



EUROPEAN WOMEN'S
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STATEMENT

July 2011

European Women's Lobby's Statement Concerning EU Legislation for the Equal Representation of Women and Men on Corporate Boards

Executive Summary

The promotion of the equal representation of women and men in decision-making has been at the core of the European Women's Lobby's work since its creation in 1990. This work includes in particular the EWL 50/50 Campaign for Democracy launched in 2008 and focusing on the European elections of 2009 and subsequent allocation of EU 'Top Jobs'. For the EWL, parity in decision-making is an issue of democratic representation and of social progress at EU and national levels, in line with the EU's Treaty commitments to democracy and fundamental rights. The 50/50 Campaign demands binding measures for parity democracy at all levels of political, economic and social decision-making.

In 2010, women accounted for just 12% of board members and less than 3% of company chairs in Europe.¹ Progress in this area has been extremely slow, despite national, European and international commitments to equality between women and men, including in decision-making. Numerous studies also point to the economic benefits of parity. The equal representation of women and men on boards is furthermore related to the broader question of equality in employment, an area where the European Union has a strong competence. The relegation of women to lower-level positions is a major cause of the persistent gender pay gap in Europe, which currently stands at 17.5% on average.² Promoting women's career development prospects and their equal access to management and decision-making posts at all levels is essential to achieving equality in the labour market to achieving the goals of the Europe 2020 Strategy for the EU to become a 'smart, sustainable and inclusive economy'.

Some countries have taken action for more equal representation in boards of state-owned companies in the last ten years³. More recently, a number of European countries have started to adopt binding measures/quotas (with a more or less binding system) for other types of companies, in order to ensure swift progress, notably in Norway, Iceland, Spain, France, Belgium, Austria, Italy and the Netherlands.

At European level, European Commission Vice-President Viviane Reding announced in March 2011 her intention to take decisive action in order to achieve the equal representation of women and men on corporate boards, an announcement that the EWL strongly supports.

¹ European Commission working paper, *The gender Balance in Business Leadership*, 2011: <http://register.consilium.europa.eu/pdf/en/11/st07/st07231.en11.pdf>

² European Commission Staff Working Paper, Report on the progress on equality between women and men, 2010: <http://register.consilium.europa.eu/pdf/en/11/st06/st06571.en11.pdf>

³ Denmark Ireland and Finland for example.



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EWL Recommendations:

The EWL recommends that European companies sign the 'Women on boards pledge for Europe' initiated by Vice-President of the European Commission Reding in order 'to develop their own credible way to get more women into top jobs.'⁴

The EWL recommends that the EU and Member States:

1. Adopt new legislation requiring European listed and non-listed public companies with more than 50 employees and all state-owned companies to have 40% of women on their boards of directors by 2015 and 50% by 2020, and that includes effective sanctions for non-compliance.
2. Introduce measures to increase the number of women holding the positions of company president or chair.
3. Limit the number of board positions that one person can hold.
4. Introduce accompanying measures to support enterprises in the implementation of such measures and empower women.
5. Use the on-going review of the EU public procurement regulation and the legislation on public procurement in Member States to make it possible to favour companies with a balanced representation of women and men in Boards and that implement other measures to actively promote equality between women and men.
6. Address the root causes of women's under-representation in economic decision-making in corporations and in public institutions at national and EU level, including in relation to work/life balance.

⁴ http://ec.europa.eu/commission_2010-2014/reding/pdf/news/boardroom_pledge_final_en.pdf



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The European Women's Lobby (EWL) is the largest umbrella organisation of women's associations in the European Union (EU), working to promote women's rights and equality between women and men. EWL membership extends to organisations in all 27 EU member states and three candidate countries, as well as to 20 European-wide organisations, representing a total of more than 2500 organisations.

The work of the EWL in relation to the promotion of women and men in decision-making has until now focused mainly on equality in political decision-making. In particular, the 50/50 Campaign for Democracy conducted at the European level and throughout the EU by EWL members was launched in 2008 focusing on the European elections of 2009 and subsequent allocation of EU 'Top Jobs'. The 50/50 Campaign demands binding measures to ensure the equal representation of women and men in decision-making in all areas.

