



**COUNCIL OF
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NOTE

from: The Presidency
to: Permanent Representatives Committee (Part I) / Council (EPSCO)
Subject: Women on Company Boards
- Policy Debate

Delegations will find attached a background note from the Presidency concerning "Women on Company Boards", including a set of questions for the ministers' debate at the EPSCO Council on 17 February 2012.

State of play

Women account for 60 percent of new university graduates¹ and 45 percent of the workforce² in the EU, yet their participation in economic decision-making, including company boardrooms, remains disproportionately low. In 2010, women made up just under 12 per cent of board members in the largest publicly listed companies and around 3 per cent of board chairs. Between 2003 and 2010, the share of women in company boardrooms increased by just three percentage points and the share of female chairs only increased by a single percentage point³.

Projections show that the share of women on the boards of major publicly listed companies in Europe will rise by around half a percentage point per year. At the present rate, it will take *another half century* before a reasonable balance is reached (at least 40% of each sex on company boards).

Meanwhile, a growing number of studies from different countries⁴ strongly suggest that there is a positive correlation between the percentage of women in senior positions and the economic and organisational performance of companies.

The EU framework

Equality in decision-making is one of five priority areas in both the Commission's *Women's Charter*⁵ and the Commission's *Strategy for Equality between women and men (2010-2015)*⁶. The Commission's report on *The Gender Balance in Business Leadership*⁷ of 1 March 2011 identifies the remaining gender gaps in high-level economic decision-making positions. It also points to the main barriers women still face and sets out the economic and business case for better representation of women in top positions.

¹ Eurostat Labour Force Survey 2010, available at: http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/data/database

² SEC(2011) 246 final.

³ Commission database on women and men in decision-making, 2010 data.

⁴ 'Women Matter' by McKinsey (2007, 2008, 2009); 'The Bottom Line: Connecting Corporate Performance and Gender Diversity', by Catalyst, 2007; 'Women to the Top!', 2007, by EVA

⁵ COM (2010) 78 final.

⁶ COM (2010) 491 final.

⁷ SEC(2011) 246.

The Council has long supported increasing women's participation in economic decision-making and has adopted a set of indicators that are used to monitor the developments.⁸ The situation can be measured and the data clearly shows that progress is too slow.

In the *European Pact for Gender Equality (2011-2020)*⁹, the Council urges action at Member State and, as appropriate, Union level to adopt measures to close gender gaps and combat gender segregation on the labour market. Promoting the equal participation of women and men in decision-making at all levels and in all fields is crucial in order to make full use of talents. The Pact also encourages the social partners and enterprises to develop and effectively implement initiatives in favour of gender equality at the workplace.

The way forward

The under-representation of women in economic decision-making means that women still do not enjoy equal opportunities with men in the labour market. This is anachronistic and unacceptable, given that gender equality is a fundamental principle of the EU. Ensuring a more equal representation of women and men on company boards is also a matter of making full use of all talents and human capital.

By putting this issue on the agenda of the EPSCO Council, the Danish Presidency wishes to give Ministers the opportunity to share their experiences and to discuss what can be done at Union and Member State levels to combat the problem of women's under-representation in company boardrooms.

⁸ See, for example, Council Recommendation 96/694/EC of 2 December 1996 on the balanced participation of women and men in the decision-making process (OJ L 319 of 10.12.1996) and the Council Conclusions on economic decision-making adopted in 2003 as follow-up to the Beijing Platform for Action (15205/03 SOC 491).

⁹ European Pact for Gender Equality (2011-2020) – Council Conclusions adopted on 7 March 2011, OJ C 155, 25.5.2011, p. 10.

In March 2012, the Commission will assess the situation. If no sufficient progress is achieved through self-regulation, it will explore different policy options for targeted measures for increasing the number of women on company boards. The debate at the EPSCO Council will feed into this process.

Questions for the Ministers' debate

1. What are the barriers to increasing the number of women on company boards?
 2. How can we overcome these barriers and achieve sustainable progress within a reasonable time frame?
 3. What successful measures have recently been taken in your country to improve the gender balance on company boards?
 4. How can the gender balance on the boards of listed companies be improved at the European level?
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