

Brussels, 5 July 2011

EU Justice Commissioner Reding welcomes the European Parliament's strong support for more women in economic decision-making positions

On the occasion of the European Parliament's vote on the report on women and business leadership, Vice-President Viviane Reding, the EU's Justice Commissioner, said:

"It is good news that the European Parliament supports the European Commission's approach towards more women in economic decision-making positions. Today's vote confirms that the Commission is acting at the right time and in the right way.

We need to act now because in economically difficult times it's essential to use the untapped potential of the well-educated female workforce. We are taking the right approach because we want to give companies a last chance to act through credible self regulation. I have called on publicly listed companies in the EU to sign the "[Women on the Board Pledge for Europe](#)" to voluntarily increase women's presence on corporate boards to 30% by 2015 and to 40% by 2020. However, if there has not been credible progress by March 2012, I stand ready to take the necessary legislative steps at EU level. The European Parliament's contribution to this debate is crucial. I would like to thank Vice-President Kratsa in particular for her bold report and the members of the European Parliament's Committee on Women's Rights for their overwhelming support."

Background

Europeans are currently debating how to address the under-representation of women in economic decision making. At the moment, women represent roughly 1 out of 10 members of the supervisory boards of the largest publicly listed companies in the EU and only 3% of the presidents of boards. Across the European Union, one in three large companies had no women at all on its board in 2010. And this is despite the fact that more women are earning college degrees than men – 60% of new university graduates in Europe are female.

Five EU countries have so far introduced legislative quotas to increase the number of women in business leadership: Spain, France, the Netherlands and – as of last week – also Belgium and Italy.

Irrespective of the solutions found in individual Member States, today one idea is gaining ground in Europe: there is a business case for gender equality. Studies show positive correlations between diversity in boards and company performance. A McKinsey study of large European companies indicates that the best companies in terms of work environment, innovation, accountability and profits were those with a higher proportion of women on boards. According to their latest report, companies with a gender balanced composition can achieve an operational profit which is 56% higher than that of male only companies.

On 1 March, Justice Commissioner Reding met chief executives and chairs of boards of publicly listed companies to discuss the under-representation of women on corporate boards. She challenged all publicly listed companies in Europe to sign up to the "Women on the Board Pledge for Europe" and voluntarily commit to increasing women's participation on corporate boards to 30% by 2015 and to 40% by 2020 (see [IP/11/242](#) and [MEMO/11/124](#)).

Women and men on the boards of the largest listed companies