Parity in decision-making is an important issue in the private sector, where the vast majority of Europeans work and where important decisions concerning and affecting the lives of millions of women and men are taken daily. Women are seriously under-represented in the governing boards of companies. In 2010, women accounted for just 12% of board members and less than 3% of company chairs in Europe.⁵ This means that the typical European corporate board of 10 members has in average only 1 female member. 34% of large companies in the EU have no single woman on their board.⁶ In addition, there are big disparities between EU Member States: in Sweden and Finland (where there are no legal quotas for private firms, only corporate governance codes) women's representation is at 26%. Also in Latvia, Slovakia, and Romania, more than 20% of board members are women. In Malta, Luxembourg, Cyprus, and Italy however, fewer than 5% of board members are women.⁷

Progress in this area is extremely slow, despite numerous studies pointing also to the economic benefits of parity and increased diversity. Consequently, the EWL strongly supports the recent announcements made by European Commission Vice-President Viviane Reding in favour of decisive action in this area.

1. Context

On 1 March 2011, Viviane Reding, Vice President of the European Commission and Commissioner for Justice, Fundamental Rights and Citizenship, declared her desire to increase 'women's presence on boards to 30% by 2015 and 40% by 2020'. In order to reach these targets, Ms. Reding first counts on

⁵ European Commission working paper, *The gender Balance in Business Leadership*, 2011: <http://register.consilium.europa.eu/pdf/en/11/st07/st07231.en11.pdf>

⁶ Idem.

⁷ Idem.



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self-regulation and calls on European companies 'to use all of our society's talents to ensure that Europe's economy takes off.' Ms. Reding gives European enterprises one year to achieve a significantly higher proportion of women on boards. Come 8 March 2012, the anniversary of International Women's Day, if self-regulation has failed, she says she will be ready 'to take further action at EU level.'

From 1 March 2011 on, Commissioner Reding has opened on her webpage a 'Women on boards pledge for Europe', which can be signed by European companies in order 'to develop their own credible way to get more women into top jobs.' The list of signatories has been made public and the EWL welcomes the two first signatures made by Guerlain⁸ and FES consulting Empresarial.⁹

The EU institutions have made previous commitments in this direction. The European Pact for gender Equality 2011-2020 adopted in March 2011 commits to 'promotes the equal participation of women and men in decision-making at all levels and in all fields, in order to make full use of all talents'. Promoting the equal participation of women and men in decision-making is also one of the priorities of the European Commission's Strategy for equality between women and men 2010-2015.

At international level, the Beijing Platform for Action, adopted in 1995 at the UN 4th World Conference of Women commits signatories to 'take measures to ensure women's equal access to [...] decision-making' and 'increase women's capacity to participate in decision-making and leadership'. Moreover, the equal participation of women and men in decision-making is referred to in Articles 7 and 8 of the legally-binding United Nations Convention on Elimination of all forms of Discrimination against Women (CEDAW).

2. Parity in decision-making: a key democratic principle with positive economic side-effects

Equal representation on boards as a principle of democracy and human rights

The EWL recalls that ensuring the equal representation of women and men in all areas, including at the highest levels of decision-making, is an issue of equality between women and men, of human rights and democracy. In the political arena, this is an evident fact. In the private economic sphere, where the vast majority of women and men are active, this is no less so. A de-facto glass ceiling and 'male quota' of 80-90% on boards means that large numbers of highly educated women – representing 60% of University graduates – are at present being denied the right to fully live up to their career potential. The general under-representation of women in economic decision-making has substantial impact on their daily lives characterised by lower earnings, savings, increased risk of sexual harassment and violence, and other manifestations of inequalities. The male-dominated work world requires women, by means of both direct and, notably, indirect discrimination, to live up to higher standards than their male counterparts.

Furthermore, boardrooms are strategic places, seats of power where crucial decisions are taken. The right to equally participate in economic power is a fundamental right for women and men, for example

⁸ A major perfumes and cosmetics firm.

⁹ A Spanish business consultancy.



