



EUROPEAN COMMISSION - PRESS RELEASE

European Commission weighs options to break the 'glass ceiling' for women on company boards

Brussels, 5 March 2012 – A European Commission report published today shows that limited progress towards increasing the number of women on company boards has been achieved one year after EU Justice Commissioner Viviane Reding called for credible self-regulatory measures (see [MEMO/11/124](#)). Just one in seven board members at Europe's top firms is a woman (13.7%). This is a slight improvement from 11.8% in 2010. However, it would still take more than 40 years to reach a significant gender balance (at least 40% of both sexes) at this rate.

Gender balance in top positions has been shown to contribute to better business performance, improved competitiveness and economic gains. For example, a report by McKinsey found that gender-balanced companies have a 56% higher operating profit compared to male-only companies. Ernst & Young looked at the 290 largest publicly-listed companies. They found that the earnings at companies with at least one woman on the board were significantly higher than in those that had no female board member.

To identify appropriate measures for addressing the persistent lack of gender diversity in boardrooms of listed companies in Europe, the Commission launched a [public consultation](#) today. The Commission is seeking views on possible action at EU level, including legislative measures, to redress the gender imbalance on company boards. The public consultation will run until 28 May 2012. Following this input, the Commission will take a decision on further action later this year.

Today's report on gender balance on company boards comes one year after EU Justice Commissioner Viviane Reding challenged publicly-listed companies in Europe to voluntarily increase the number of women in their boardrooms by signing the ['Women on the Board Pledge for Europe'](#). By signing this Pledge, companies commit themselves to raise female representation on their boards to 30% by 2015 and 40% by 2020. However, during the past 12 months, only 24 companies across Europe have signed the Pledge.

"One year ago, I asked companies to voluntarily increase women's presence on corporate boards. My call was supported by the European Parliament and forwarded to business organisations by Ministers of Employment, Social Affairs and Gender Equality in many EU Member States. However, I regret to see that despite our calls, self-regulation so far has not brought about satisfactory results," said Viviane Reding, Vice-President of the European Commission and the EU's Justice Commissioner. "The lack of women in top jobs in the business world harms Europe's competitiveness and hampers economic growth. This is why several EU Member States – notably Belgium, France, Italy, the Netherlands and Spain – have started to address the situation by adopting legislation that introduces gender quotas for company boards. Some countries – Denmark, Finland, Greece, Austria and Slovenia – have adopted rules on gender balance for the boards of state-owned companies. Personally, I am not a great fan of quotas. However, I like the results they bring. I also note that businesses operating across borders in the internal market may have to comply with different national quota laws if they want to participate in tenders for public works. This is why the Commission's Legislative Work Programme for 2012 includes an initiative to address this situation. Today, I am inviting the public – individual businesses, the social partners, interested NGOs and citizens – to comment on what kind of measures the EU should take to tackle the lack of gender diversity in boardrooms. I believe it is high time that Europe breaks the glass ceiling that continues to bar female talent from getting to the top in Europe's listed companies. I will work closely with the European Parliament and all Member States to bring about change."

Progress on improving the gender balance in Europe's boardrooms over the past year has been the best for a long time (a 1.9-percentage point increase from October 2010 to January 2012, compared to a long-term average rise over the last decade of 0.6 percentage points per year). This increase can be attributed to calls from the Commission and European Parliament ([MEMO/11/487](#)) and a number of national legislative initiatives. France, which introduced legislation on gender balance in boards in 2011, alone accounts for around half the increase in the EU. But overall, change remains stubbornly slow. The number of women chairing major company boards has even declined, falling to 3.2% in January 2012 from 3.4% in 2010.

People in Europe clearly agree that this situation should be changed: 88% of Europeans believe given equal competences women should be equally represented in the top jobs in business, according to a new Eurobarometer survey published today (see Annex). Meanwhile, 76% of Europeans believe women have the necessary skills. Finally, 75% of those asked are in favour of legislation on gender balance in company boards with the relative majority of respondents (49%) saying that monetary fines would be the most appropriate mechanism to enforce such legislation (see Annex).

Background

A growing body of evidence points to significant economic benefits from a better gender balance in economic decision-making (see today's Commission report). Having more women in top jobs can contribute to a more productive and innovative working environment and improved company performance overall. This bolsters competitiveness. Women account for 60% of new university graduates but few make it to the top of companies. Opening the door to senior positions acts as an incentive for women to enter and stay in the workforce, helping to raise female employment rates and making better use of women's potential as human resources. *"If we want to achieve the target set by the [Europe 2020 Strategy](#) – the EU's growth strategy – to raise the employment rate for women and men aged 20-64 to 75%, we need to make gender diversity a growth asset,"* said Commission Vice-President Viviane Reding.

