

# Women and men in leadership positions in the European Union, 2013

A review of the situation and recent progress

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European Commission - Directorate-General for Justice

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#### Introduction

Equality between women and men is enshrined in the EU Treaties and the EU Charter of Fundamental Rights as a fundamental principle of the European Union (EU). Ensuring gender equality is one of the EU's main objectives and tasks<sup>1</sup>. It is also a necessary condition for the achievement of the objectives of the Europe 2020 strategy – the EU's growth strategy, which leans on knowledge, competences and innovation. Despite significant progress during the last decades thanks to regulatory pressure, gender inequalities persist in leadership positions and the pace of change is slow in many Member States. In response, the European Commission has reaffirmed its commitment to work to improve the situation by making gender equality in decision-making one of the five priority areas in both the Women's Charter<sup>2</sup> and the Strategy for Equality between Women and Men (2010-2015)<sup>3</sup>.

Women are particularly outnumbered by men in leadership positions in the corporate sector and this has been the focus of intense public debate initiated by the European Commission at EU level and in a number of Member States. Indeed, the under-utilisation of the skills of highly qualified and experienced women constitutes a loss of economic growth potential. Research from various countries suggests that companies with a higher representation of women at the most senior levels deliver stronger organisational and financial performance as well as better corporate governance. Moreover, the lack of women in leadership positions means that female talent is being underused, human capital wasted and the quality of appointments to the highest positions may be compromised.

In April 2013, women accounted for 16.6% of board members of large publicly listed companies in the 27 EU Member States<sup>4</sup>. This represents encouraging progress – the share of women has risen by an estimated 2.3 percentage points in 12 months<sup>5</sup> and nearly 5 percentage points since October 2010 (11.8%), one month after the European Commission first announced that it was considering "targeted initiatives to get more women into decision-making positions". Nevertheless, nearly one in four large listed companies still has no female representatives at board level and the rate of change is still some way below that required to reach a target of at least 40% of each gender by 2020.

Recognising the many benefits associated with having gender balance on company boards, including economic ones, a number of national governments have taken initiatives and in some cases legislative measures to encourage or enforce change. Across Europe, social partners, individual companies and other relevant stakeholders are also working to facilitate and support the recognition and development of women's talents, and to break down the barriers that limit their access to leadership positions. Notwithstanding these efforts, the rate of change in most Member States has been slow, which indicates that there is insufficient commitment and that self-regulation does not bring about substantial and rapid change. Hence, following an extensive public consultation<sup>6</sup>, the European Commission - with the strong support of the European Parliament and a number of Member States - has decided to take legislative action at EU level. The European Economic and Social Committee<sup>7</sup> and the Committee of Regions<sup>8</sup> have also backed this initiative.

On 14 November 2012 the European Commission put forward a proposal for a Directive on improving the gender balance among non-executive directors of companies listed on stock exchanges (see section **1.2**). This proposal is the culmination of a series of initiatives taken by the Commission to monitor the situation, to raise awareness of the inequalities that exist and of the economic and business case for gender diversity in leadership, to stimulate high-level public debate, and to encourage companies and Member States to take action<sup>9</sup>.

This report is produced in the context of the Commission's commitment to monitor the current situation and trends in the participation of women and men in high-level decision-making positions. It aims to highlight the gender gaps that remain in leadership positions but also to show the progress that is being made to reduce them. It includes

<sup>&</sup>lt;sup>1</sup> Article 2 and Article 3(3) of the <u>Treaty on European Union</u> and Article 8 of the <u>Treaty on the Functioning of the European Union</u>.

http://ec.europa.eu/commission\_2010-2014/president/news/documents/pdf/20100305\_1\_en.pdf

<sup>&</sup>lt;sup>3</sup> http://ec.europa.eu/justice/gender-equality/document/index\_en.htm

 $<sup>^{\</sup>bf 4}$  Situation prior to the accession of Croatia on 1 July 2013

<sup>&</sup>lt;sup>5</sup> This figure is calculated from the average monthly change between January 2012 (13.7%) and April 2013 (16.6%).

<sup>&</sup>lt;sup>6</sup> http://ec.europa.eu/justice/newsroom/gender-equality/opinion/120528\_en.htm

Official Journal of the European Union C 133/68, 9 May 2013: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=0J:C:2013:133:FULL:EN:PDF

ECOS-V/039. See http://www.toad.cor.europa.eu/AgendaDocuments.aspx?pmi=ha5jDW%2BOWSGA9v5ptBX3MbEqXkLHPBxNdLxAYnYqvwQ%3D&ViewDoc=true

<sup>&</sup>lt;sup>9</sup> See <a href="http://ec.europa.eu/justice/gender-equality/gender-decision-making/index\_en.htm">http://ec.europa.eu/justice/gender-equality/gender-decision-making/index\_en.htm</a>

examples of action taken by governments, business and other stakeholders to boost the participation of women in leadership positions.

Section one provides an update of progress on the participation of women and men on the boards of major publicly listed companies in the EU based on the most recent figures (April, 2013) and how this has changed over recent years. This builds on the Commission's progress report published in 2012<sup>10</sup> and earlier reviews<sup>11</sup>. The section also investigates the gender balance in the key decision-making bodies of national central banks and the EU financial institutions.

Section two deals with politics and considers the composition of governments and elected assemblies in Member States and in European institutions and recent trends in the representation of women and men. Section three reviews the gender balance in public administrations at the national level and in the European Commission. Section four looks at the representation of women and men in the judiciary, considering the gender balance amongst senior judges in the highest national courts and in European courts.

The report is, as far as possible, based on quantitative analysis of the situation with the majority of data being drawn from the European Commission database on women and men in decision-making, which is freely available for online consultation<sup>12</sup>. The database includes comparable data for EU Member States from 2003 onwards. Where relevant, 2003 is therefore used as the starting point for analysis of developments through time.

The report was compiled and all data collected before the accession of Croatia on 1<sup>st</sup> July 2013. All EU aggregates therefore refer to the EU-27 and, where relevant, data for Croatia are grouped with those for other countries from outside the EU. The Commission database will be updated to reflect the accession of Croatia later in 2013.

Women in economic decision-making in the EU: Progress report, European Commission, March 2012.

<sup>&</sup>lt;sup>11</sup> See documents available here: <a href="http://ec.europa.eu/justice/gender-equality/document/index\_en.htm#h2-5">http://ec.europa.eu/justice/gender-equality/document/index\_en.htm#h2-5</a>

 $<sup>{\</sup>color{red}^{12}} \ \underline{\text{http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index\_en.htm}$ 

# 1 Economic decision-making: accelerated progress following regulatory pressure

Women account for 46% of people in employment across the EU<sup>13</sup> and on average they have a higher level of education than their male colleagues: 34% of working women have some form of tertiary level education compared to 28% of men<sup>14</sup>. Yet at the top levels of business women remain under-represented. In economic terms, this represents a lack of return on investment that is to the detriment of companies and to the general prospects for prosperity and growth in the European Union. There is, therefore, also an economic and business case for taking action to address the situation.

A number of Member States have taken positive steps to promote gender equality in company boardrooms but the actions taken, the targets set, and the progress achieved are fragmented. The European Commission has therefore taken the lead in proposing legislation at EU level to ensure a common framework and objective to achieve gender balance (see section **1.2**).

#### 1.1 Company boards: the latest situation and trends

#### Methodology

Analysis in this section is based on data from the European Commission database on women and men in decision-making. The data cover publicly listed companies that are constituents of the main blue-chip index for each country and registered in the country concerned (according to the ISIN code). The blue-chip indices are maintained by the relevant stock-exchange and are typically compiled on the basis of market capitalisation or the most traded shares. The number of companies covered per country depends on the size of the index but a maximum of 50 are counted in each (e.g. for the UK the sample covers the 50 largest constituents of the FTSE-100). In the case that an index has less than ten constituents, additional companies are added (based on market capitalisation) in order to achieve, where possible, a minimum sample of ten companies for each country<sup>15</sup>. Data are collected on the following positions:

- Board members: data describing the share of women and men on company boards (e.g. Figure 1 and Figure 2) cover <u>all</u> members of the <u>highest decision-making body</u> in each company (i.e. non-executive directors, senior executives and employee representatives, where present). The highest decision-making body is usually termed the *supervisory board* (in case of a two-tier governance system) or the *board of directors* (in a unitary system).
- **Executives and non-executives**: data cover non-executive directors and senior executives in the **two highest decision-making bodies** in each company (**Figure 5**). The two highest decision-making bodies are usually referred to as the *supervisory board* and the *management board* (for a two-tier governance system) and the *board of directors* and *executive/management committee* (in a unitary governance system). Note: any individual who sits in both decision-making bodies of a particular company is counted only once and employee representatives are not counted at all.

Data are collected primarily from company websites. Where information is not available or is unclear a variety of methods are used to complete the data including: direct contact with the company; websites of the relevant stock-exchange; other publicly available databases of company information.

The latest data were collected in April 2013 and cover 716 of the largest listed companies from 33 countries across Europe, 587 of which are from the 27 EU Member States.

<sup>13</sup> Source: Eurostat, Labour Force Survey, data from 2012.

<sup>14</sup> Ibid

<sup>15</sup> See Annex A.2 for a table showing the sample size for each country.

#### Gender balance in boardrooms across the EU - situation in April 2013

The most recent figures from April 2013 show that women account for just 16.6%, or one in six, of board members of the largest publicly listed companies in the EU-27 (**Figure 1**). The highest levels of female representation on boards occurs in Finland (29.1%) and Latvia (29%), closely followed by France (26.8%) and Sweden (26.5%). The Netherlands, Denmark, Germany and Slovenia are the only other EU Member States to have at least 20% women on boards. That means that there are still nineteen Member States where men hold at least four out of every five board positions and in six of these - Romania, Cyprus, Estonia, Greece, Portugal, and Malta – women hold less than one in ten positions.

The fact that not one EU Member State is close to the EU's 40% objective and that more than two thirds are not even half-way to meeting it, supports the case that binding measures are crucial to bring about effective change. Indeed, of the 33 European countries covered by the Commission database, the only two that have achieved gender balanced boards are Iceland and Norway, both of which have adopted legislative quotas<sup>16</sup>.

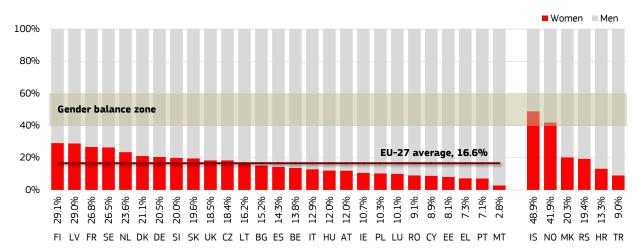


Figure 1 - Representation of women and men on the boards of large listed companies, April 2013

Source: European Commission, Database on women and men in decision-making.

#### Political and regulatory pressure accelerate progress

The European Commission has been monitoring the gender balance on company boards annually since 2003. Between 2003 and 2010 the share of women board members increased from 8.5% to 11.8%, an average rate of just 0.5 percentage points per year. This rate of change was unacceptably slow and without action it would have taken in excess of 50 years to reach a point where boardrooms comprised at least 40% of each gender.

In September 2010, the European Commission published its Strategy for Equality between Women and Men (2010-2015)<sup>17</sup> and first raised the prospect of considering targeted initiatives to improve the gender balance in decision-making. Since then, a series of Commission initiatives have brought the issue of the under-representation of women in business leadership positions to the fore of public debate and pressured Member States and companies to introduce measures to improve the situation:

- In March 2011, the Commission launched the "Women on the Board Pledge for Europe" which called on companies to voluntarily commit to targets to increase the representation of women board members.
- A year later, in March 2012, the Commission published a report on progress<sup>19</sup>, which found that despite a small improvement in the level of female representation, progress through self-regulation "continued to be very limited". As a result, the report announced that "policy options for targeted measures to enhance

<sup>&</sup>lt;sup>16</sup> In the case of Iceland, the 2010 quota law requires all publicly owned and publicly limited companies with more than 50 employees to have at least 40% of each gender on the board by 2013. The 9 large companies covered by the Commission database have achieved this ahead of schedule.