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as regards major economic decisions made by companies and enterprises, which have a widespread impact on the lives of women and men, girls and boys. Such decisions lack legitimacy when half of humanity is de-facto excluded from their deliberation and formulation. The financial crisis, for instance, has had a heavy and disproportionate impact on women despite their exclusion from decision-making in this domain.¹⁰

Sex-based discrimination must be tackled and more transparent and democratic nomination systems are required to reach out beyond the usual circle of people appointed to boards.

Increased diversity as a sound economic and management principle

The de-facto exclusion of women from boardrooms is a blatant proof of the absence of equality. At present, candidates are generally chosen (by predominantly male selection boards) from a restricted pool of predominantly male candidates. Broadening this pool to include the other half of the population opens vast new opportunities for business.

Women's stronger presence brings diversity, fresh perspectives and competences given the academic, professional and personal achievements of women and can lead to the introduction of new or neglected issues to the agenda, because women have different social roles and needs as compared to men. Increasing the presence of women has also been shown to have a positive impact on the profile of board members. For instance, a Norwegian study shows that female board members are younger (72% are less than 50 years old, whereas 66% of male board members are more than 60 years old), more highly educated (36% of women have studied for more than 6 years (PhD) as compared to only 23% of men), and have less ownership interests (56% of men as opposed to 23% of women).¹¹

There is furthermore strong evidence that having a gender equal board has a positive impact on Board's effectiveness and ways of working. The findings of a study of 201 Norwegian companies suggest that the presence of women on corporate boards seems to increase board effectiveness through reducing the level of conflict and ensuring high quality of board development activities.¹² The Norwegian study shows that attaining a critical mass – going from a token one or two women to at least three women (consistent minority) – makes it possible to enhance the level of innovation.¹³ There is also new scientific evidence showing that women's representation in company boards and audit committees as well as women Chief Financial Officers and auditors have a positive impact on financial reporting, auditing and organisation of internal control.¹⁴

¹⁰ See EWL and Oxfam joint report, *Women's poverty and social exclusion in the European Union at a time of recession – An Invisible Crisis?*, 2010.

¹¹ Vibeke Heidenreich, Aagot Elise Storvik 2010, Institutt for samfunnsforskning. 2010: 11.

¹² Nielsen, Sabina and Morten Huse: *The contribution of women on boards of directors: going beyond the surface*, Corporate governance: an international review. - Vol. 18, no. 2.

¹³ Mariateresa Torchia, Andrea Calabrò and Morten Huse, *Women Directors on Corporate Boards: From Tokenism to Critical Mass*, Journal of Business Ethic, 2011.

¹⁴ Michel Ferrary, Professor of management at Ceram Business School, *Why women managers shine in a downturn*, France, 2009.



Numerous studies have shown that an increased diversity on boards and a higher presence of women has a significant impact on risk assessment and on the quality of decisions made. Having a more diverse composition of the boards would entail a broader set of interests being taken into account.¹⁵ In the context of an economic crisis, the economic value of diversity on boards cannot be ignored. As the European Commission acknowledges in the August 2010 Green paper on *Corporate governance in financial institutions and remuneration policies*, one of the key failures of the financial institutions that ultimately contributed to the financial crisis was the fact that the members of the boards of directors of the financial institutions did not come from sufficiently diverse backgrounds. The Eversheds Board Report (2011) reveals that those companies who had more female directors performed better during the financial crisis and this was particularly true in the UK and in the banking sector.¹⁶ Greater diversity in the corporate management in terms of sex, but also ethnical, social, cultural and educational background, would mean better quality decision-making, which ensures less vulnerable governance of financial institutions.¹⁷

More broadly, there is substantial evidence to back the premise that gender balance in leadership increases the profitability of companies. A 2011 study of Fortune 500 companies, for instance, demonstrated that those with sustained high representation of women on boards of directors attained over 60% better financial results than companies that have no women on their boards.¹⁸ A Swedish study conducted between 2004 and 2008 found that the difference in profitability is up to 93% higher in listed companies with the highest number of women on their boards as compared to those with no female presence.¹⁹ A Finnish study covering 14.020 limited companies employing at least 10 persons in 2003 found that those led by a female CEO were on average at least 10% more profitable than a corresponding company led by a male CEO.²⁰

¹⁵ Fawcett Society, *Are women bearing the burden of the recession?*, 2009:

<http://www.fawcettsociety.org.uk/documents/Arewomenbearingtheburdenoftherecession.pdf>, pp. 2-3.

