

Statistical brief: gender balance in largest listed companies

The persistent gender imbalance amongst key decision-makers in large corporations remains a cause for concern and further targeted action. The European Institute for Gender Equality (EIGE) biannually monitors the situation in the largest

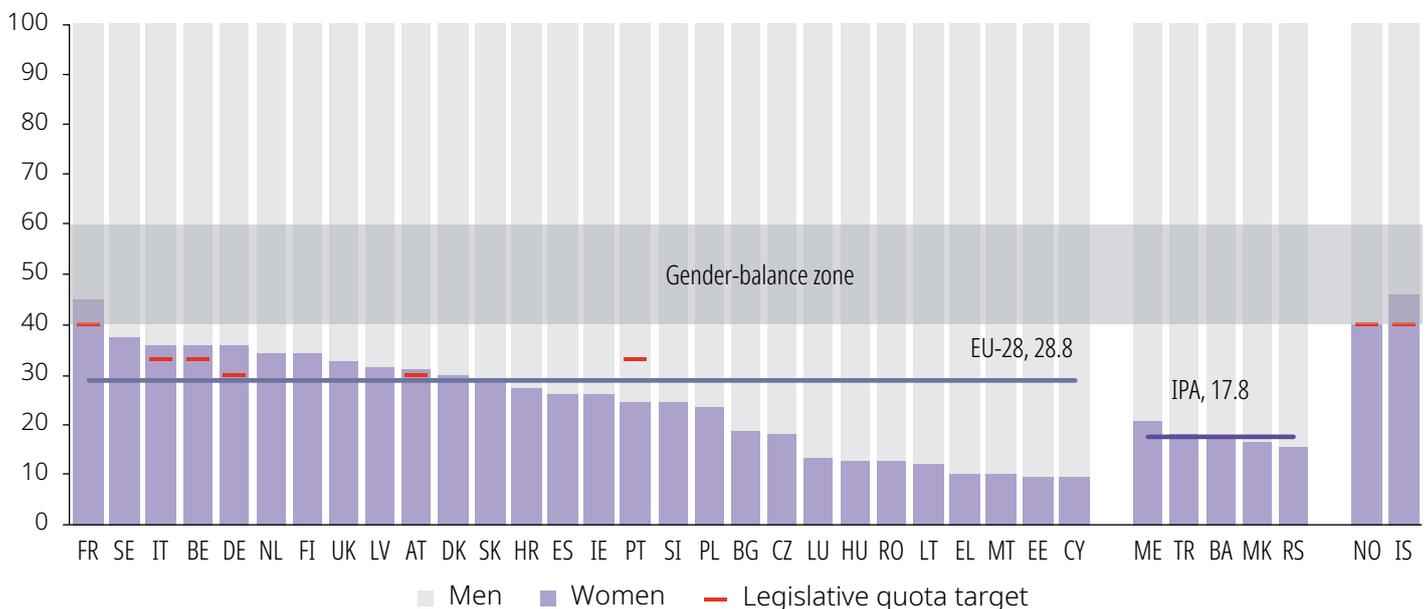
listed companies in each of the 28 EU Member States and in five of the EU candidate and potential candidate countries that receive support from the Instrument for Pre-Accession Assistance (IPA beneficiaries) (1), as well as in Iceland and Norway.

In the EU women hold fewer than three in 10 board seats in large corporations

In October 2019, the share of women on boards of the largest publicly listed companies registered in the Member States reached 28.8 %, a new all-time high. However, this still means that more than seven in 10 board members are men. France (45.2 % women) is the only Member State to have at least 40 % of each gender at board level within its largest companies. Women account for at least a third of board members in Belgium, Germany, Italy, the Netherlands, Finland and Swe-

den (Figure 1), but elsewhere they remain a minority. Notably in Estonia, Greece, Cyprus and Malta, men still hold at least nine out of 10 board seats. Outside the EU, large companies in Iceland and Norway, for example, are gender balanced (at least 40 % of each gender), but in the IPA beneficiaries women hold on average just 17.8 % of board-level positions and none of the five countries covered in this brief has achieved even 25 % women in such positions.