<sup>17</sup> http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0491:FIN:en:PDF

http://ec.europa.eu/commission\_2010-2014/reding/womenpledge/index\_en.htm

http://ec.europa.eu/justice/newsroom/gender-equality/opinion/files/120528/women\_on\_board\_progress\_report\_en.pdf

female participation in decision-making at the European level" would be explored following public consultation.

• In November 2012, the Commission adopted a proposal for a Directive with an objective of 40% for the under-represented sex among non-executive directors by 2020 (see section **1.2**).

This series of initiatives has contributed to significantly accelerate the rate of change. Since 2010 the share of women on boards has risen by 4.8 percentage points (pp) at an average rate of 1.9 pp/year, almost four times the long-term rate (**Figure 2**)



Figure 2 - Share of women on the boards of large listed companies, EU-27, 2010-2013

Source: European Commission, Database on women and men in decision-making.

When launching the Women on the Board Pledge in 2011, Commission Vice-President Viviane Reding set targets of achieving 30% of women on the boards of listed companies by 2015 and 40% by 2020. The accelerated rate of change is still some way short of what is required to reach either of those targets<sup>20</sup>. Moreover, there is an indication that the rate of progress is slowing, strengthening the calls for legislation. The latest figure of 16.6% women on boards in April 2013 represents an improvement of 0.9 percentage points<sup>21</sup> in the six months since the previous update in October 2012 or an annual equivalent rate of 1.7 pp, down from the rate of 2.2 pp between 2011 and 2012. In addition, the progress that has been made is concentrated in a few Member States.

#### Significant developments concentrated in a few Member States

The most significant developments over recent years have largely occurred in countries where binding legislation has already been adopted, such as France, the Netherlands and Italy, or where there has been an extensive public and media debate, such as Germany and the UK (**Table 1**). In fact, excluding these five countries the change between October 2010 and April 2013 would be just half that seen for the EU as a whole (2.4 pp instead of 4.8 pp). In other words, in most of the countries where there has not been any particular action to drive change, progress has been limited (**Figure 3**). For example, in Sweden, Malta, Estonia and Greece the level of female representation has hardly changed since 2010 and it has declined in Poland, Hungary, Slovakia and Romania.

<sup>&</sup>lt;sup>20</sup> An annual increase of around 3.5 pp would be required to achieve 40% women by 2020.

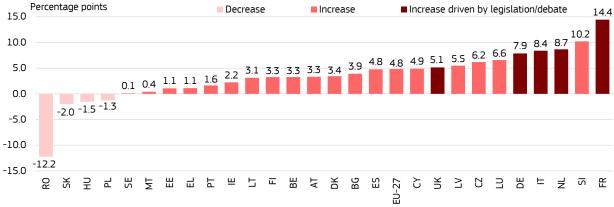
<sup>&</sup>lt;sup>21</sup> The share of women on boards was 15.8% in October 2012. The improvement to 16.6% is correctly reported as 0.9 percentage points rather than 0.8 because of rounding in the underlying figures.

Table 1 - Overview of some of the key drivers of progress since 2010

Country	Change	Driver of change
France	+14.4 pp	Quota law that came into force on 28 January 2011 (20% by 2014 and 40% by 2017) is applicable to the boards (non-executive directors) of listed companies and non-listed companies with more than 500 employees or annual turnover of at least $\in$ 50 million.
Netherlands	+8.7 pp	Civil code (adapted by 2011 law) obliging companies to strive for 30% of each sex on management and supervisory boards and to publish an explanation in case of failure to meet the target (comply or explain).
Italy	+8.4 pp	Quota law that came into force on 11 August 2011 (one third of each gender by 2015) is applicable to supervisory and management boards of listed and state-owned companies.
Germany	+7.9 pp	Quota law approved by the Bundesrat (upper chamber of the Parliament). Four of the five parties currently represented in the Bundestag (lower chamber of parliament), including the CDU <sup>22</sup> , have committed to introduce a proposal for binding legislation after the general election of 22 September 2013.
UK	+5.1 pp	The government commissioned Lord Davies report in 2011 proposed an initial target of 25% women directors for FTSE-100 by 2015 to be achieved through self-regulation by companies. The first annual review in March 2012 showed significant progress but the latest research suggests that progress has slowed <sup>23</sup> .

Note: Changes refer to the difference between the share of women on boards in October 2010 and April 2013 in percentage points (source: European Commission, Database on women and men in decision-making). The Commission's 2012 **progress report** includes an Annex giving more details of the measures taken in each country.

Figure 3 - Change in the share of women on boards by country, October 2010 - April 2013



Source: European Commission, Database on women and men in decision-making. Note: See **Table 1** for details of increases driven by legislation/public debate.

<sup>&</sup>lt;sup>22</sup> CDU = Christian Democratic Union (CDU), the major centre-right party in Germany.

<sup>&</sup>lt;sup>23</sup> See the original Lord Davies report and subsequent progress reports published by the UK government: <a href="https://www.gov.uk/government/publications/women-on-boards--3">https://www.gov.uk/government/publications/women-on-boards--3</a>. An update of the situation in March 2013 has been published by Cranfield University: <a href="https://www.som.cranfield.ac.uk/som/dinamic-content/media/Research/Research/820Centres/CICWL/FTSEReport2013.pdf">https://www.som.cranfield.ac.uk/som/dinamic-content/media/Research/Research/820Centres/CICWL/FTSEReport2013.pdf</a>.

#### The latest data show some improvement in most countries

In the six months from October 2012 to April 2013 there was a positive improvement in the share of women on boards in 20 of the 27 Member States (**Figure 4**). The largest percentage point increases occurred in Slovakia (+5.8 pp), Hungary (+4.7 pp) and Bulgaria (3.6 pp), though it should be noted that these are all countries with relatively small sample sizes (see Annex **A.2**) where the change can largely be linked to changes in the composition of companies covered by the blue-chip index. Indeed, the improvement in Germany (+2.5 pp) contributes more to the overall change at EU level than the increases in Slovakia, Hungary and Bulgaria combined.

The share of women on boards has declined since October 2012 in Romania (-2.8 pp), Lithuania (-1.6 pp), and Poland (-1.4 pp) and less significantly in Malta, Greece, Portugal and the UK (all less than 1 pp). In the UK, the 0.3 percentage point decline marks a break from a period of encouraging progress since the publication of the government commissioned Lord Davies report in 2011. A follow-up report on progress published in April 2013 and a recent research study have both noted concern at the halt in progress<sup>24</sup>.



Figure 4 - Change in the share of women on boards by country, October 2012 - April 2013

Source: European Commission, Database on women and men in decision-making.

#### More women are non-executive directors than senior executives

In general, women are better represented in non-executive positions than in executive positions (**Figure 5**). Data based on the same sample of companies as the key boardroom data, but distinguishing the different positions covered in the top two decision-making bodies (see Methodology), show that women currently account for 17.6% of non-executive directors in the EU and 11.0% of the most senior executives. A higher level of female representation amongst non-executives applies in most countries, though in isolated cases such as Romania, Estonia, Cyprus and Malta, and to a lesser extent Greece, the proportion of women is higher amongst senior executives.

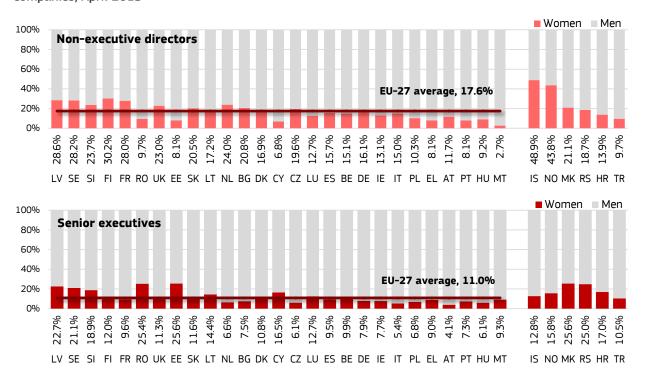
<sup>&</sup>lt;sup>24</sup> Women on Boards, UK Government, Department for Business, Innovation & Skills, April 2013:

<a href="https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/182602/bis-13-p135-women-on-boards-2013.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/182602/bis-13-p135-women-on-boards-2013.pdf</a>;

The FTSE Female Report, Cranfield School of Management, April 2013:

<a href="http://www.som.cranfield.ac.uk/som/dinamic-content/media/Research/Research/820centres/CICWL/FTSEReport2013.pdf">http://www.som.cranfield.ac.uk/som/dinamic-content/media/Research/820centres/CICWL/FTSEReport2013.pdf</a>

Figure 5 - Share of women amongst non-executive directors and senior executives of large listed companies, April 2013



Source: European Commission, Database on women and men in decision-making.

Note: Countries are ranked by the share of women amongst senior executives and non-executive directors combined so that the countries are in the same order in each part of the chart and the two shares can be compared.

Within the EU, there are three countries - Finland, France and the Netherlands - in which the share of women amongst non-executive directors is much higher than amongst senior executives (by between 17 and 18 percentage points). Two of these (France and the Netherlands) are among the Member States that have adopted binding legislation on board representation and have seen significant progress in the overall representation of women on boards since 2010 (**Figure 3**). In both cases the legislative measures were introduced relatively recently (2011) and the low shares of women amongst senior executives compared to non-executive directors may indicate that more time is needed for any significant impact to be seen in executive positions<sup>25</sup>. Senior executive positions may be harder to fill (e.g. more succession planning is required) and take more time to change than non-executive positions (e.g. board members may be subject to a periodic renewal).

Senior executives with experience of day-to-day management of companies are an important source of future non-executive directors so that the dearth of women in this talent pool should be of real concern<sup>26</sup>. Measures to address the leaky executive pipeline, which sees many women entering an executive career path but few making it to the top, requires a bottom-up approach. Business managers need to ensure that women's talents are nurtured and grown and that at every point on the career ladder women are given the same opportunities as men<sup>27</sup>. This is crucial to allow women to gain the day-to-day management experience needed to access the most senior executive and non-executive positions.

<sup>&</sup>lt;sup>25</sup> In the case of France it should be noted that the legislation applies only to the main board, which tends to include relatively few senior executives (average 10.3% of members)

<sup>&</sup>lt;sup>26</sup> See, for example, the 2013 follow-up to the Lord Davies report in the UK: https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/182602/bis-13-p135-women-on-boards-2013.pdf

<sup>&</sup>lt;sup>27</sup> Commission Staff Working Paper *The Gender Balance in Business Leadership*', March 2011 (SEC(2011) 246 final: <a href="http://register.consilium.europa.eu/pdf/en/11/st07/st07231.en11.pdf">http://register.consilium.europa.eu/pdf/en/11/st07/st07231.en11.pdf</a>

#### More than three-quarters of companies have at least one woman on the board

In April 2013, more than three-quarters of companies (77%) had at least one woman on the board and nearly half (48%) have more than one. This represents a substantial improvement since 2010 when two thirds of companies (66%) had at least one female representative at board level and one third (34%) had more than one (**Figure 6**). It still means, however, that nearly one in four (23%) of the largest companies in the EU-27 have no female representatives at board level.

2010 (October)

No women
1 woman
>1 woman
32%
23%
23%
29%

Figure 6 - Distribution of companies by number of women on the board, EU-27, 2010 and 2013

Source: European Commission, Database on women and men in decision-making.