¹⁶ Eversheds measured the performance of 241 top companies in Europe, the US, and Asia Pacific, which were examined between October 2007 and December 2009. Between August 2010 and October 2010, 50 directors selected at random from the 241 companies were also interviewed to add qualitative researches to quantitative researches. Main findings and research sample are available online: https://www.eversheds.com/uk/home/articles/index1.page?ArticleID=templatedata%5CEversheds%5Carticles%5Cdata%5Cen%5CIndia%5CThe_Eversheds_Board_Report

¹⁷ Walby Sylvia, *The future of financial services supervision in the EU: Recommendations for the inclusion of gender*, 2009 and McKinsey & Company, *Women Matter*, 2010.

¹⁸ Catalyst, *The Bottom Line: Corporate Performance and Women's Representation on Boards (2004–2008)*, 2011: <http://www.catalyst.org/publication/479/the-bottom-line-corporate-performance-and-womens-representation-on-boards-20042008>

¹⁹ This study compared 24 listed companies with the most women on board to 24 companies with no women on board in 2005, 2004 and 2002. Nancy M. Carter, Harvey M. Wagner, *The Bottom Line: Corporate Performance and Women's Representation on Boards*, 2004–2008: <http://www.catalyst.org/publication/479/the-bottom-line-corporate-performance-and-womens-representation-on-boards-20042008>

²⁰ Finnish Business and Policy Forum EVA, *Female Leadership and Firm Profitability*, 2007 : p.5.



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Attaining parity: the importance of binding measures and comprehensive accompanying measures

Women who aspire to leadership positions in companies face numerous structural and cultural obstacles: women can draw on fewer economic, social and cultural resources to attain decision-making positions; there are also symbolic factors linked to traditionally accepted gender roles and stereotypes. Decision-making, especially in the economic field, is still seen as a male domain and the company culture and work standards are often still based on the male lifestyle model, life-cycle, networking habits, etc. Remedying this situation calls for comprehensive measures within the workplace aiming to counterbalance existing inequalities between women and men, not the least of which are binding measures for equal representation in decision-making posts at all levels. While the issue of a more gender-balanced composition of boards has been on the agenda for a long time, experience shows that progress has been extremely slow in practice. In 2004, there were 8% of women on boards, whereas the figure was just 11.7% in 2010.²¹ The number of women Presidents of the largest companies dropped from 4% to 3% over this same period.²²

The example of Norway is instructive as regards the impact of non-binding and binding measures respectively. Prior to introducing binding measures in 2005, Norway already had in place non-binding legislation with a similar threshold of 40% of the least represented gender since 2003. Unfortunately, this measure failed to have a significant impact: in 2005 there were only 15% women on boards as compared to a little bit less than 10% when the law was introduced,²³ still well below the 40% required. In light of this failure, binding legislation was introduced, with significant and rapid effect.

Binding measures, with clear targets, deadlines and sanctions, provide a strong incentive for companies to introduce comprehensive measures, not only in order to meet legal requirements, but also to ensure the efficiency and sustainability of their decision-making structures. To ensure that targets are reached satisfactorily, public authorities and companies will in most cases have to introduce accompanying measures such as training, the creation of databases, open and transparent recruitment, promotion and pay-scales, family-friendly work arrangements for both women and men, and other initiatives that aim at diversifying the pool of candidates and empower women to enter these positions.

Within this context of binding and accompanying measures, women are enabled to reach the highest decision-making levels on their own merit, in equal competition with their male colleagues.

²¹ European Commission working paper, *The gender Balance in Business Leadership*, 2011: <http://register.consilium.europa.eu/pdf/en/11/st07/st07231.en11.pdf>

²² Professional Women's Network, *Board Women Monitor*, 2008.