Figure 1: Share of women and men on the boards of the largest listed companies, %, October 2019



Source: EIGE's Gender Statistics Database

(1) EIGE's sample of largest listed companies covers the nationally registered constituents of the main blue-chip index of the stock exchange in each country (capped at 50 companies). EIGE's sample size of largest listed companies for the 28 Member States equals 592, 70 for IPA countries, and 40 for Iceland and Norway. The total sample size is 702 (for more detailed information: https://eige.europa.eu/sites/default/files/wmid_mapping_comp.pdf). Currently, Kosovo (this designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence) has no stock exchange and Albania's securities exchange has no listed companies, so these two countries are not covered in the data.

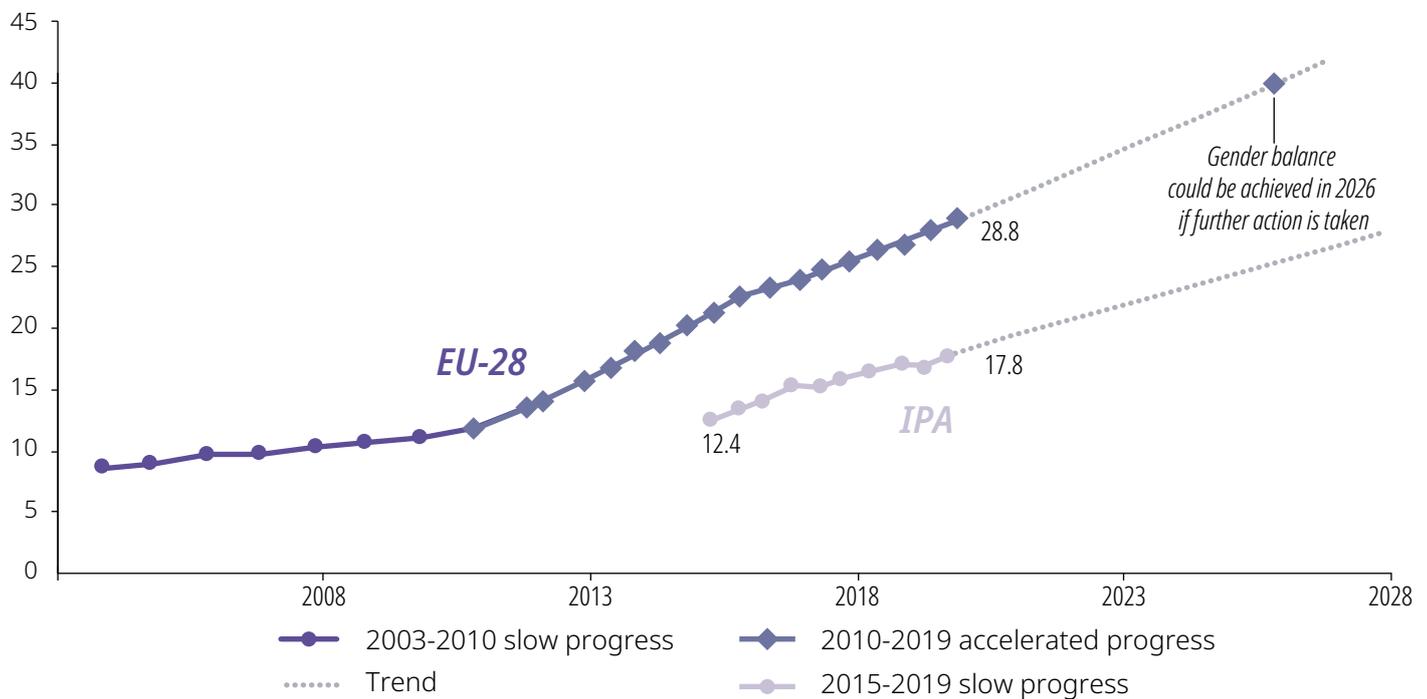
Continued effort needed for gender-balanced boardrooms