France is the only EU country with more than one woman on the board of every company covered by the data, joining Norway and, more recently, Iceland from outside the EU (**Figure 7**). Finland and Sweden are the only other European countries with at least one woman on the boards of all major companies, while the UK, the Netherlands, Denmark and Germany are not far behind with between 93 and 96%. In contrast, more than half of companies in Malta, Estonia, Bulgaria, and Poland have no women on their boards.

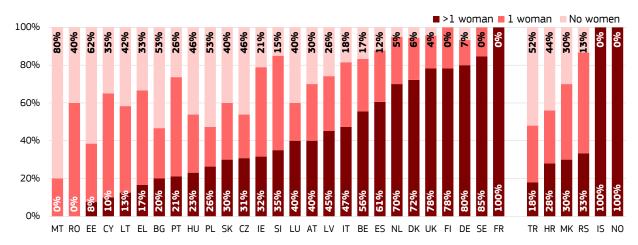


Figure 7 - Distribution of companies by number of women on the board by country, April 2013

Source: European Commission, Database on women and men in decision-making.

Note: Figures at the top show the proportion of companies with no women on the board, figures at the bottom show the proportion with more than one woman on the board.

#### Still very few women board chairs or CEOs

Despite the progress made at board level, there are still very few large companies with a woman Chairperson or CEO. The latest figures from April 2013 show that of the 587 EU companies covered by the Commission database just 26 are chaired by a woman (4.4%) and even fewer - 16 or 2.7% - have a female CEO. In just over half of EU Member States (14) no companies in the sample have a woman Chairperson and a similar number (but not the same countries) have no companies with a woman CEO (**Table 2**).

It is positive to note, however, that the figure for board chairs (4.4%) is the highest yet recorded, up from 3.4% in 2010. Data on CEOs have only been collected since 2012 and show no significant change.

Table 2 - Share of women amongst board chairs and CEOs of large companies, April 2013

% women	Board chairs	(n)	CEOs	(n)
>10%	CZ, SK, LV, BG, CY, SI	6	CY, MT, NL, RO, SK	5
5-10%	LT, ES, FR, PL	4	LV, SI	2
<5%	FI, SE, DE	3	EL, LT, SE, ES, UK	5
0%	BE, DK, EE, IE, EL, IT, LU, HU, MT, NL, AT, PT, RO, UK	14	BE, BG, CZ, DK, DE, EE, IE, FR, IT, LU, HU, AT, PL, PT, FI	15

Source: European Commission, Database on women and men in decision-making.

Note: Countries with relatively high shares are generally those which have a small sample where just one female chair/CEO contributes significantly to the final result.

#### 1.2 Actions to bring about change

Over recent years the economic dimension of gender balance in business leadership has become increasingly prominent in national, European and international arenas. There has been significant public debate and political pressure and a range of initiatives have been taken by governments, companies and other stakeholders. However, the various initiatives and actions are fragmented in terms of their coverage and timescale. Given the strong economic and business case for improving gender equality in economic decision-making, there is a need to ensure that the issue is addressed systematically so that companies in all Member States are better equipped for the future. The regular monitoring of the situation by the European Commission shows that the rate of progress through self-regulation is generally slow and not sustained. Consequently, in order to bring about more rapid change and to ensure a coherent approach across the EU, the Commission has proposed legislative action.

#### The Commission proposal for a Directive on improving the gender balance amongst nonexecutive directors of companies listed on stock exchanges

On 14 November 2012, the European Commission adopted a proposal for a Directive aimed at improving the gender balance on the boards of listed companies<sup>28</sup>. It sets an objective of 40% of the under-represented sex among non-executive directors to be achieved by 2020<sup>29</sup>. Publicly owned companies will have two years less to comply (2018) while small and medium-sized companies (SMEs) are exempt.

The proposed Directive requires companies not meeting the objective to apply gender-neutral and unambiguous criteria in the recruitment of non-executive directors and thereby ensure that the appointment process is transparent and treats men and women equally on the basis of their relevant skills and experience and not their gender. In the case of equally qualified candidates, priority should be given to the under-represented sex. Member States have to establish effective, proportionate and dissuasive sanctions in case of non-compliance with these procedural obligations. Countries with measures already in place will be able to maintain them so long as they are at least equally effective in reaching the objectives of the proposed Directive and they will be free to go further.

In addition to the above measures concerning non-executive positions, the proposal contains a measure addressing the gender balance among directors holding executive positions. Companies will be obliged to set their own self-regulatory targets for the representation of the under-represented sex among executive directors and to report annually on the progress made. The deadline will be the same as the one for reaching the objectives for non-executive directors (i.e. 2020 or 2018 for public undertakings).

The proposal is now being discussed in the European Parliament and in the Council. In the European Parliament, there is a broad consensus on the objective of increasing women's representation in economic decision-making, including on corporate boards. On 20 June 2013 the Committee on Legal Affairs (JURI) voted to confirm the legal basis proposed by the Commission<sup>30</sup>. Furthermore, on 9 July 2013 the Committee on Employment and Social Affairs

<sup>28</sup> COM(2012) 614 final.

<sup>&</sup>lt;sup>29</sup> See press release: <a href="http://europa.eu/rapid/press-release\_IP-12-1205\_en.htm">http://europa.eu/rapid/press-release\_IP-12-1205\_en.htm</a>

<sup>30</sup> PE510.654v01-00.

(EMPL) issued a favourable opinion on the Commission proposal. On 17 September 2013 a similarly favourable opinion was issued by the Committee on Economic and Monetary Affairs (ECON). Progress has also been made in the negotiations in the Council of the EU, as outlined in the progress report of the Irish Presidency discussed at the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) on 20 June 2013<sup>31</sup>. The European Economic and Social Committee and the Committee of the Regions have also adopted opinions, on 13 February<sup>32</sup> and 30 May 2013<sup>33</sup> respectively, expressing clear support for the Commission proposal. The latter body confirmed that the proposal is in line with the principle of subsidiarity.

Given that the reasons for the under-representation of women in business leadership are multifaceted, the Commission proposed in its Communication "Gender balance in business leadership: a contribution to smart, sustainable and inclusive growth"<sup>34</sup> a set of accompanying measures to support Member States improve gender equality in decision-making at all levels<sup>35</sup>.

#### Recent measures taken by Member States

National governments have a key role to play in establishing an enabling environment that supports companies in their application of diversity management goals and gives women and men equal opportunities to develop their careers. The Commission's 2012 progress report on women in economic decision-making gives several examples of initiatives from around the EU taken to promote the gender balance in business leadership<sup>36</sup>. Since then, a number of national governments have taken further legislative or non-legislative measures that illustrate their commitment to improve the situation.

- In Denmark, an amendment to the Companies Act and the Financial Statements Act passed at the end of 2012 requires large companies to set targets and implement a policy for gender diversity from April 1<sup>st</sup> 2013 and to report on those targets from 2014<sup>37</sup>.
- In the **UK**, the corporate governance code was amended by the Financial Reporting Council in September 2012, following recommendations in the 2011 Lord Davies report and an extensive consultation process. From 1<sup>st</sup> October 2012, companies are required to report annually on their diversity policy, any measurable targets they have set and progress towards these<sup>38</sup>. The 2006 Companies Act has also been amended to require companies to disclose the number of women and men in the organisation as a whole (including board and senior management) in their annual reports from October 2013.
- In **Germany**, in 2012, the Bundesrat (upper chamber of parliament) approved a proposal for a federal law applying a 40% quota for non-executive boards of listed companies and other large corporations. Four of the five parties currently represented in the Bundestag (lower chamber of parliament), including the CDU<sup>39</sup>, committed to introduce a proposal for binding legislation in their manifesto for the elections held on 22 September 2013.
- In **Poland**, on March 7<sup>th</sup> 2013, the Minister of State Treasury issued an executive ordinance which obliges state-owned companies to "choose adequately prepared members of supervisory boards, taking into account the balanced participation of women and men"<sup>40</sup>. The Code of good practices attached to that ordinance establishes a target of 30% for 2015 and a priority rule for equally qualified women. No sanctions are envisaged.

http://europa.eu/rapid/press-release\_MEMO-13-584\_en.htm

<sup>32</sup> Official Journal of the European Union C 133/68, 9 May 2013: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=0J:C:2013:133:FULL:EN:PDF

<sup>38</sup> ECOS-V/039. See http://www.toad.cor.europa.eu/AgendaDocuments.aspx?pmi=ha5jDW%2B0WSGA9v5ptBX3MbEqXkLHPBxNdLxAYnYqvwQ%3D&ViewDoc=true

<sup>34</sup> COM(2012) 615 final.

http://ec.europa.eu/justice/newsroom/gender-equality/news/121114\_en.htm

<sup>36 &</sup>quot;Women in economic decision-making in the EU: Progress report": http://ec.europa.eu/justice/gender-equality/files/women-on-boards\_en.pdf

 $<sup>{\</sup>color{red}^{\bf 37}\, See}\, \underline{\text{http://xbma.org/forum/danish-update-new-rules-on-gender-quotas-in-boards-of-directors/}\\$ 

<sup>38</sup> See http://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/Feedback-statement-on-UK-Corporate-Governance-Code.aspx

<sup>&</sup>lt;sup>39</sup> CDU = Christian Democratic Union, the major centre-right party in Germany.

<sup>4</sup>º See "Principles of corporate governance in companies in the Treasury"
<a href="http://bip.msp.gov.pl/portal/bip/101/8163/Zarzadzenie\_Nr\_3\_Ministra\_Skarbu\_Panstwa\_z\_dnia\_28\_stycznia\_2013\_r.html">http://bip.msp.gov.pl/portal/bip/101/8163/Zarzadzenie\_Nr\_3\_Ministra\_Skarbu\_Panstwa\_z\_dnia\_28\_stycznia\_2013\_r.html</a>

#### Initiatives to support companies

As the possibility of legislative action at EU level and the surrounding public debate on the need to improve gender balance on boards gathers pace, a wide range of initiatives have been launched to support companies in meeting this objective.

An argument often used against legislation or to justify the lack of progress is that there are not enough experienced women to fill the number of board positions required to achieve balanced representation. There is, however, no evidence to support this assertion and a number of organisations are making available lists of suitably qualified women. The Global Board Ready Women Database, available on LinkedIn, was established in December 2012 under the initiative of leading European business schools and with the support of European Commission Vice-President Viviane Reding. The database, administered by the Financial Times Non-executive Directors' Club<sup>41</sup>, already has more than 8000 board-ready women amongst its membership and lends support to companies seeking to recruit women to their boards. Other databases and groups of board-ready women have been constituted at national level, including in Denmark<sup>42</sup>, Belgium<sup>43</sup>, Italy<sup>44</sup> and Luxembourg. The Female Board Pool, which operates in Belgium and Luxembourg is a platform to promote contact between existing and aspiring women board members and the companies interested in recruiting them<sup>45</sup>.

Adapting appointment processes can help to ensure that the talents of women are not overlooked. Opaque hiring practices, including information regarding the vacancy and selection criteria, male dominated nomination committees and corporate boards, and an emphasis on the prior boardroom experience and social capital more commonly held by men all contribute to the difficulties that women experience in accessing top positions. A study published by the UK Equality and Human Rights Commission in 2012<sup>46</sup> issued a number of recommendations as to how executive search firms could adapt their working practices to mitigate these barriers, expand the talent pool and reach women in the pipeline. They include:

- building databases that prioritise or at least flag out the profiles of available female candidates;
- developing deeper relationships with women in the pipeline, thus going beyond the short-term approach to placement often adopted when consultants are mandated to fill a specific opening;
- and engaging with talented women (either in middle executive ranks or in sectors such as professional services) before they are actually ready for board appointments, with the long-term aim of preparing them for roles as non-executive directors.