²³ Laura Kilday, Alexandra Mihailescu, Christine Nolan, Fiona Schreve, *Women on boards of directors: the case study of Norway*, 2009.



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3. Overview of legislation regarding the equal representation of women and men in decision-making in European countries

Political decision-making

The representation of women in political decision-making remains low across the EU, even if some improvement has been made. In 2011, 24% of members of national parliaments were women, one percentage point higher than in 2005. 24% of members of national governments are women. This figure has increased from 22% in 2005.²⁴

Eleven European countries²⁵ have legislated quotas in their constitutions or electoral laws to reach parity or to increase women's political representation, for some or all national elections. Moreover, in about 17 European countries, some political parties have adopted voluntary non-legally binding quotas.²⁶

Economic decision-making

As regards the private sector, measures for improving the gender balance in the boards of state-owned companies were introduced in several European countries in the last ten years. The first country to introduce binding legislation to increase the participation of women on boards including for non-state companies was Norway. Since 2005, it is mandatory in Norway to have 40% of the least represented sex on the boards of listed and non-listed public limited companies, inter-municipal companies, state companies, municipal companies and co-operative companies in Norway. If the enterprise fails to comply with the law, the sanction is the dissolution of the company. The result is that the 40% threshold has been reached. The government actively pursued companies who failed to reach the target, and in the end no companies had to be dissolved.

The successful example of Norway is starting to be followed by other countries. France, Belgium, Italy, Austria and the Netherlands have passed laws to increase the number of women on boards in 2011. Belgium has set a threshold of 30% of the least represented gender on boards of state enterprises and publicly quoted companies. Similarly, the French legislation adopted in January 2011 is calling for 40% women in corporate management bodies to be reached by 2017. Both countries have planned sanctions if companies fail to meet the requirements. In case of non-compliance, the law in France foresees declaring board nominations not valid and certain financial sanctions. In Belgium, financial and non-financial benefits related to the position of the board of directors will be reduced in case of non-compliance. Italy has adopted quota legislation, which has recently been approved by the Deputies

²⁴ European Commission database women and men in decision-making, 2011.

²⁵ Albania, Belgium, France, Greece, Bosnia and Herzegovina, Serbia, Former Yugoslav Republic of Macedonia, Poland, Portugal, Slovenia and Spain.

²⁶ United Kingdom, Netherlands, Luxembourg, Switzerland, Italy, Malta, Croatia, Romania, Hungary, Slovakia, Austria, Czech Republic, Germany, Lithuania, Sweden, Norway, Cyprus.



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Chamber. State-owned and publicly listed companies need to have 33 per cent women on boards after a transition period in 2012-2015. The Italian legislation also provides sanctioning clauses, ranging from warning, followed by a fine that could eventually result into dissolution of the board of directors. The Netherlands have adopted legislation for raising the quota for women on boards of companies from the current 8 to 30% by 2016. Even though the target is not related to a specific sanctioning mechanism, it is applicable to all companies with more than 250 employees. An evaluation of the legislation in 3 years will give the opportunity to adequately address existing shortcomings. Similarly, in Austria a quota of 25% (by 2013) and 35% (by 2018) was adopted for boards of state-owned or partially state-owned companies. The law provides no sanction but will be re-discussed after 7 years.

Spain and Iceland also have passed legislation in order to reach the target of 40% of women on boards by 2015 and 2013 respectively. Incentives are at present given precedence over sanctions. In Spain for instance, companies with more gender-equal boards can be favoured in the framework of public procurement processes.

Finally, the Italian legislator is also moving toward legislation to ensure a more balanced representation of women in decision-making positions in enterprises.

This brief overview shows that many European countries have already taken measures to increase the number of women on company boards. To ensure a consistent approach and the same level of women's representation in decision-making across the EU, European legislation is needed.

A more detailed table, giving an overview of the existing legislation in the Europe, is available in annex 1.