The issue of gender (im)balance in corporate boardrooms was pushed up the political agenda when in 2010 the European Commission first raised the prospect of intervention at EU level ⁽²⁾. Since then, there has been a substantial improvement, with the share of women board members rising gradually from 11.9 % to the current high of 28.8 %. This welcome progress has, however, been driven by a relatively small number of countries that have taken positive action to bring about change. Starting from 2010, progress derived primarily from rapid improvements in France, Italy, Belgium and then Germany following the introduction of national quotas, although non-regulatory action in the United Kingdom also contributed ⁽³⁾. Progress slowed between 2016 and 2018, however, as these Member States approached or achieved their respective targets, but more recent updates show a resurgence of progress as further countries have taken

up the challenge. Austria and Portugal both introduced national quotas (30 % and 33 %, respectively) that came into force in January 2018, while the Irish government went down the non-regulatory route by launching the ‘balance for better business’ initiative in July 2018 and challenging businesses to self-regulate ⁽⁴⁾.

If the rate of change seen since 2010 (an average of + 1.9 percentage points (pp) per year) can be maintained, the boardrooms of the largest companies in Member States could become gender balanced in just 6 years (Figure 2). Amongst the IPA beneficiaries, progress is much more slow, as none of the countries have taken any positive action yet and the 40 % threshold might not be met until 2037. These predictions should be read carefully, as the limited sample sizes of largest listed companies for Member States and IPA countries may bias the estimations either downwards or upwards.

Figure 2: Trends of women on the boards of the largest listed companies in Member States and IPA beneficiaries, %, 2003-2019 and projections to 2030



Source: EIGE's Gender Statistics Database

NB: IPA beneficiaries have progressively been added to EIGE's data collection. The data shown cover Montenegro, North Macedonia, Serbia and Turkey since April 2015, and Bosnia and Herzegovina since October 2018

⁽²⁾ Strategy for equality between women and men 2010-2015, COM(2010) 491 final: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0491:FIN:EN:PDF>

⁽³⁾ France: 40 % quota adopted in 2011; Italy: 33 %, 2011; Belgium: 33 %, 2012; Germany: 30 %, 2015; and the United Kingdom reached the target of 33 % established by the self-regulation measure in 2012 (Lord Davies review of women on boards, 2011).