Promoting more equality in decision-making is one of the goals in the European Women's Charter (see [IP/10/237](#)), which was initiated by President José Manuel Barroso and Vice-President Reding in March 2010. The Commission then followed these commitments by adopting a Gender Equality Strategy in September 2010 for the next five years (see [IP/10/1149](#) and [MEMO/10/430](#)), which includes exploring targeted initiatives to get more women into top jobs in economic decision-making. The [European Commission Work Programme for 2012](#) announces a legislative initiative on improving the gender balance in the companies listed on stock exchanges.

Today's Commission report points out that while there have been some recent advances, particularly in countries that have introduced gender quotas, progress remains slow. There are also big differences between countries, with women making up 27% of boards in the largest Finnish companies and 26% in Latvia, but only 3% in Malta and 4% in Cyprus.

For more information

Press pack – Women on boards:

http://ec.europa.eu/justice/newsroom/gender-equality/news/120305_en.htm

Public consultation: Gender imbalance in corporate boards in the EU:

http://ec.europa.eu/justice/newsroom/gender-equality/opinion/120528_en.htm

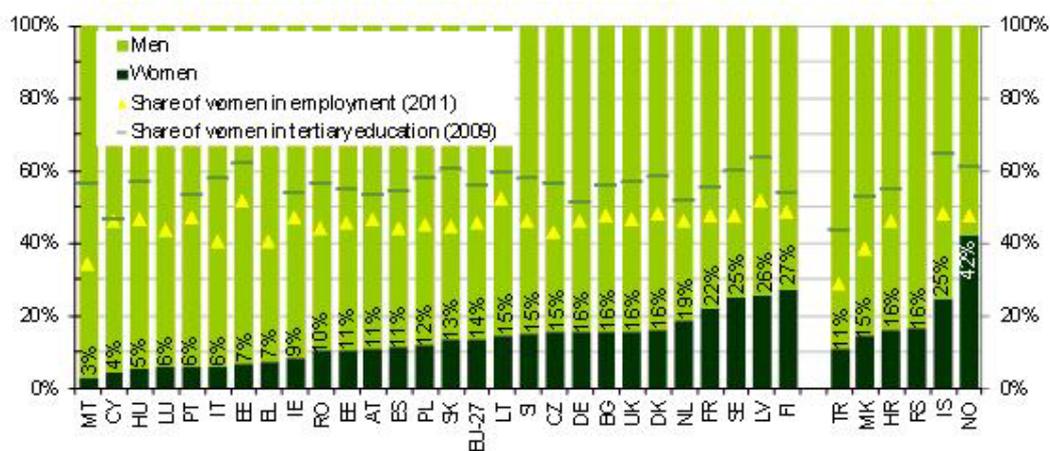
Homepage of Vice-President Viviane Reding, EU Justice Commissioner:

<http://ec.europa.eu/reding>

European Commission database on women and men in decision-making:

http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index_en.htm

Figure 1: Women and men on the boards of the largest listed companies, January 2012



Source: European Commission, [Database on women and men in decision-making](#) and Eurostat, Labour Force Survey. Note: Data on share of employment not available for RS; data on tertiary education not available for LU, EL and RS.

Figure 2: Share of women on the boards of the largest publicly listed companies, 2010-2012

| | (% total board members) | | |
|--------------|-------------------------|------------|------------|
| | 2010 (Oct) | 2011 (Oct) | 2012 (Jan) |
| EU-27 | 11.8 | 13.6 | 13.7 |
| BE | 10.5 | 10.9 | 10.7 |
| BG | 11.2 | 15.2 | 15.6 |
| CZ | 12.2 | 15.9 | 15.4 |
| DK | 17.7 | 16.3 | 16.1 |
| DE | 12.6 | 15.2 | 15.6 |
| EE | 7.0 | 6.7 | 6.7 |
| IE | 8.4 | 8.8 | 8.7 |
| EL | 6.2 | 6.5 | 7.4 |
| ES | 9.5 | 11.1 | 11.5 |
| FR | 12.3 | 21.6 | 22.3 |
| IT | 4.5 | 5.9 | 6.1 |
| CY | 4.0 | 4.6 | 4.4 |
| LV | 23.5 | 26.6 | 25.9 |
| LT | 13.1 | 14.0 | 14.5 |
| LU | 3.5 | 5.6 | 5.7 |
| HU | 13.6 | 5.3 | 5.3 |
| MT | 2.4 | 2.3 | 3.0 |
| NL | 14.9 | 17.8 | 18.5 |
| AT | 8.7 | 11.1 | 11.2 |
| PL | 11.6 | 11.8 | 11.8 |
| PT | 5.4 | 5.9 | 6.0 |
| RO | 21.3 | 10.4 | 10.3 |
| SI | 9.8 | 14.2 | 15.3 |
| SK | 21.6 | 14.6 | 13.5 |
| FI | 25.9 | 26.5 | 27.1 |
| SE | 26.4 | 24.7 | 25.2 |
| UK | 13.3 | 16.3 | 15.6 |