4. Recommendations of the European Women's Lobby

The European Women's Lobby strongly supports Vice-President Reding's propositions aiming at introducing measures at European level to achieve the equal representation of women and men on corporate boards and makes the following recommendations:

1) Introduce binding legislation to reach 50% of women in boards in Europe by 2020

The EWL suggests the introduction of binding measures aiming at reaching parity on boards. In order to take into account the constraint of companies and to allow for the introduction of accompanying measures (see hereunder), such legislation should allow for gradual implementation, with a first goal of 40% of women on boardrooms of European companies by 2015. The ultimate target should be to have 50% of women on boards of companies by 2020. This measure should apply to companies with more than 50 employees and all owned-state companies.

Effective sanctions are needed in order to make sure that the legislation will be respected, as demonstrated by the Norwegian example. The EWL suggests the dissolution of the companies which fail



to increase the gender-balance in their boardrooms as an effective sanction following the Norwegian model.

2) Introduce measures to increase the number of female chairs

The EWL is of the view that it is also necessary to increase the number of female presidents of chairs of boards or Chief Executive/Financial Officers. No binding measure to this effect exists at present in Norway and 95% of boards are still chaired by men and a mere 2% of the Chief Executive Officers (CEO) of companies listed on the Oslo stock exchange are women, which is below the EU average.²⁷ This means that companies have only complied with the minimum standard set in legislation, and have not yet included more women in the most senior positions.²⁸ The EWL suggests moving towards the introduction of systems of co-chairing of executives by a woman and a man through codes of good governance and legislation. In addition to this, the EWL suggests the introduction of systems of alternate chairing between women and men at the start of new mandates. In the same way, systems of alternation could be introduced for the posts of CEO/CFO.

3) Limit concurrent mandates

The EWL proposes that the number of mandates that an individual can cumulate be limited in order to ensure that board members have sufficient time to fulfil their duties and to avoid possible conflicts of interests. Research has indicated this to be in the interest of enterprise, with boards composed of directors cumulating appointments demonstrating weaker share price performance.²⁹ In addition, the limitation of concurrent mandates would ensure a larger number of senior posts open to new candidates, including women and other under-represented groups, in a context of improved transparency in selection procedures and effective measures to reach out to a broader range of candidates.

4) Introduce accompanying measures

Targeted awareness-raising regarding the benefits of gender equality for business leadership is needed in order to demystify the idea of quotas and other equality-friendly measures and to show their usefulness to society as a whole. There could be training for men and women board members on elementary aspects of gender equality and sex-based discrimination and about gender aspects of managing businesses.

New ways of working in selection committees and transparent selection procedures are needed in order to reach out to new potential board members. Clear and formally outlined duties and profile criteria would make the selection more transparent, ensuring that the most suitable persons are chosen. With formal recruitment policies, recruiters may have to expand their perspective and also motivate/justify

²⁷ Aagot Storvik and Mari Teigen, *Women on Board: The Norwegian Experience*, June 2010.

²⁸ Cathrine Seierstad, *For the few not the many? The effects of affirmative action on presence, prominence, and social capital of women directors in Norway*, 2010.

²⁹ Eversheds Board Report 2011, *Measuring the impact of board composition on company performance*, 2011.



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their choice. This will help recruiting beyond traditional circles, including among the huge pool of competent women available in Europe who are ready to serve on boards.

The EWL also suggests funding and developing online databases of competent women. Such databases already exist in Norway, giving women interested in board posts the opportunity to publicise their skills to companies seeking appropriate candidates. This is a good example of how to make recruitment more transparent and possible to monitor, and also to give visibility to the vast number of qualified women that are in fact eligible for the positions. Databases can be established by different actors. For instance, in Norway, two databases were set up by the State, another by a lawyer's association and the fourth by the largest employers' association in order to train and recruit CEOs and managers and not only board members. Other possibilities are regional level or sector-specific databases.³⁰ Other accompanying measures could be targeted at potential new board members themselves, such as training or mentoring but should not be mandatory.³¹

A compulsory evaluation of the functioning of the board of directors, carried out by an external evaluator, should be put in place in order to increase transparency. Such an evaluation should also encompass a gender equality assessment, i.e. how well the boards succeed in progressing towards the equal representation of women and men, but moreover towards more diversity in terms of other factors (age, background, etc.).