Advocacy groups are also important drivers of change and provide support through empowering women (e.g. through networking and mentoring organisations). In the UK, the 30% Club, established in 2010 by a group of company chairs committed to getting more women onto company boards in the UK, has set up action groups to look at how to help women progress through the pipeline<sup>47</sup>. In the Czech Republic, Odyssey – a non-commercial mentoring project, supported by male and female leaders – provides a platform to match aspiring and talented women with experienced mentors who can help them develop their potential<sup>48</sup>.

<sup>41</sup> http://www.non-execs.com/visitor-home/

<sup>42</sup> http://www.womenonboard.dk/

<sup>43</sup> http://www.womenonboard.be/

<sup>44</sup> See <a href="http://www.readyforboard.com/">http://www.pwa-milan.org/ready-for-board-women-2/</a>

<sup>45</sup> http://www.female-board-pool.com/

<sup>46</sup> http://www.equalityhumanrights.com/uploaded\_files/research/rr85\_final.pdf

http://www.30percentclub.org.uk/

<sup>48</sup> http://www.myodyssey.cz/en/

#### Actions launched by companies

All around Europe, companies are increasingly recognising the business case for gender balance in leadership positions and are taking diverse action to tackle the issue. Some of the steps that have been identified as being necessary<sup>49</sup> include those listed below. It is important to associate men into the debate to ensure that the steps taken do not create resentment or undermine the achievements of women (e.g. to avoid perceptions that an individual has been promoted purely on the basis of their gender).

- **Commitment from top management** to gender diversity goals and to change corporate culture this signals that gender diversity is a company priority and a red thread running through the company approach to human resource management.
- Thorough research into career trajectories of men and women; collection of data, surveys and analysis at company level this allows for the identification of inequalities.
- **Programmes to support the advancement of women** including mentoring schemes, sponsorship, networking programmes, use of external coaches and leadership skill building programmes or board level internships to provide women with the necessary experience to be considered for a board appointment.
- **Indicators, targets and monitoring** once the size of the problem is understood, indicators can be developed, targets set and monitored.
- Measures to help both women and men reconcile work and family responsibilities this means
  challenging the culture of presenteeism and introducing more flexible work arrangements and/or child-care
  where possible, establishing support for these measures, options to work from home or bank overtime and
  changes in attitudes.

The *European Round Table of Industrialists (ERT)*, made up of around 50 heads of multinational companies based in Europe, has developed two initiatives to improve the representation of women in leadership positions:

- Participating members of ERT propose candidates for a database of ready qualified women for nonexecutive positions maintained by three executive search firms.
- Companies are encouraged to declare, on a voluntary basis, targets for the participation of women throughout the company<sup>50</sup>.

To fight the glass ceiling in **France**, an annual publication will rank the SBF 120 companies (an index of the 120 most actively traded stocks in France, which includes all CAC 40 stocks, i.e. the stocks in the French benchmark index<sup>51</sup>) according to the representation of women in senior management positions<sup>52</sup>.

In the **UK**, a campaign called "Opportunity Now" organised by the charity Business in the Community, seeks to recognise and spread best practice to enable business to improve diversity in the pipeline and in executive positions<sup>53</sup>. Eight awards were announced in April 2013. KPMG, a global consultancy company, received two: the award for commitment to flexible working, and the 'champion award' for the work by board member and partner Melanie Richards in promoting gender diversity initiatives within the business<sup>54</sup>.

In **Spain**, *Ferrovial*, a multinational transportation infrastructure company, has an action plan for gender equality which specifically addresses the need to facilitate women's access to top management responsibilities. The equality

<sup>&</sup>lt;sup>49</sup> For example: Equality pays off, European Commission, 2012 (<a href="http://ec.europa.eu/justice/gender-equality/equality-pays-off/company-guide/index\_en.htm">http://ec.europa.eu/justice/gender-equality/equality-pays-off/company-guide/index\_en.htm</a>; Women on Boards, UK government commissioned report, 2011 (<a href="http://www.bis.gov.uk/assets/biscore/business-law/docs/w/11-745-women-on-boards.pdf">http://www.mckinsey.com/locations/swiss/news\_publications/pdf</a>/Women Matter, 2010 (<a href="http://www.mckinsey.com/locations/swiss/news\_publications/pdf/Women\_matter\_2010\_4.pdf">http://www.mckinsey.com/locations/swiss/news\_publications/pdf/Women\_matter\_2010\_4.pdf</a>);

\*The Bottom Line: Connecting Corporate Performance and Gender Diversity, Catalyst, 2007

(<a href="http://www.catalyst.org/publication/82/the-bottom-line-connecting-corporate-performance-and-gender-diversity">http://www.catalyst.org/publication/82/the-bottom-line-connecting-corporate-performance-and-gender-diversity</a>)

<sup>50</sup> See: http://ertdrupal.lin3.nucleus.be/women/

<sup>51</sup> The CAC 40 is a benchmark French stock market index representing the 40 largest companies by market capitalisation listed on the Euronext Paris exchange.

<sup>52</sup> See: http://femmes.gouv.fr/briser-le-plafond-de-verre-action-2/?utm\_source=twitterfeed&utm\_medium=twitter

<sup>53</sup> http://opportunitynow.bitc.org.uk/

<sup>54</sup> http://opportunitynow.bitc.org.uk/showcase2013

plan, which has been in place since 2009, is embedded into the overall strategic plan for corporate responsibility. It was drawn up in consultation with relevant trade unions and is revised annually<sup>55</sup>.

In **Denmark**, *DONG Energy* is a signatory to the charter for more women in management issued by the Danish Ministry for Gender Equality<sup>56</sup>. The company has put in place initiatives to help women who are already in management positions to continue their journey up the career ladder and to ensure that women with the potential to lead are identified and developed. It also evaluates its recruitment process in order to attract and retain female employees and managers<sup>57</sup>.

# 1.3 Central banks and EU financial institutions: more efforts are needed

#### National central banks: women still outnumbered by more than four to one

On average across the EU, men account for more than four out of every five (81.4%) members of the most important decision-making bodies in national central banks and women less than one (18.6%) (**Figure 8**). However, the situation varies between countries. Balanced decision-making, with at least 40% of each gender, exists in the central banks of Finland and Slovenia as well as those of Iceland and Norway outside the EU. However, there are also five Member States (Cyprus, Lithuania, Austria, Portugal, and Slovakia) in which not a single member of the main decision-making bodies is female.

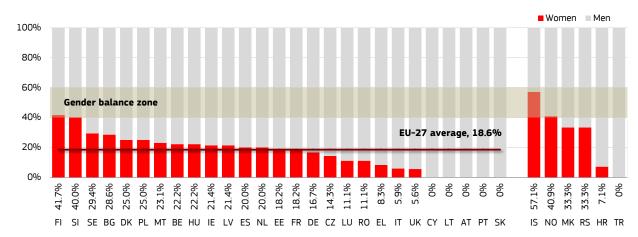


Figure 8 - Representation of men and women in national central banks, 2013

Source: European Commission, Database on women and men in decision-making.

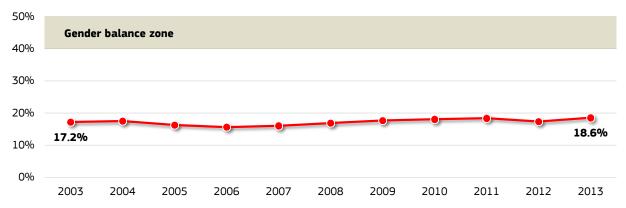
The level of female representation in the highest decision-making bodies of central banks within the EU has remained more or less unchanged since 2003 (the first year for which comparable data were collected), fluctuating between 16 and 18% (**Figure 9**).

<sup>55</sup> See http://report2011.ferrovial.com/en/index.asp?MP=330&MS=2178&MN=3&pag=3

<sup>&</sup>lt;sup>56</sup> http://www.kvinderiledelse.dk/om-charteret.aspx

<sup>57</sup> See Dong Energy's 2012 annual report.

Figure 9 - Share of women in the decision-making bodies of national central banks, EU-27, 2003-2013



Source: European Commission, Database on women and men in decision-making.

Note: Figures cover all 27 EU Member States except: 2003 (missing CZ, LT, MT and PL) and 2004–2006 (missing DE).

#### EU financial institutions: no sign of progress

At EU level three financial institutions (The European Central Bank, The European Investment Bank and the European Investment Fund) are respectively responsible for implementing economic and monetary policy and providing lending and support for EU businesses and projects. In 2013, the combined governing boards of these institutions have a total of 57 members, and just 3 of them (5.3%) are women (**Figure 10**).

The governing council of the European Central Bank comprises the six members of the executive board plus the governors of the central banks of each of the 17 euro area countries. All of them are men. There are two women on the board of governors of the European Investment Bank, which is made up of one representative from each Member State (usually the Minister of Finance), and one on the board of directors of the European Investment Fund, which has seven members.

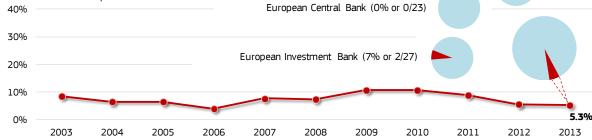
Although the total number of members of the three governing bodies has grown over the past decade from 36 to 57 (due to accession of new Member States), the number of women members is the same now as in 2003 (the first year for which comparable data were collected) and the overall proportion of women has never exceeded 11%.

European Investment Fund (14% or 1/7)

---European financial institutions

European Central Bank (0% or 0/23)

Figure 10 - Representation of women in governing boards of European financial institutions, 2003-2013



Source: European Commission, Database on women and men in decision-making.

The European Parliament has called, in a number of resolutions, for more women in governing positions in the central banks and financial institutions in Member States and noted that it is deeply concerned about the absence of women in the ECB's executive board<sup>58</sup>. In its 2012 Communication, the Commission has also encouraged Members States to improve the representation of women<sup>59</sup>. While the appointment of members of the ECB Executive Board is, according to the EU Treaties, a competence of the European Council, it is important that any new monetary or supervisory authorities ensure a better representation of women in their decision-making bodies.

 $<sup>{}^{\</sup>bf 58} \ {\rm European \ Parliament \ resolutions} \ \underline{{\rm P7\_TA}(2011)0223}; \ \underline{{\rm P7\_TA}(2013)0073}; \ \underline{{\rm P7\_TA}(2013)0176}$ 

<sup>59</sup> COM(2012) 615 final.

## 2 Politics: slow progress

#### 2.1 European Council: a long way to go

The European Council was created in 1974 to provide an informal forum for discussion between Heads of State or Government but was given a more formal role to provide the impetus and general political guidelines for the development of the Union by the Maastricht Treaty in 1992. Then, on 1 December 2009, when the Treaty of Lisbon came into force, the European Council became one of the seven institutions of the European Union and its composition was enlarged to include a permanent President and the President of the Commission.

At that time, the European Council included just two women amongst its 29 members: Angela Merkel, Chancellor of Germany and Dalia Grybauskaitė, President of the Republic of Lithuania. That number is now up to four: the previous two plus Helle Thorning-Schmidt, Prime Minister of Denmark, and Alenka Bratušek, Prime Minister of Slovenia (**Figure 11**).

50% Gender balance zone 40% 30% 20% 14% 10% 0% Jun-10 Dec-10 Dec-11 Jun-12 Dec-12 Dec-09 Jun-11 Jun-13

Figure 11 - Representation of women in the European Council, 2009-2013

Source: European Council

#### 2.2 European Commission: representation of women increasing

The first College of Commissioners (the Hallstein Commission) convened in 1958 was an entirely male body and the College remained that way until the second Delors Commission in 1989 when Christiane Scrivener and Vasso Papandreou were selected to represent France and Greece respectively. More recently, since President Barroso's insistence on female candidates in 2009, one third (33%) of the Commissioners are women (**Figure 12**).

