

If Not Quotas, Then What?: the Forthcoming EU Proposal on Women Quotas in Boardrooms



Linnea Sandström Lange writes about the upcoming proposal in the EU Commission about women quotas on company boards and asks the question: if not quotas, then what? She tries to set the framework for the debate (held at the European Parliament in the UK on 19/10/2012) and poses the different arguments against each other.

The European Commission is expected to announce a new proposal to ensure women's increased participation in board rooms. Headed by Viviane Reding, Vice President of the European Commission and EU Justice Commissioner, **the proposal is set to include legal tools to ensure that the amount of non-executive female directors on corporate boards reaches 40 per cent within a reasonable time frame.** The system will be based on qualifications and there will be a waiver if there is no equally qualified person of the underrepresented sex available. Sanctions made against corporations not following the legal requirement for quotas will be determined by the member states themselves, leaving the member states to decide on the severity of the sanction. Despite the flexibility of the document, member states and corporations are worried about the consequences of what would amount to a great reshuffling in the board rooms across Europe. Representatives from nine different countries have even directed and signed **a letter to Vice President Reding and the President of the Commission, Jose Manuel Barroso, asking for flexibility to deal with the shortages of women in board rooms in their own time.**

Certainly, a legal tool to ensure that there are enough parties of each sex represented in the board rooms across Europe, with the intention of the member states themselves enforcing sanctions and disciplining those lagging behind would mean a further loss of sovereignty in a Union where countries are already finding it difficult to reach conclusions. But some would say, however, that enough is enough and that women have waited for too long with the barriers to the board rooms still in place. A study in the UK done by the BBC shows that **women only occupy a third of all seats in board rooms across the country, and only reach an embarrassing 16.0 per cent of board directors in the top 100 companies.**

The theories of what leads to these numbers is as varied as the questions behind them. While most have rejected the question as one of suitability based on inherent competence—are women less capable than men?—people now instead invoke different explanations for it. In the most recent debate at the European Parliament in the UK, Heather McGregor, a successful businesswoman, claimed that women simply do not want to make the tough decisions that they have to in order to reach executive positions. The implications here were that women do not want to sacrifice their children and families in order to have the time to work the required amount of hours to advance professionally. Others, such as the Institute of Leadership and Management, found that **women do not seem to have the confidence required to put themselves forward in business situations.** The European Union **has long recognised** that women tend to have different kinds of responsibilities than their male counterparts, including more care responsibilities^[1]. This has led the Commission to introduce 'flexicurity': **"an integrated strategy for enhancing, at the same time, flexibility and security in the labour market... [which] attempts to reconcile employers' need for a flexible workforce with workers' need for security – confidence that they will not face long periods of unemployment."**

In terms of gender, neither of the approaches are unproblematic. The first approach—blaming the women and opting to change female behaviour—neglects the reality in which a lot of women, especially mothers, find themselves. It is asking for a firmer commitment from women and a more generous donation of time without, at the same time, recognising the incredible hardship **women** in

the UK and elsewhere in Europe face in terms of finding childcare. In the UK, **around 77 per cent of children between the age 3 and compulsory school age spend 29 hours or less in child care every week; 65 per cent under the age of three spend no time at all in childcare and an additional 31 per cent spend 29 hours or less in childcare every week.** This means that a large majority of households with children under compulsory school age either have to work part time, or find someone to look after their children the additional 19 hours, in order to be able to work the **UK 48 hour work week.** If they cannot, and if employers are not willing or able to be flexible, people find themselves unable to work as much as they would like to. For a family with one-and-a-half breadwinners—one person working full time and another working part time—this may be enough to support a family economically, but for single mothers or fathers, this may not be enough.

On the other hand, focusing on care and flexibility mainly as a solution for women to be able to join the work force or to advance within their sector can be a trap. Gendering the solutions and focusing on care and flexibility does nothing to account for the **vast gender gaps in terms of time spent on caring and household tasks.** In the short term, women gain the most from added childcare services and flexibility, but if men do not spend more time on unpaid tasks pertaining to family and household, women's total working hours per week will still far exceed men's. This would require a slower cultural shift which cannot be introduced through quotas.

But the question is: what can quotas do? Norway introduced quotas **in 2003, requiring companies to list females as at least 40 per cent of their board members.** The law has reportedly been a success, **as reported by Norwegian officials,** and has worked to show the nation and corporations that women are, indeed, ambitious, competent and great leaders. Women are no longer nearly as overlooked for executive positions in Norway today and **are being headhunted by companies who recognise the untapped pool of potential.** Looking at the Norwegian example, therefore, quotas seem to offer not only a short term drastic change in the numbers of women in executive positions, but also a beginning of a wider, cultural change.

The question still remains of what effect quotas actually have. The Norwegian experience is encouraging, but far from tested and longstanding. Besides, the Nordic countries have long stood out as **among the most gender equal countries around the world,** and it remains to see if this positive result can be implemented in countries with different cultures, customs, policies, politics and gender expectations. However, an even more important question hovers over this entire debate: if not quotas, then what?

To follow the debate further and hear from Members of European Parliament Mary Honeyball (Labour) and Anthea McIntyre (Conservative) as well as Mission of Norway to the European Union (featured in the video above) Petter Sørlien, register yourself for **the event at the European Parliament in UK on October 19th.** Alternatively, if you cannot be there in person, follow the hashtag #EUquotas on twitter on that same day.

[1] For a comprehensive set of statistics regarding work-life balance, gender gaps and care commitments, see **OECD's family data base.**

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