Awareness-raising and workshops for board members to ensure the equal integration of female colleagues should also be envisaged. Training against the use of domination techniques has been done all over the world, for women getting involved in politics and could be used in other areas. The first training module was developed in Norway in the eighties, then used also in Sweden (Power booklet), and it is now used all over the world. It is a part of the basic Norwegian LPW Women Can Do It training manual. Men should be trained in a different way than women in order to deconstruct and eliminate conscious and unconscious reaction and behaviour related to entering a new power area or welcoming new comers.

Finally, it is important to propose specific targeted measures for women facing multiple discrimination and diverse layers of exclusion to allow them equal access to decision-making positions.

5) Favour companies with a commitment to gender-equal boards in public procurement

The EWL suggests that enterprises which have a proven commitment to gender equality and parity or which have an equal representation of women and men on their boards before the deadline set by the European Commission could be encouraged and rewarded in the framework of public procurement processes at European and national level.³² Such measures could be introduced into EU public

³⁰ Women on Board – the Norwegian Experience. By Storvik and Teigen, June 2010.

³¹ Idem.

³² Cf the EWL's contribution to the EU consultation on the modernisation of EU public procurement policy, April 2011: <http://womenlobby.org/spip.php?article1559&lang=en>



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procurement rules that are currently being reviewed. Similar legislation already exists in Spain and could be used as an example of good practice.³³

6) Implement comprehensive measures to address the root causes of women's underrepresentation in decision-making at national and at EU level

The issue of women's underrepresentation in economic decision-making should be addressed within the wider framework of addressing gender inequalities. The low rate of representation of women on boards can be explained by persistent unequal access to economic, social and cultural resources between women and men and by inequalities in the share of paid and unpaid work. Such factors are major reasons for women's attainment of fewer high posts than men despite them representing 60% of university graduates. In this perspective, in addition to strategies and legislation concerning gender equality in employment, care leave measures and services need to be improved for women and men in order to support reconciliation between work and private life, including the equal participation of men in care work. Policies in relation to promotion in the work place should also be made more transparent and detached to the prevailing career path centred on a non-interrupted professional life.

³³ Idem.



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Annexes

Annex 1: Types of companies targeted by legislation

Government-owned corporations, state-owned companies, state enterprises, publicly-owned corporations or government business enterprises are legal entities created by a government to undertake commercial activities on behalf of an owner government. Their legal status varies from being a part of government into stock companies with a state as a regular stockholder. 'Government-owned corporation' (GOC) or 'state-owned enterprise' (SOE) are two terms that can be used interchangeably. A state-owned company can be either wholly or partially owned by a government and is typically earmarked to participate in commercial activities.³⁴

A public company, publicly traded, listed or quoted is a company that has issued securities through an initial public offering (IPO) and is traded on at least one stock exchange or in the over the counter market. A public company is not to be confused with a Government-owned corporation. Although a small percentage of shares may be initially 'floated' to the public, the act of becoming a public company allows the market to determine the value of the entire company through daily trading.³⁵

A public (or private) limited company is a company with a separate legal existence from its shareholders who enjoy limited liability. A public limited company's shares are listed and can be bought and sold on the stock market by members of the public.³⁶

³⁴ Definition of government-owned corporations, July 2011: http://en.wikipedia.org/wiki/Government-owned_corporation

³⁵ Definition of public companies, June 2011: <http://www.investopedia.com/terms/p/publiccompany.asp>

³⁶ Definition of public limited companies, July 2011: <http://www.encyclo.co.uk/define/public%20limited%20company>



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Annex 2: Overview of the legislation in Europe regarding the promotion of the equal representation of women and men on boards

