

A minimum representation of each gender mandated by law – a necessary measure or good for nothing?

A **minimum representation** of each **gender on boards of companies** has been mandated by law in a number of countries in Europe – **Norway** was the first in 2003, followed by **Ireland, Spain, Iceland, Italy, Austria France, Belgium, Netherlands, Denmark and Germany** this year. Even though in some countries businesses were against the introduction of such quotas, now they admit that they have brought about many benefits.



In **Iceland**, for example, a female MP was strongly against the adoption of such legislation and she later became minister for industry. At the beginning of her term of office, she wanted to **terminate** the measure but businesses were **against**, as the first **positive effects** started to emerge: gender diversity on corporate boards, younger and better educated board members. The view of the company's operations is much more comprehensive, as it draws on the experience of different generations, genders and skills.

Key reasons for mandatory gender quotas?

Let's have a look first at the **argument of democracy**: women represent half of the population, their percentage on the labour market is approximately the same as the percentage of men, the annual percentage of female graduates is higher than the percentage of male graduates, including in economics and finance, yet there are only 10% of female CEOs in major listed companies.

Also connected with this is the second key argument, the so called **business argument**. The fact is that very traditional companies, where a manager is associated only with the male gender, are losing enormous education and working capital of women. It is also a fact that talents are equally distributed between women and men. The experiences from other countries show that the **companies which are more advanced** in this respect and have gender-balanced boards, **perform better**. Why? Simply **because their solutions are more comprehensive**, covering experience and ideas of both women and men.

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Why the introduction of legal quotas?

When the so called self-regulatory measures (e.g. codes) fail to bring about any progress and when so much educational capital of one gender is lost and women do not have equal opportunities to fully exploit their potential, it is the duty of governments to address the unequal treatment issue. Experiences from other countries and political decision making practice, where a similar measure was adopted a decade ago, show that the situation changes only where measures are binding. **A minimum representation of each gender mandated by law does not mean that the least represented gender has an automatic advantage** – it only means that **employers** are somewhat forced to reconsider their policy regarding promotion/appointment to management positions and **seek appropriate persons among the employees of both genders**. Women are very often “stuck” in jobs offering no promotion possibilities or providing no springboard to management positions due to deeply-rooted stereotypes about (un)suitability for management roles. Men, on the contrary, have better opportunities for top positions as their employers see them as more suitable candidates and encourage them to pursue their career development goals. We say that gender works for men as a glass escalator and as a glass wall or ceiling for women.

What's going on in the EU and what is Slovenia doing?

In 2012, the European Commission prepared a proposal for a directive to regulate this area. Slovenia, along with a number of other countries, supports this proposal and it is expected that it will be adopted next year. Slovenia has already started to prepare a draft law in terms of contents and businesses will, of course, get their chance to have a say on it. The draft law is planned to be submitted to public consultation in the first half of 2016.

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