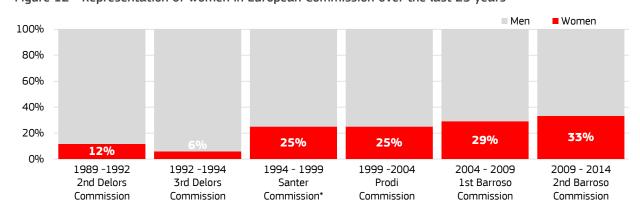


Figure 12 - Representation of women in European Commission over the last 25 years

Sources: European Commission. Figures show the situation immediately after Commission selected.

<sup>\*</sup> The Santer Commission resigned en masse in March 1999. The interim President prior to the Prodi Commission was Manuel Marín.

#### 2.3 National governments

#### Progress in women's participation

In May 2013, women accounted for 27% of senior ministers in national governments (**Figure 13**), so that on average across the EU they are represented in government at the same rate as in the national parliaments that they represent but are still outnumbered by men by a ratio of almost three to one. Three EU Member States have parity governments in which the numbers of men and women are equal or differ by only one: France, Denmark and Finland. The same is true in Iceland and Norway. Gender balanced governments (at least 40% of each gender) also exist in Sweden, where women account for more than half of senior ministers, and in Austria as well as in Liechtenstein. The governments of Belgium, the Netherlands and Germany are also close to achieving balanced representation. However, women account for less than one in ten members of the cabinet in Greece, Slovakia, Estonia, Cyprus and Hungary, as well as in Turkey and FYROM.

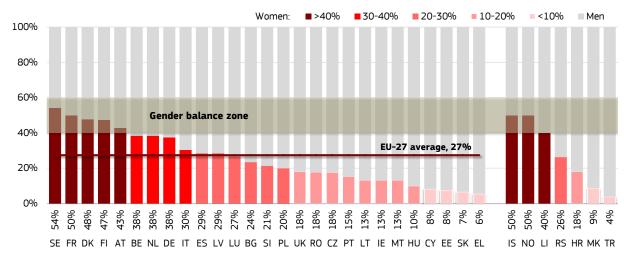


Figure 13 - Representation of women and men in national governments (senior ministers), 2013

Source: European Commission, database on women and men in decision-making. Data refer to the situation in May 2013. Note: Senior ministers are those with a seat on the Cabinet or Council of Ministers.

The level of female representation in national governments has improved through time. The share has increased by an average of 0.7 percentage points per year since the end of 2004, the first point from which data are available for all 27 EU Member States (**Figure 14**).

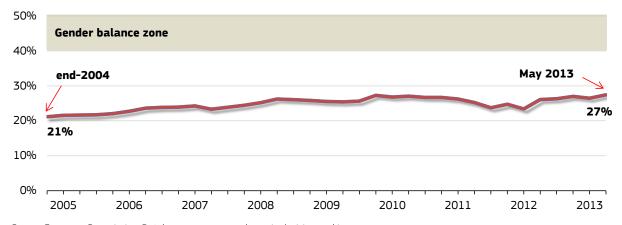


Figure 14 - Representation of women in national governments (senior ministers), EU-27, 2004-2013

Source: European Commission, Database on women and men in decision-making.

Note: Senior ministers are those with a seat on the Cabinet or Council of Ministers. 2004 is the first point from which data are available for all 27 EU Member States.

#### An unequal allocation of portfolios

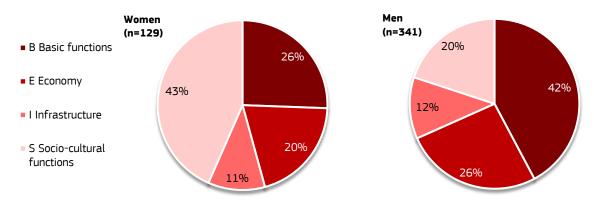
#### BEIS typology of government functions

Basic functions Foreign and internal affairs, defence, justice Economy Finance, trade, industry, agriculture Infrastructure Transport, communications, environment

Socio-cultural functions Health, education, social affairs, employment, family, culture, sports

The men and women nominated for positions in government tend to be allocated different types of portfolio (**Figure 15**). The BEIS typology distinguishes four broad categories of government function (see box). Amongst senior government ministers from across the EU, men are more likely to have responsibility for basic functions such as foreign and home affairs, defence and justice (42% of male ministers have portfolios of this type compared to 26% of female ministers). Women are more likely to be allocated socio-cultural portfolios including health, education, and social affairs (43% compared to 20% of men). Men are slightly more likely to be allocated portfolios with economic functions (26% of men, 20% of women) but there is little difference for infrastructure functions (12% vs. 11%).

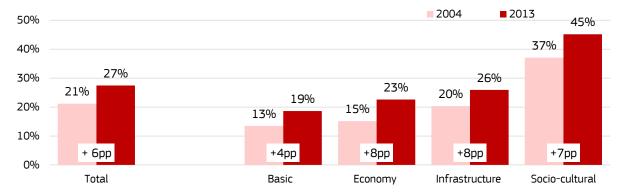
Figure 15 - Distribution of men and women in government by type of portfolio, EU-27, 2013



Source: European Commission, Database on women and men in decision-making. Data cover senior ministers (those with a seat in the cabinet or council of ministers) in the national governments of all 27 EU Member States. Data refer to the 2<sup>nd</sup> quarter of 2013.

The representation of women in government (senior ministers) increased overall by 6 percentage points between the last quarter of 2004 and the second quarter of 2013. This improvement was only 5 pp for basic functions compared to 8 pp for socio-cultural functions (**Figure 16**). This means that the unequal allocation of portfolios with basic and socio-cultural functions, to men and women respectively, has widened slightly over the period. In May 2013, women accounted for 27% of all senior government ministers but their distribution by type of portfolio means that they account for 19% of ministers with basic portfolios and 23% of those with economic portfolios compared to 45% of those with socio-cultural portfolios.

Figure 16 - Share of women senior government ministers by type of portfolio, EU-27, 2004 and 2013



Source: European Commission, Database on women and men in decision-making. Data refer to the  $4^{th}$  quarter of 2004 (the first point from which data are available for all 27 EU Member States) and the  $2^{nd}$  quarter of 2013. All figures are rounded so that percentage point changes may appear to differ from the difference in the shares in each year.

#### 2.4 National, regional and local assemblies

#### National parliaments: just 27% women

In the second quarter of 2013, the single or lower houses of parliament in the 27 EU Member States comprised 73% men and just 27% women. This is 5 percentage points higher than the level ten years ago (22%) and although the trend since 2003 has mostly been positive on an annual basis, the rate of change has been slow (**Figure 17**). The share of women representatives has increased by an average of just 0.5 percentage points per year.

50% Gender balance zone 40% 30% 27% 20% 22% 10% 0% 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013

Figure 17 - Share of women in national parliaments (single/lower house) in the EU, 2003-2013

Source: European Commission, Database on women and men in decision-making. Figures shown are the average of all available quarterly data.

The EU figures conceal some significant differences between countries and whilst some already have quite well balanced parliaments, others need to take note that they are lagging behind and consider a response (**Figure 18**). Three countries – Sweden, Finland and Spain – already have at least 40% women in parliament, with Denmark, Belgium, and the Netherlands almost at this level. On the other hand, women account for less than 20% of members of parliament in Cyprus, Romania, Malta, Ireland and Slovakia and less than 10% in Hungary.

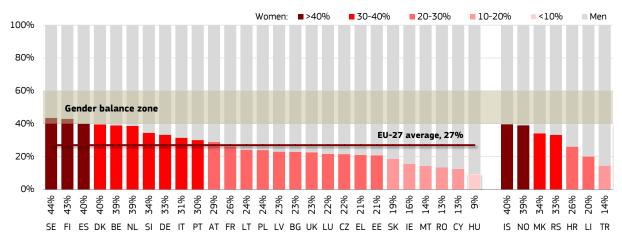


Figure 18 - Representation of women and men in national parliaments (single/lower house), 2013

Source: European Commission, Database on women and men in decision-making, data from the second quarter of 2013.

#### Major political parties are mostly led by men

The situation of women in politics could be improved if more were involved in the leadership of political parties, where they can not only influence the political strategy of parties and the process of candidate selection, but also act as role models and mentors for others. In April 2013, men accounted for 89% of leaders of major political parties around the EU and women just 11%. There are more women amongst deputy leaders (35%). In sixteen EU Member States, not one of the major parties is led by a woman (**Table 3**) and in five of these (Greece, Italy, Cyprus, Hungary and Malta) all deputy leaders are also men.

Table 3 - Share of women leaders of major political parties, 2012

% women leaders	Countries
40-50%	Norway
30-40%	Germany, Denmark, Croatia
20-30%	Sweden, Belgium, Luxembourg, Austria, Romania, Turkey
10-20%	Latvia, Slovenia, Finland, the Netherlands
<10%	
0%	Bulgaria, Czech Republic, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Lithuania, Hungary, Malta, Poland, Portugal, Slovakia, United Kingdom, FYROM, Republic of Serbia, Iceland, Liechtenstein

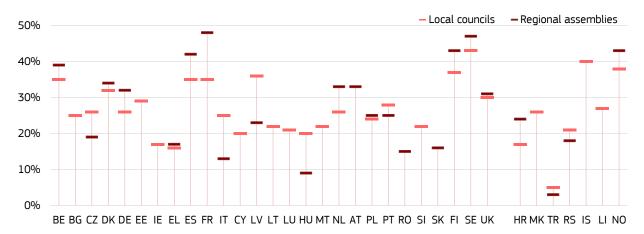
Source: European Commission, Database on women and men in decision-making.

Note: Major political parties are those with at least 5% of seats in the national parliament. Countries are ordered by decreasing share within each group, those falling on group limits are listed in the higher group.

#### Regional and local levels: slightly better gender balanced

There is a slightly better gender balance amongst politicians at regional and local level than at national level. Across the EU, women account for nearly a third (32%) of members of regional assemblies (2012 data) and the same share of local (usually municipal) councils (2011 data) compared to 27% in national parliaments (2013 data) (**Figure 19**). Balanced representation (at least 40% of each gender) has been achieved in four countries (France, Sweden, Finland and Spain) at regional level but only in one, Sweden, at local level. At the other end of the scale, in regional assemblies men heavily outnumber women in Hungary (91%), Italy (87%), Romania (85%), Slovakia (84%), Greece (83%) and the Czech Republic (81%). There are fewer extreme imbalances in local authorities with Ireland and Greece being the only EU countries in which women account for less than one in five representatives. The share of women in regional assemblies was already 30% in 2004 and has risen only 2 percentage points since.

Figure 19 - Representation of women in local councils (2011) and regional assemblies (2012)



Source: European Commission, Database on women and men in decision making.

Note: Regions are defined to be territorial authorities between the national and local level (but not necessarily with a hierarchical relationship) that are endowed with powers of self-government. On this definition, regional authorities do not exist in the following countries: BG, EE, IE, CY, LT, LU, MT, SI, MK, IS, LI. Data on local councils are not available for AT, RO, SK.

#### Mechanisms to promote gender balanced representation

To improve the gender balance in politics, governments and political parties have to establish appropriate enabling environments and demonstrate a real commitment to achieving this aim. In this context, political parties can take, inter alia, voluntary steps to ensure that women are fairly represented amongst the candidates they put forward, whilst governments can, where appropriate, take legislative action to guarantee the necessary prerequisites are in place to encourage gender balance.

The Organisation for Security and Cooperation in Europe (OSCE)'s six-point plan for achieving gender equality in elected office demonstrates the range of actions that may be necessary to achieve gender balance depending on the starting point of the country concerned (**Table 4**).

