodgson says. On labor force participation, these countries stand above most others. But on pay equity, Nordic nations are about average relative to the rest of the European Union. A recent report circulated by the Nordic Council of Ministers, meanwhile, suggests the rising wealth inequality that has gripped much of the rest of the world has swept through Sweden, Denmark, Norway and Iceland as well.

"What often happens in the space of gender equality is it's measured differently all of the time," says Nadia Younes, chief innovation officer at EDGE Strategy.

Launched at the World Economic Forum in 2011, EDGE has developed a certification process designed to quantitatively and qualitatively analyze organizations and companies for gender parity. EDGE helps prepare organizations for certification from a third-party auditor, examining hiring, promotion and compensation practices while surveying employees to gauge perceptions of equality. Companies with sufficient levels of gender parity can then receive one of three levels of designation.

Younes says the certification process offers a degree of reliability and continuity across industries and nations – making it easier to objectively measure and compare gender equality progress around the world.

"Having a set standard or certification works. It works for fair trade. It works for the fish that you buy. A certification guarantees a certain quality level," she says. "It's future-proofing your organization to make sure you have equitable employment practices. If you don't, and other organizations can prove that they do, men and women will go toward those organizations."

To date, roughly 200 organizations have been certified in roughly nearly 40 countries and across nearly two dozen industries. There are, unsurprisingly, several companies and organizations in Northern Europe that make the list. But Younes says she would like to “gently challenge the notion” that this is the only part of the world in which progress is being made.

“We have a number of organizations that are at our second level of certification that are in South America and Asia,” she says. “This is a global issue. And I think the narrative to date, mostly, has been the West leads.”

Currently, only two organizations have been designated EDGE Lead – the highest level of certification an institution can receive. IKEA's Switzerland branch is one of those companies. The other is SAP's branch in China.

That the Chinese branch of a company – headquartered in Germany but operating under a communist regime in a country that isn't necessarily renowned for its strides toward equality – compares so favorably to other institutions around the world suggests to Younes that gender parity is hardly exclusive to Nordic Europe.

It also suggests to those in Scandinavian nations long revered as the world's most egalitarian that they may no longer be the only game in town.

"We do have this rhetorical opinion since we did so much in the '60s and '70s about gender equality that we don't have to do any more because we kind of reached the goal," Häyrén says. "That's the standpoint when you talk to people in everyday conversation and decision makers and higher up managerial levels."

"There are countries that have a worse situation," she says, noting that Sweden and other Nordic nations "have come some way." But she and other experts believe this region still has a ways to go.