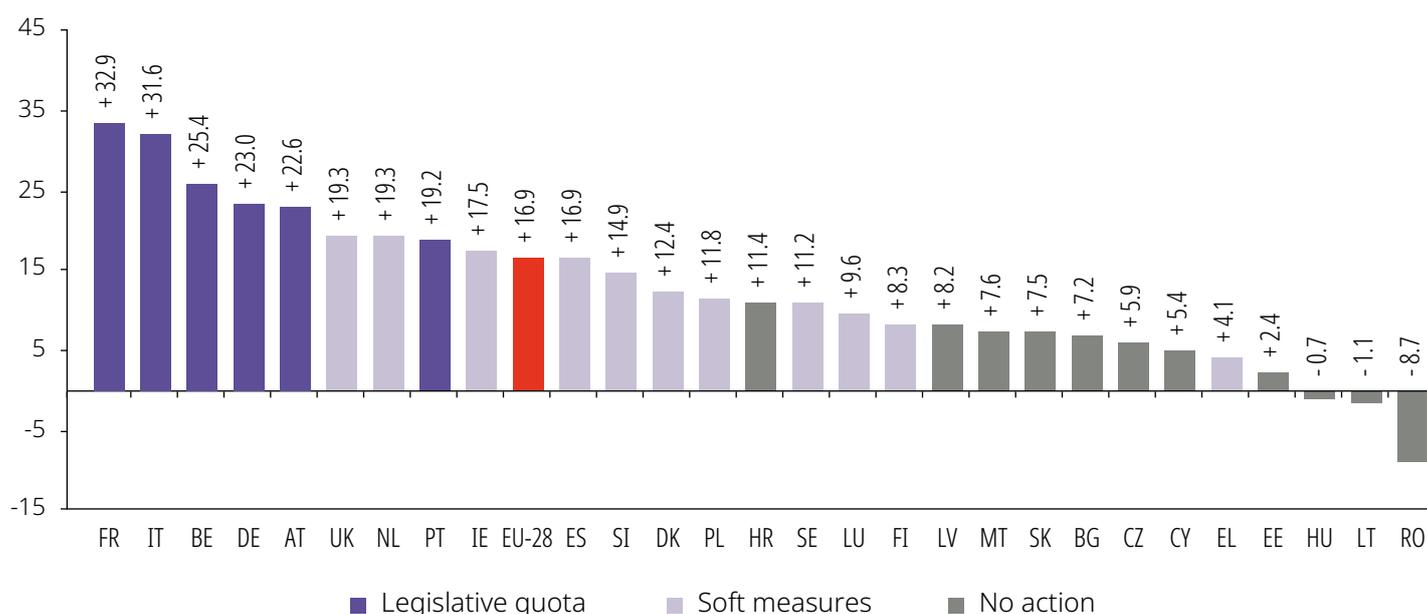
⁽⁴⁾ See <https://betterbalance.ie/>

Legislative and other government action drives progress

The difference between action and inaction is striking. Since 2010, nine Member States have seen the proportion of women board members in their largest companies improve by more than the EU aggregate (+ 16.9 pp, Figure 3), all of which have taken some form of action to bring about change. The

top five (France, Italy, Belgium, Germany and Austria) as well as Portugal have applied national quotas, while Ireland, the Netherlands and the United Kingdom have promoted self-regulation ⁽⁵⁾. In contrast, nine of the 10 lowest-ranked countries have not taken any action at all.

Figure 3: Changes in the proportion of women on boards in Member States, in pp, 2010–2019

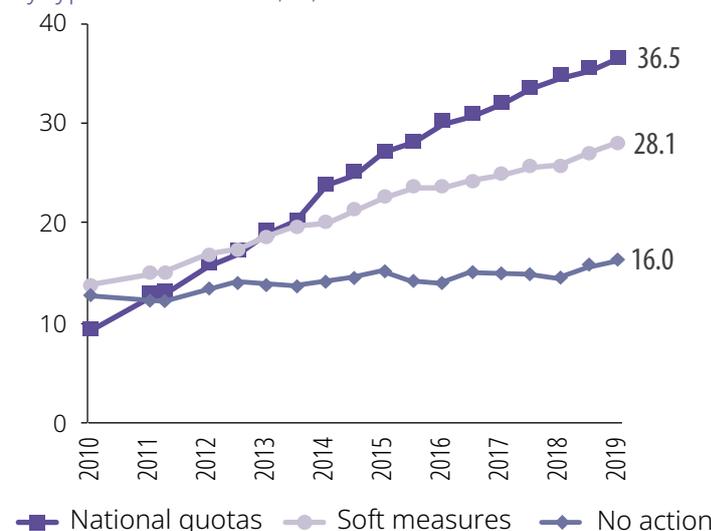


Source: EIGE's Gender Statistics Database

NB: 'Soft measures' include support for self-regulation, quotas applicable only to state-owned companies, legislative targets without any sanction, and other soft positive actions

Grouping countries by type of action taken ⁽⁶⁾ further emphasises the difference between action and inaction. Starting from a similar level in October 2010, the proportion of women on boards has risen by 27.2 pp to reach 36.5 % in countries that have taken legislative action, by half that amount (+ 14.3 pp to 28.1 %) in countries taking soft measures, and hardly at all in the countries that have taken no action (+ 3.2 pp to 16.0 %). This evidence should be a strong message to policymakers that further action is necessary in countries that have so far done little to promote a balanced representation in the boardroom.

Figure 4: Share of women on boards of companies in the EU by type of action taken, %, 2010–2019



Source: EIGE's Gender Statistics Database

⁽⁵⁾ Since 2013 the Netherlands has had a legislated target of 30 % but without any sanctions; companies are required to 'comply or explain', a term used in the corporate governance code of Member States.

⁽⁶⁾ The categorisation of countries by type of action is based on the most recent measure applied. For example, a country that applied soft measures and later a quota is categorised as having a national quota even if this applied for only part of the time period under consideration.