The Inter-Parliamentary Union<sup>60</sup> also has a Plan of Action for Gender-sensitive Parliaments which identifies seven areas for action<sup>61</sup>. The first of these is to "Increase the number of women in parliament and achieve equality in participation", which should be achieved through a range of possible actions, which include measures to ensure that parties select more women to run in "winnable" seats and amendments to electoral laws and national constitutions that provide for reserved seats, as well as campaigns to promote awareness of the importance of women's representation in parliament.

Table 4 - OSCE six-point plan for gender equality in elected office

Constitutional rights	Guarantee equal rights for women and men, including rights to the voting suffrage and to candidate nomination
Electoral system	Reform the type of electoral system; proportional representation with large district magnitudes maximises opportunities for women
Legal quotas	Review laws regulating candidate recruitment processes for all parties; the use of reserved seats for women members or gender quotas for candidates generally expand women's representation
Party rules and recruitment procedures	Review internal candidate recruitment processes within each party; adopt fast track strategies in party rulebooks and regulations to achieve gender equality for nominated candidates
Capacity development	Strengthen the skills and resources of women in the pipeline for elected office, with initiatives by parties, the media and NGOs, including knowledge networks, mentoring programmes, skills training and funding for women candidates
Parliamentary reform	Reform the rules and internal procedures within parliament, including the facilities and working conditions, hours of sitting, principles for leadership recruitment, and provision of childcare facilities

Source: Gender Equality in Elected Office: A Six-Step Action Plan, OSCE, 2011

#### Quota systems can boost the rate of progress ...

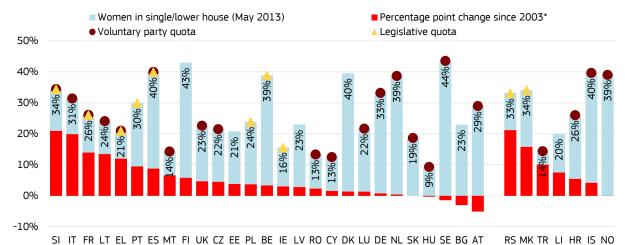
In 18 of the 27 EU Member States one or more of the political parties with seats in the current parliament (situation in the second quarter of 2013) has a voluntary quota for the proportion of women candidates (**Figure 20**). Voluntary party quotas apply in countries with low levels of female representation (e.g. Hungary and Cyprus) just as often as in countries with high levels (e.g. Spain and the Netherlands). Moreover, data monitoring the level of female representation in national parliaments do not suggest a consistent link between the existence of voluntary party quotas and the extent of progress made over the past decade. Voluntary party quotas exist in eight of the ten EU Member States that have made the least progress since 2003 as well as eight of the ten that have made the most progress<sup>62</sup>.

<sup>&</sup>lt;sup>60</sup> The Inter-Parliamentary Union is the international organisation of national parliaments.

<sup>61</sup> http://www.ipu.org/pdf/publications/action-gender-e.pdf

<sup>&</sup>lt;sup>62</sup> Note that some of the countries with voluntary party quotas but low progress since 2003 already had a relatively high level of female representation at the start of the period (e.g. Netherlands and Sweden).

Figure 20 - Changes in the representation of women in national parliaments, 2003\* - 2013

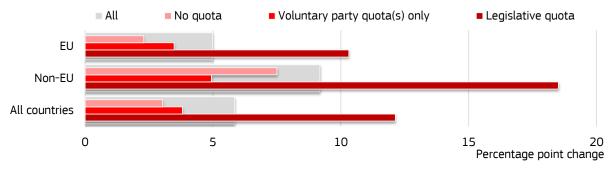


Sources: European Commission, Database on women and men in decision-making (most figures); Inter-Parliamentary Union (2003 figures for CZ, LT, LV, MT, TR, HR, MK and 2006 figure for RS); Quota Project and OSCE (quota information).

\* Except Serbia (RS) - change since June 2006.

In the EU as a whole, the share of women in the 27 national parliaments (single/lower house) increased by an average of 5 percentage points between 2003 and 2013 but this average is just 2.3 pp for countries with no form of quota legislation, not much higher (3.5 pp) for countries with only voluntary party quotas, but significantly higher (10.3 pp) in countries where a legislative quota has applied for at least one election (**Figure 21**). Outside the EU, legislative quotas in two candidate countries (Serbia and the former Yugoslav Republic of Macedonia) have both had a dramatic impact on the level of female representation in parliament with both now having more than 30% women members, some two to three times the levels observed before the quotas were applied.

Figure 21 - Average changes in the representation of women in national parliaments 2003-2013 by type of quota



Sources: Figures are averages of changes shown in **Figure 20**. The average for legislative quotas excludes Ireland where the quota has not yet applied to an election (it is included in the group with no quota).

To be effective, voluntary party quotas would need to be adopted by the major parties and backed up by real commitment to translate candidate quotas or targets into electoral results. That would mean developing effective strategies to recruit and develop women candidates and internal procedures to ensure fair placement on party lists, or in winnable seats in case of a majoritarian electoral system. On the other hand, the evidence indicates that - on average - legislative quotas, which by default apply to all political parties, are effective in bringing about significant and rapid change. Eight EU Member States currently have a legislative quota in place (**Figure 20** and **Table 5**). Five of these feature amongst the ten countries having made the most progress in the level of female representation since 2003 while none feature in the bottom ten. Note that in Ireland, the quota system was introduced only in 2012 and has not yet applied to an election, and in Poland, the law came into force only a short time before the last election in 2011 and the lack of a rule governing the order of placement on candidate lists is thought to have contributed to the limited success so far.

Table 5 - Summary of legislative quotas currently applicable to the nomination of candidates for parliamentary elections

Country	Quota level and details	Enforcement mechanism	Year law passed	1st election applicable	Subsequent elections
Belgium	Parity on party lists and placement mandate	List rejected	2002	2003	2007, 2010
Greece	One third	None	2008	2009	2012
Spain	40%	List rejected	2007	2008	2011
Ireland	30% (after 7 years 40%)	Financial sanctions	2012	None	None
France	Parity (within 2 percentage points)	Financial sanctions	2000	2002	2007, 2012
Poland	35%	List rejected	2011	2011	2011
Portugal	33% (exceptions for small towns)	Financial sanctions	2006	2009	2011
Slovenia	35% (transition period 25%)	List rejected	2006	2008 (25%)	2011 (35%)
Serbia	30% & placement rules	List rejected	2004 <sup>63</sup>	2007	2008, 2012
FYROM	One third & placement rules	List rejected	2002 <sup>64</sup>	2002	2006, 2008, 2011

Sources: Quota project and OSCE (situation in May 2013).

#### Electoral systems can play a key role and can influence their impact

Amongst the factors affecting the achievement of gender balanced representation, the influence of the electoral system should not be understated. Some research has highlighted the fact that proportional representation systems (see box below), and particularly those with party lists, give under-represented groups a better chance of being elected. Indeed, analysis of elections around the world in 2012 shows that those based on proportional representation resulted in 25% women being elected compared to 14% for majoritarian systems and 17.5% from mixed systems<sup>65</sup>.

#### Types of electoral system and their interaction with quota systems

A multitude of different electoral systems exist but they can be characterised into three main types as briefly described below. For further details, a **2011 European Parliament study** provides a detailed description of the different types of electoral system and how these are used around the EU.

- **Proportional representation (PR):** each constituency elects several members which are allocated to the participating parties according to the proportion of votes received. There are different systems for determining which candidates are elected but the most effective (in terms of promoting equality) is the closed list system whereby the list of candidates from each party is fixed before the election and cannot be changed. Quota systems requiring a minimum share of each gender on candidate lists together with a "zipper" system (i.e. alternating men and women on the list) are most likely to ensure a fair representation amongst elected members
- Majoritarian (plurality) systems: parties present one candidate per constituency and the person with the most votes at the end of the process is elected (there may be more than one round of voting). This system is not conducive to facilitating gender equality. Parties can put their preferred candidates in the most winnable seats and there is a strong tendency for incumbents to be re-elected because they are well known to voters.
- **Mixed systems:** combine elements of PR and majoritarian systems.

<sup>63</sup> Amendment passed in 2011.

<sup>64</sup> Ibid.

<sup>&</sup>lt;sup>65</sup> Source: Inter-Parliamentary Union: <a href="http://www.ipu.org/press-e/pressrelease20130305.htm">http://www.ipu.org/press-e/pressrelease20130305.htm</a>

Within the European Union, the case of France demonstrates how the effectiveness of a legislative quota can be influenced by the type of electoral system employed<sup>66</sup>. The "parity" law passed in 2000, and reformed in 2003 and 2007, fundamentally requires parties to have equal numbers of men and women amongst candidates in all elections but applies differently depending on the type of electoral system in use<sup>67</sup>. For elections to the European Parliament, regional and local councils, which all use a list-PR system, gender parity on lists, and the use of a zipper system is obligatory. For elections to the National Assembly, which use a single-member (majoritarian) voting system, parity amongst candidates is optional. The different results are striking. The latest list-PR based elections have produced 46% women amongst French representatives in the European Parliament and near parity in regional councils (49% women and 51% men) whereas the National Assembly has just 26% women<sup>68</sup>.

#### Raising awareness and maintaining debate are also important

A study of gender equality in political and business decision-making in the five Nordic countries<sup>69</sup> concludes that raising awareness and maintaining a social-political debate have been crucial to improving gender balance in decision making. In particular, the report notes the importance of enduring pressure from women's organisations and widespread media coverage of gender issues. Women's organisations, therefore, continue to be important actors in promoting change in the EU.

<sup>66</sup> For further information see the case study on France in: Electoral Gender Quota Systems and their implementation in Europe, European Parliament, 2011.

<sup>&</sup>lt;sup>67</sup> In 2013, France took further action to ensure that equal numbers of men and women are elected as representatives in cantons (first applicable to the 2014 elections), whilst the requirements applicable to electoral lists for municipal council elections will be extended so that they are applicable to all municipalities with 1,000 inhabitants or more (previously 3,500). See <a href="http://frammes.gouv.fr/un-an-de-progres-pour-les-droits-des-femmes-les-actions-realisees/">http://frammes.gouv.fr/un-an-de-progres-pour-les-droits-des-femmes-les-actions-realisees/</a> and <a href="http://www.assemblee-nationale.fr/14/pdf/rap-info/i0667.pdf">http://www.assemblee-nationale.fr/14/pdf/rap-info/i0667.pdf</a>

<sup>68</sup> Elections to the Senate use a mixture of electoral systems depending on the number of senators elected from each department. Currently 22% of senators are women

<sup>&</sup>lt;sup>69</sup> Gender and Power in the Nordic Countries – with focus on business and politics, Kirsti Niskanen (Ed.), Nordic Gender Institute (NIKK), 2011: http://www.west-info.eu/files/nordic1.pdf

#### 2.5 European Parliament: 2014 is an opportunity

Members of the European Parliament (MEPs) representing more than 500 million citizens of the European Union, currently comprise 64% men and 36% women. The share of women in the European Parliament (EP) is significantly above the average for national parliaments (27%) and close to being gender balanced.

In 2014, European citizens will elect a new European Parliament, a new European Commission will be appointed and various high profile posts will be filled across the EU Institutions. 2014 will be the next opportunity for political parties and Member States to improve gender representation in top positions. An example of practical action is the campaign launched in November 2012 by a cross-party coalition of Members of the EP with the support of the European Women's Lobby. By signing the so-called 50/50 declaration, they called on Member States, European political parties and the European Institutions to take action in order to achieve gender balance in European decision-making (see below). The declaration is open for signature to all MEPs, decision-makers and other interested stakeholders.