Source: European Commission database on women and men in decision-making:
http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index_en.htm

Figure 3: Men and Women presidents/chairpersons of large companies, EU-27

| % | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------|------|------|------|------|------|------|------|------|------|------|
| Men | 98,4 | 97,4 | 96,9 | 96,3 | 97,1 | 97,2 | 97,0 | 96,6 | 97,3 | 96,8 |
| Women | 1,6 | 2,6 | 3,1 | 3,7 | 2,9 | 2,8 | 3,0 | 3,4 | 2,7 | 3,2 |

Source: European Commission, Database on women and men in decision-making. 2003 data exclude CZ, LT, MT and PL.
 Note: Data are normally collected in the final quarter of the year but the data for 2012 was collected in January, just 3 months after the 2011 data, and should therefore not be treated as part of the annual time series.

Figure 4: Nearly nine Europeans out of ten agree that, given equal competence, women should be equally represented in positions of leadership in companies.

QE2. Do you agree or disagree with the following statement: Given equal competence, women should be equally represented in positions of leadership in companies.

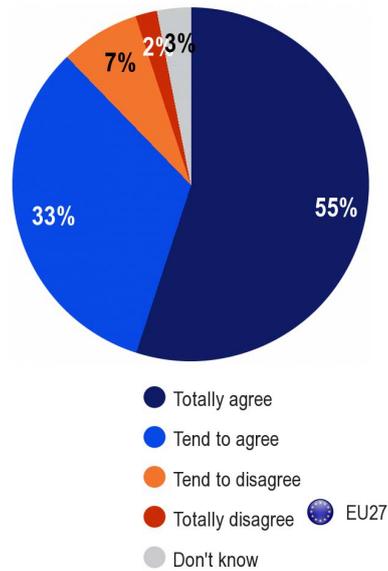


Figure 5: Three-quarters of Europeans are in favour of legislation on gender balance on company boards

QE5. Some European countries (e.g. France, Spain, the Netherlands, Italy, Belgium and Norway) have already taken legal measures to ensure a more balanced representation of men and women on company boards. Are you in favour or opposed to a legislation on this matter under the condition that qualification is taken into account without automatically favouring one of either gender?

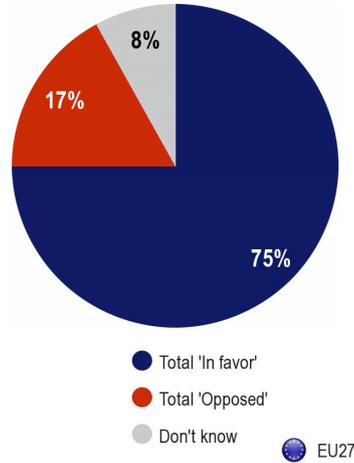
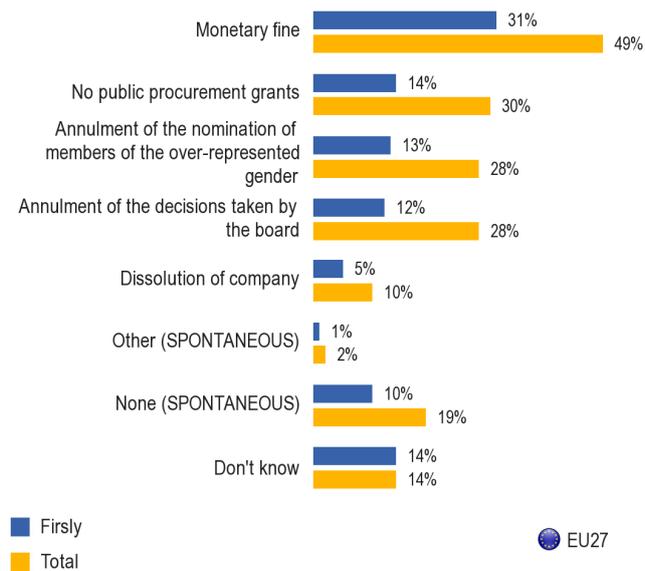


Figure 6: Almost half of the Europeans mention monetary sanctions as the most effective sanction in case of non-compliance

QE8. And in your opinion, what would be the most effective sanction in case publicly listed companies do not comply with such legislation?



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