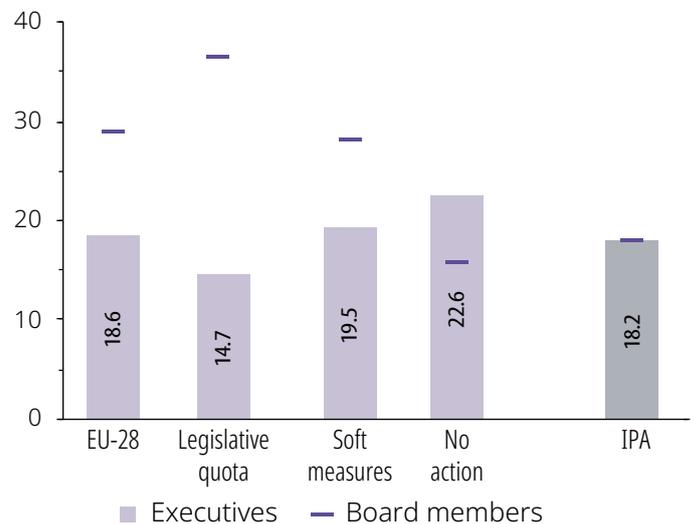
Progress is not filtering through to the executive level

The progress made at board level has not filtered through to the senior executive levels of management. Across the EU, women account for just 18.6 % of senior executive positions in the largest listed companies, far fewer than at board level (28.8 %). Moreover, the rate of change is slower. Since 2012 (when data on executives were first collected by EIGE) the proportion of women executives has increased by an average of 1.3 pp per year compared to 2.0 pp for board members.

Interestingly, actions to address the gender balance at board level appear to have had little or no impact on women's representation amongst senior executives (Figure 5). Indeed, countries that have taken legislative action and have the highest proportion of women board members also have the lowest share of women senior executives (14.7 %). In contrast, in countries that have not taken any action, women are better represented amongst executives (22.6 %) than at board level (16.0 %).

In the IPA beneficiaries (where no action has been taken) women are equally under-represented in both executive and board-level positions (18.2 % and 17.8 %, respectively).

Figure 5: Share of women amongst senior executives and at board level by type of action, %, 2012–2019



Source: EIGE's Gender Statistics Database

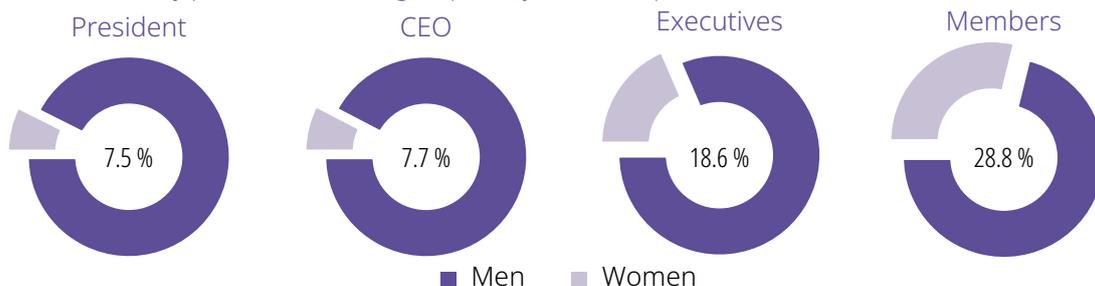
Fewer than one in 10 in the largest listed companies in the EU have a woman chair or CEO

Despite progress at board level and, to a much lesser extent, at senior executive level, women continue to be excluded from top positions. Of the largest listed companies in Member States, still less than one in 10 have a woman chair (7.5 %)

or a woman CEO (7.7 %).

In IPA beneficiaries there are slightly more women board chairs (15.7 %), but a similar proportion of women CEOs (7.1 %).

Figure 6: Share of women in key positions in the largest publicly listed companies in Member States, October 2019



Source: EIGE's Gender Statistics Database

All data used in this note are based on data by country published on EIGE's Gender Statistics Database and can be accessed [here](#). Comprehensive information about the basis for the sample and specifications of the data can be found under the 'Metadata' tab of each indicator (e.g. [here](#)).

European Institute for Gender Equality

The European Institute for Gender Equality (EIGE) is the EU knowledge centre on gender equality. EIGE supports policymakers and all relevant institutions in their efforts to make equality between women and men a reality for all Europeans by providing them with specific expertise and comparable and reliable data on gender equality in Europe.
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