#### The 50/50 Declaration for gender balance in European decision-making

The Declaration calls on:

- Political groups in the EP to nominate one female and one male candidate for President of the EP, and to ensure gender parity in the nomination of chairpersons within Committees, as well as in the composition of the Bureau;
- European political parties to promote and ensure gender representation in their decision-making bodies and promote women candidates for decision-making positions in the EP;
- National political parties to compose their electoral lists in such a way as to ensure gender parity in outcome at the 2014 European Elections;
- Each Member State to nominate one female and one male candidate to the College of Commissioners and for all top jobs in the EU institutions;
- The Member States and Council of the EU to promote and ensure gender parity in the executive board and top positions of the European Central Bank;
- The European Council to put women in decision-making high on the political agenda.

For further information see: http://www.womenlobby.org/spip.php?article4332

#### A third of Member States have at least 40% women MEPs

Although 36% of MEPs are women, there are significant differences in the proportions elected by each Member State. Already over a third of countries have at least 40% women MEPs: Finland, Slovenia, Estonia, Malta, the Netherlands, Denmark, France, Sweden, Ireland, Portugal and Spain (**Figure 22**). In fact, 8 of the 13 Finnish MEPs are women (62%) so that it could be said that men are slightly under-represented. At the other extreme, Luxembourg and the Czech Republic both have less than 20% women and Poland and Italy less than 25%.

Number of MEPs Women: <20% 20-40% **40-60% ■** >60% ■Men FΙ 62% 13 SI 50% 8 ΕE 50% 6 50% МТ 6 NL 46% 26 DK 46% 13 FR 74 SF 45% 20 ΙE 12 PT 22 41% ES 54 41% 38% SK 13 DE 38% 99 RO 36% 33 HU 36% 22 EU-27 36% 754 LT 33% 12 LV 33% 9 CY 33% 6 BG 33% 18 FI 32% 22 ΒE 32% 22 32% ΑT 19 UK 32% 73 IT 23% 73 PL 22% 51 CZ18% 22 LU 17% 5 0% 20% 40% 60% 80% 100%

Figure 22 - Representation of women and men in the European Parliament, 2013

Source: European Commission, Database on women and men in decision-making. Data refer to the situation in May 2013.

In general, the ranking of countries by the share of women is similar to that for national parliaments and where there are exceptions these tend to be small countries with few MEPs where each individual member contributes significantly to the overall figure. For example, both Estonia and Malta have 3 women out of 6 MEPs (50%) compared, respectively, to 21% and 14% women in the national parliament. France is the only large country (with more than 50 MEPs) where there is a significant difference (more than 10 pp) between the share of women MEPs (46%) and members of the national parliament (26%). This disparity has been attributed largely to the different type of electoral system employed for the two elections (see above).

#### The long-term trend towards gender balanced representation in the EP

The European Parliament has been directly elected for five year terms since 1979, although its size and composition have changed substantially in line with the growing number of Member States<sup>70</sup>. In the first Parliament, nine Member States elected a total of 410 MEPs (16% women) and over the years the proportion of women has risen by an average of 3 percentage points per 5-year term to reach 35% after the 2009 elections (**Figure 23**), a figure that has now increased to 36% following some replacements.

<sup>70</sup> The composition further changed on 1st July 2013 when Croatia joined the EU. Prior to that date, Croatia had 12 observer MEPs of which a third were women.

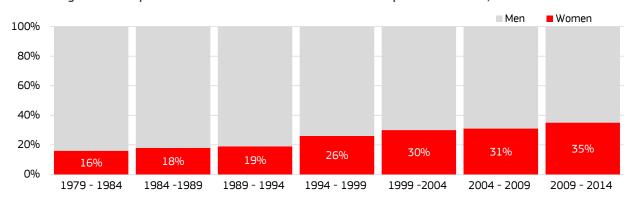


Figure 23 - Representation of women and men in the European Parliament, 1979-2014

Sources: <u>European Parliament</u>; European Commission, Database on women and men in decision-making. Figures show the situation immediately after each election.

#### Decision-making bodies within the European Parliament

A number of key decision-making bodies support the functioning of the European Parliament (**Table 6**). The proportion of women participating in these bodies varies from 40% in the College of Quaestors, which has 5 members, to 17% in the largest body, the Conference of Delegate Chairs. Overall, taking all bodies together and ignoring some cases where the same person appears on more than one body (e.g. President and Quaestors), it is estimated that women hold just over a quarter of positions (25/99).

Table 6 - Political bodies within the European Parliament

Body	Role	Members	Of which women
Conference of Presidents	Organisation of the EP agenda; defining responsibilities of committees/ delegations; managing external relations.	10	2 (20%)
Bureau	Rule-making body with power in administrative, budgetary and organisational matters.	20	5 (25%)
College of Quaestors	Responsible for financial and administrative matters on behalf of MEPs.	5	2 (40%)
Conference of Committee Chairs	Ensures cooperation between the various Committees of the EP.	23	9 (39%)
Conference of Delegation Chairs	Co-ordinates the work of delegations handling relationships between the EP and national parliaments.	41	7 (17%)

Source: European Parliament (situation in May 2013).

# 3 Public administrations: some cause for optimism

# 3.1 National public administrations: edging closer to gender balance

On average across the EU, the top two levels of officials working in national ministries and other government departments comprise 36% women and 64% men (2012 figures)<sup>71</sup>. This represents a gradual improvement of 0.5 percentage points per year since 2007 when women accounted for exactly one third of top civil servants.

However, the overall figure conceals a difference in the share of women and men in the first and second levels of the hierarchy. In 2012, women accounted for 37% of the second levels of officials but only 29% of the highest level. The long-term time series is only comparable from 2007 onwards and since this date the share of women amongst level 2 administrators has risen by 3 percentage points but there has been little change at the top level (**Figure 24**). A slight dip in the share of women in 2012 compared to 2011 might be linked to cutbacks in public sector jobs.

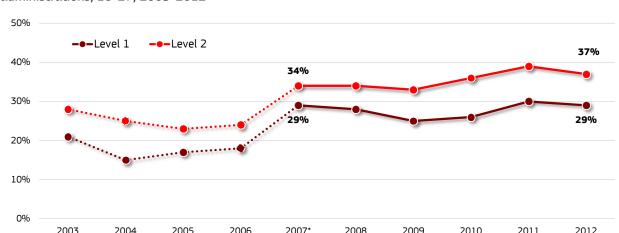


Figure 24 - Share of women in the top two levels\* of (non-political) administrators in national administrations, EU-27, 2003-2012

Source: European Commission, Database on women and men in decision-making.

At country level, there are already 11 EU Member States that have gender balance (at least 40% of each gender) in the top two levels of their administrations. Women hold more than half (but less than 60%) of senior positions (levels 1 and 2 combined) in Slovakia (57%), Slovenia (53%), Latvia (53%), Bulgaria and Romania (both 52%). There are a further six countries where women hold at least 40% of posts in the top two levels: Estonia, Sweden, Greece, Lithuania, Finland and Poland. On the other hand, women remain significantly under-represented in the top two levels of the hierarchy in Belgium (11%), Luxembourg (13%) and Germany (17%).

The proportion of women in the top level of the administration is lower than that in the second level in all countries except Germany (21% level 1 vs. 16% level 2) and Spain, where there is little difference (33% vs. 32%). Indeed, only three EU Member States have at least 40% women in the top level (Slovenia, Romania and Bulgaria) and in the majority of EU Member States (16 of 27) men hold at least three-quarters of the highest positions (**Figure 25**). In

<sup>\*</sup> Data cover the top two levels of administrative (non-political) positions within each ministry. The Commission database has a mapping table showing the ministries and positions covered at the first and second level in each country. There is a break in the series in 2007 due to a methodological review that changed the positions covered in each level for each Member State in order to improve comparability between countries (e.g. in terms of the numbers of people covered per department/ministry which previously varied considerably). A further review in 2009 also made some changes to the positions covered but had less of an impact.

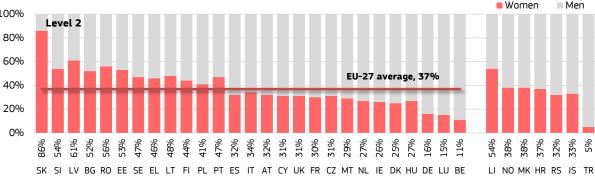
<sup>&</sup>lt;sup>71</sup> Data cover the top two levels of administrative (non-political) positions within each ministry. The Commission database has a <u>mapping table</u> showing the ministries and positions covered at the first and second level in each country.

Belgium and Malta men hold more than nine out of ten top positions and in Luxembourg all of them (though only 5 positions are counted, fewer than in any other country).

In the second level, ten Member States have achieved gender balance with at least 40% of each gender. There are two countries where men are under-represented – marginally in Latvia (39% men, 61% women) but significantly so in Slovakia (14% men, 86% women). While, at the other end of the scale, there are three Member States in which women still account for less than one in five positions in the second level: Belgium, Luxembourg and Germany. One of these, Belgium, has recently taken legislative action to address the gender imbalance in its public administration, as has France (see box below).

Women Men 100% Level 1 80% 60% 40% EU-27 average, 29% 20% 0% SK SI LV BG RO EE SE EL LT FI PL PT ES IT AT CY UK FR CZ MT NL IE DK HU DE LU BE LI NO MK HR RS IS TR Women 100% Level 2 80%

Figure 25 - Share of women in the top two levels of (non-political) administrators in national administrations, 2012



Source: European Commission, Database on women and men in decision-making. Note: Countries are ranked by the share of women in the two levels combined.

#### France and Belgium: legislating for change

On February 14<sup>th</sup> 2012 the French Parliament passed a law to progressively introduce quota legislation to the senior ranks of the civil service<sup>72</sup>. For the first two years (2013 and 2014) the quota is set at 20%, increasing to 30% from 2015 to 2017 and reaching 40% from 2018 onwards. Financial penalties will apply to any public body failing to meet the quota. Some 4,000 positions across the public sector are anticipated to be affected by the measure.

A few months later in Belgium, on June  $2^{nd}$  2012, an amendment to a Royal Decree set the ultimate aim of achieving a maximum of two thirds of either gender<sup>73</sup>. As part of the reform, each department is now obliged to set out an annual action plan for achieving gender diversity and to report quarterly on the situation.

<sup>&</sup>lt;sup>72</sup> Law no. 2012-347, see: <a href="http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000025489865">http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000025489865</a>

<sup>73</sup> See: http://www.ejustice.just.fgov.be/cgi/article.pl.

#### 3.2 Promoting gender balance in the European Commission

The European Commission is taking action to ensure gender balance throughout the administration as part of a comprehensive strategy for equal opportunities between men and women covering the period 2010-2014<sup>74</sup>. The strategy set mid-term and final targets for the proportion of women in senior, middle and non-management (administrative) positions by 2014 (25%, 33% and 43% respectively), recognising that in order for change to be sustainable it is necessary to boost representation of women from the bottom up in order to provide a pool of talent for later promotion. The targets are accompanied by corresponding recruitment objectives in order to increase the numbers of women at the rate required. In addition to the overall targets, each Directorate General has been assigned its own targets for middle management positions.

By 1 October 2012, the percentage of women in management positions had increased to the extent that the European Commission had met or was on course to meet all three targets for 2012<sup>75</sup>. It has been so successful in recruiting women in top jobs that on 1 October 2012 it had already exceeded its target for women in senior management for 2014 (**Table 7**).

In McKinsey's 'Women Matter 5' survey, presented on International Women's Day 2012, the European Commission was commended as a "virtuous organisation" according to a matrix designed to assess gender equality in the workplace. It recognises that the Commission is performing well in terms of women's representation in management and in terms of actual measures in place to promote diversity (such as programmes for women's development).