Countries and Year	Type of company concerned	Quota and Timeline	Sanction	Other measures	Result
Austria 2011	Supervisory boards of state-owned or partially state-owned companies	25% (by 2013) 35% (by 2018)	No sanctions (to be discussed after 7 years)	Clauses on gender equality in Corporate Governance Codes	Too early to know
Belgium 2011	Law applies to government enterprises and publicly quoted companies. Companies with no public shares are not affected.	Women must make up one-third of the posts of board of Transition period : 1 year for government enterprises, 5 years for companies quoted on the stock exchange, and 7 years for small- and medium-sized listed companies (or less than 50 per cent shares listed).	Financial and non-financial benefits of the board of directors flowing from the position will be reduced	No	Too early to know
Denmark 2000	State owned companies	30%		Voluntary charters for public companies to sign	Women Board directors: 30% in 2000 and 35% in 2009
Finland	State-owned companies	40%		Corporate Governance	Women Board



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2004				Code (2010) for all listed companies	directors of state-owned companies: 30% in 2004 and 44% in 2010
France 2011	Companies that are listed have more than 500 employees or have revenue of over 50 million euro. About 2000 companies are concerned.	Six years to ensure that 40 per cent boardroom positions are taken by women. Within 3 years the figure must be 20% (if the board consists of more than eight persons, the differences between sexes cannot be more than two). If one sex is not present in Board, the law states at least one person of non-represented sex must be nominated in the next General Assembly.	From 2017 on, board nominations of companies who do not comply with the law will not be valid. Also financial sanctions (suspension of 'jetons de presence'). The National Assembly proposed that decisions of the boards of non-complying companies should be breached, but the Senate did not support this view.	No	Too early to know
Iceland 2010	State-owned companies and public and private limited companies with more than 50 employees and with Boards composed of more than three persons	Each sex must make at least 40% in three years (2013) and 50% is required for state-owned company	No	Companies with 25 or more employees are required to disclose the number of men and women employed as well as the number of men and women in management positions.	Too early to know for public and private limited companies, but 100% of the state-owned companies reached target by 2006.



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Ireland 2004	State owned companies	40%			Not reached yet (34% in 2009)
Italy 2011 -	State-owned and publicly-listed companies	33% (with a transition period 2012-2015)	Warning, followed by a fine up to 1 million euro and a dissolution of the board of directors or control bodies		Too early to know
The Netherlands 2011	Public companies and large private companies that fulfil the following conditions in 2 successive years: value assets more than EUR 17,500,000; net turnover for the financial year more than EUR 35,000,000; average number of employees in the financial year 250 or more.	30%, the provision will only be temporary and lapse as of 1 January 2016	No	Deviation must be explained in the annual report	Too early to know
Norway 2003	Government owned companies and all public limited companies	40% with a voluntary compliance deadline set for 2005 (1,5 years from adaptation of law)	No	If firms meet the required ratio by that date, the law will be stricken from existence.	The companies did not meet the deadline, women's representation in boards of PLC's in 2005 was only 15%
Norway 2006	Quota applies to approximately 1200 public limited companies: listed	Minimum of 40% of each sex on the boards. Number	Penalties or dissolution of company	Both the business community and the government initiated	All companies comply with the law, and the 40% threshold



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	and non-listed public limited companies (around 400 of which 240 are listed), inter-municipal companies, state companies, municipal companies, co-operative companies (around 800)	depends on the number of seats in the board (For two and six seats 50% is required, for three seats 33%, for more than ten seats 40%). Newly established companies had to comply immediately; existing companies got 2 years and one month to comply.		several programs to increase the share of women on boards and to increase skills of prospective board members before the adaptation of the 2003 law. An online database was also established ('Kvinnebasen'), where women interested in board membership could register.	has been reached. The government pursued actively companies who had not met the deadline by the set date, and in the end no companies had to be dissolved. However, women's representation has not increased beyond the set limit.
Spain 2007	Public limited companies with more than 250 employees.	40% women's representation in 8 years (by 2015).	No penalty for failure to comply	Women's representation in Boards can be taken into account when public subsidies or state administration contracts are awarded. According to the 2007 Spanish law on equality, it is considered as a benefit if the bidder takes measures for equality between women and men, including quotas for women on Boards. Also the law on	Women's representation in boards has increased from 6% in 2007 to 10 % in 2010. Despite the quota law progress is slow and women's representation below the EU average.



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				public procurement (article 102 paragraph 1), was changed to enable public authorities to favour bidders with gender equality principles.	
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