Table 7 - Representation of women at three levels of European Commission

European Commission	1st Oct 2012	Target 2012	Target 2014
Senior management	27.2%	24.8%	25%
Middle management	28.7%	27.7%	30%
Non-management (administrative)	42.4%	42.7%	43%

Source: European Commission, Women on Boards—Factsheet 4

<sup>&</sup>lt;sup>74</sup> European Commission, SEC(2010) 1554/3, December 2010. Communication to the Commission on the strategy on equal opportunities for women and men within the European Commission (2010-2014): <a href="http://ec.europa.eu/civil\_service/docs/equal\_opp/strategie\_1554\_en.pdf">http://ec.europa.eu/civil\_service/docs/equal\_opp/strategie\_1554\_en.pdf</a>

<sup>75</sup> European Commission, DG-Justice, 2012. Women on boards – Factsheet 4: http://ec.europa.eu/iustice/gender-equality/files/womenonboards/factsheet-general-4 en.pdf.

## 4 Judiciary: gradual improvement

# 4.1 National supreme courts: considerable variation between countries

At national level, the "supreme court" is the highest juridical authority in each country, though the actual name of the court<sup>76</sup> and the scope of its jurisdiction varies between countries. In 2012, around one third (34%) of all supreme court judges in EU Member States were women and two thirds men, but the balance varies enormously between Member States.

The proportion of women amongst supreme court judges has increased through time with the share of women judges rising from 30% in 2007 (the first year for which data are complete for all 27 Member States) to 34% in 2012, an average increase of 0.7 percentage points per year (**Figure 26**).

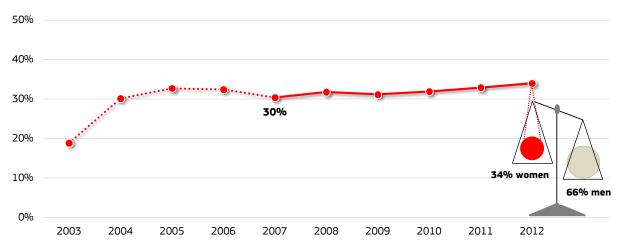


Figure 26 - Share of women judges in national supreme courts across the EU, 2003-2012

Source: European Commission, Database on women and men in decision-making.

Note: Trend is an EU-27 aggregate, which is missing the following data: 2003 (BG, CZ, EL, LT, PL, SK); 2003-2006 (ES); 2003-2005 (SE, MT), 2004-2006 (IT).

According to the latest data from 2012, gender balanced supreme courts, with at least 40% of each gender, are to be found in Hungary, Latvia, Slovakia, Slovenia and Sweden as well as in Croatia and FYROM (**Figure 27**). In all other countries, however, there remains a gender imbalance. In Romania, Bulgaria, Luxembourg and Serbia women outnumber men and account for at least three-quarters of supreme court judges. In contrast, men, account for at least 90% of judges, in Portugal, Cyprus and the UK and only slightly less so (at least 85% men) in Estonia, Ireland, Spain, Malta and the Netherlands.

<sup>76</sup> A list giving the name of the supreme court in each country can be found here:
<a href="http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/judiciary/supreme-courts/index\_en.htm">http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/judiciary/supreme-courts/index\_en.htm</a>

Women: \$\bullet\$ >50% \$\bullet\$ 40-60% \$\bullet\$ 30-40% \$\bullet\$ 20-30% \$\bullet\$ 10-20% \$\bullet\$ <10% \$\bullet\$ Men \$\bullet\$ 60% \$\bullet\$

Figure 27 - Representation of women and men amongst judges of national supreme courts, 2012

Source: European Commission, Database on women and men in decision-making.

#### Few women enter the higher echelons

The very top positions in the judiciary are largely held by men. In 2012 the presidents of supreme courts of EU Member States included 21 men (78%) and just 6 women (22%). There is a greater imbalance amongst presidents of other key courts at national level (**Figure 28**). Constitutional courts rule on whether legislation conflicts with the rights and freedoms of citizens outlined in the constitution. Administrative courts are concerned with ensuring public law is implemented correctly. These bodies do not exist everywhere (typically because the role is handled by the supreme court) but where they do, the majority are presided over by men. Just one of the nineteen constitutional courts (or 5%) in the EU is led by a woman (that in Slovakia) and two of the eighteen administrative courts (or 11%) those in Germany and Slovenia<sup>77</sup>. The situation is similar for public prosecutors (i.e. the most senior public official(s) responsible for the prosecution of criminal actions) amongst whom men hold nine out of every ten positions around the EU (90%, with women in charge only in Ireland and Romania).

Taking all three of the top national courts together (supreme, constitutional and administrative), women accounted for 14% of presidents in 2012 (9 out of 64).

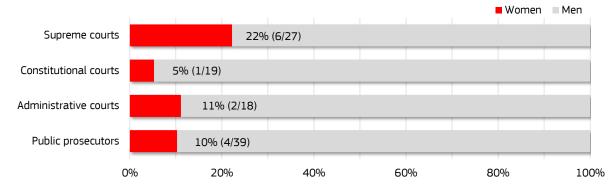


Figure 28 - Gender imbalance amongst presidents of top courts and public prosecutors, EU-27, 2012

Source: European Commission, Database on women and men in decision-making.

<sup>77</sup> See <a href="http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/judiciary/constitutional-courts/index\_en.htm">http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/judiciary/constitutional-courts/index\_en.htm</a> for a list of constitutional courts and <a href="http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/judiciary/administrative-courts/index\_en.htm">http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/judiciary/administrative-courts/index\_en.htm</a> for a list of constitutional courts and <a href="http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/judiciary/administrative-courts/index\_en.htm">http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/judiciary/administrative-courts/index\_en.htm</a> for a list of administrative courts.

#### 4.2 European courts: little change over the past decade

The judicial system of the European Union comprises two courts - the Court of Justice, which is responsible for the interpretation of European law and its application across Member States, and the General Court<sup>78</sup>, which deals mainly with disputes brought by individuals and companies. It also includes the European Union Civil Service Tribunal, which deals with disputes between the EU and its civil service. The two courts are each presided over by a panel of 27 judges, one from each Member State, while the Tribunal has seven judges. Taken together, in May 2013, this group of senior judges from all around the EU is made up of 49 men (80%) and 12 women (20%). The Court of Justice of the EU, which is the highest authority, has 15% women judges (4 of 27). The representation of women amongst judges of EU courts has changed little over time, fluctuating around the 20% mark for the past decade (**Figure 29**).

Breakdown of % women -European Court of Human Rights in EU courts, 2013: 40% FU courts Civil Service Tribunal: 29% 30% General Court: 22% 20% Court of Justice:15% 20% 10% 0% 2003 2005 2013 2011 2012

Figure 29 - Share of women judges in courts with jurisdiction at European level, 2003-2013

Source: European Commission, Database on women and men in decision-making.

Note: The Civil Service Tribunal came into existence in 2005 and is therefore not included in data before this point.

The European Court of Human Rights is an international court with jurisdiction over the member states of the Council of Europe and therefore has a wider geographical reach than the EU courts. The court is presided over by a panel of judges representing each of the member countries. In May 2013, 18 of the 47 judges were women (38%).

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<sup>78</sup> The General Court was previously known as the Court of First Instance.

#### Conclusion

In the framework of the implementation of its Strategy for Equality between Women and Men (2010-2015), the European Commission monitors the participation of women and men in high-level decision-making positions. A review of the latest available data in the fields of economic decision-making, politics, public administrations and the judiciary shows encouraging signs of progress, with the proportion of women involved in leadership positions increasing in many areas. However, there is still room for improvement and there remain significant disparities between Member States. To achieve gender balance in boardrooms and/or elected assemblies, an increasing number of Member States have resorted to legislative measures. The evidence of subsequent changes shows that binding measures, or even public debate surrounding their possible introduction, can bring about more rapid improvements.

The under-representation of women remains most acute in corporate leadership and since 2010, the European Commission, with the full support of the European Parliament, has launched a series of initiatives to address the problem. However, a review of the situation in March 2012 concluded that there had been insufficient commitment and progress through self-regulation and, following an extensive public consultation, in November 2012 the Commission proposed a Directive setting an objective of achieving 40% of the under-represented sex amongst the non-executive board members of publicly listed companies by 2020.

Between 2003 and 2010 the share of women on boards increased steadily but slowly - from 8.5% to 11.8%, an average of 0.5 percentage points per year. Subsequently, the Commission's initiatives have brought the issue to the fore of the public debate and given impetus to progress. Since October 2010, the proportion of women on the boards of the largest listed companies around the EU has risen by nearly five percentage points to reach 16.6% in April 2013, an average of 1.9 pp/year or nearly four times the previous rate of change. The latest figure represents an increase of 0.9 pp in the six months from October 2012 and indicates that this accelerated progress is being sustained.

This improvement is not evenly spread, however, and has been driven by developments in Member States that have introduced binding measures. In several countries progress has been more limited. The under-representation of women in corporate decision-making represents a significant economic cost to companies and to the economy as a whole, this at a time when Europe needs to fully exploit the talents of all parts of the workforce in order to ensure growth and ensure competitiveness.

Women are also under-represented in the leadership positions of major financial institutions. The key decision-making bodies of national central banks are made up of 81% men and 19% women. At EU level, the governing boards of the European Central Bank, the European Investment Bank and the European Investment Fund include a combined total of just 3 women amongst their 57 members (5.3%). The European Parliament has expressed concern on this point, highlighting that there is not one woman on the governing board of the ECB.

In politics, there has been a steady improvement in the gender balance in national parliaments and governments around the EU so that in May 2013, women accounted for an average of 27% of both elected members of national parliaments and senior government ministers. The level of female representation is better at European level with women accounting for 36% of members of the European Parliament and 33% of the European Commission. Both will be renewed in 2014, together with a number of other high profile positions within the European institutions, and this represents an opportunity for the Member States and political parties and all those putting forward, electing or appointing candidates to such posts, to demonstrate their commitment to gender equality in top positions.

In the top levels of the judiciary and the civil service, there has also been some progress: women now account for 34% of supreme court judges across the EU and hold 36% of posts in the top two levels of national administrations. In both cases, however, the gradual improvement in the gender balance has not yet filtered through to the very top positions.

The Commission remains committed to monitoring progress on the participation of women and men in decision-making and to supporting Member States in their efforts to bring about change. The Commission counts on the support of the European Parliament and Member States to adopt its proposal for a Directive to improve gender balance on boards. The proposal is balanced, leaving companies with the necessary flexibility to make their appointment decisions, while at the same time pushing them to consider a wider base of candidates, thereby giving the same opportunities for talented people.

### **Annexes**

#### A.1 Country codes

Code Country		Code	Country	
BE Belgium		LT	Lithuania	
BG Bulgaria		LU	Luxembourg	
CZ Czech Re	public	HU	Hungary	
DK Denmark		MT	Malta	
DE Germany		NL	Netherlands	
EE Estonia		AT	Austria	
IE Ireland		PL	Poland	
EL Greece		PT	Portugal	
ES Spain		RO	Romania	
FR France		SI	Slovenia	
IT Italy		SK	Slovakia	
CY Cyprus		FI	Finland	
LV Latvia		SE	Sweden	

#### A.2 Companies data: sample size by country

The sample used to monitor the numbers of men and women on the boards of listed companies is based on nationally registered constituents of the main blue-chip index in each country (see methodology in section **1.1**). The actual number of companies covered by the data collected for each country in April 2013 is shown in the table below.

Country	Number of companies covered	Country	Number of companies covered	Country	Number of companies covered
EU-27	587	LV	31	UK	46
		LT	24		
BE	18	LU	10	HR	25
BG	15	HU	13		
CZ	13	MT	20	MK	10
DK	18	NL	20		
DE	30	AT	20	TR	50
EE	13	PL	19		
IE	19	PT	19	RS	15
EL	24	RO	10	IS	9
ES	33	SI	20		
FR	35	SK	10	NO	20
IT	38	FI	23		
CY	20	SE	26	All	
				countries	716

EN EN

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