Human Rights Council

Creating a framework for national gender quota in the governing boards of private sector entities

Research Report

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Introduction

Today, living in the 21st century, gender quotas have been legislated in many countries all around the world to decrease gender inequalities in the workplace. However, this measure has mostly been introduced in the public sector, where gender equality in governing positions has been established. Therefore, it is clear that different measures need to be immediately taken in order to bridge the gender gap in governing boards of private sector entities. To achieve that, creating an effective framework, by first underlining specific characteristics of the gender quota in the private sector, will definitely minimise the gender discrimintaion and provide all genders with equal opportunities in leadership positions.

Definition of Key Terms

Gender Quotas:
Positive measurement instrument aimed at accelerating the achievement of gender-balanced participation and representation by establishing a defined proportion (percentage) or number of places or seats to be filled by, or allocated to, women and/or men, generally under certain rules or criteria.

Discrimination:
According to the Cambridge English Dictionary: "Treating a person or particular group of people differently, especially in a worse way from the way in which you would treat other people, because of their skin colour, sex, sexuality, etc."

Universal Declaration of Human Rights (UDHR):
The Universal Declaration of Human Rights was adopted by the UN General Assembly in 1948 and describes the basic human rights to which every human being is entitled. It is still the international moral and judicial standard, and most human right activists depend upon the declaration as it was set up in 1948.

Governing Board:
A governing board is a group of people legally responsible for overseeing and running an institution. It operates under limited board terms, so there is regular turnover within the board. The governing board's decisions and votes guide the CEO and staff of the organization.

Framework Agreement:

A 'framework agreement' is 'an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.'

Glass Ceiling:
Artificial impediments and invisible barriers that militate against women's access to top decision-making and managerial positions in an organisation, whether public or private and in whatever domain.

Private Sector:
The term "private sector" refers to the segment of the economy that is owned, controlled, and managed by individuals or organizations seeking to make profits. In other words, the entities operating in the private sector are usually free from any state ownership or control.

General Overview

In contrast to what the majority of people seem to believe, women still face discimination and inequalities when pursuing positions in governing boards of the private sector. Although women have always been inextricably linked to domestic tasks and child care and men deemed the "good provider", they managed to enter the workforce during the 19th century while the stereotype about gender roles persisted. Today, not only women receive equal education and professions but also find leadership positions in the public sector due to the gender quotas. On the other hand, entities free from any state ownership or control have not intergrated yet fully a gender quota in favor of both women and men, therefore widening the gender gap in the governing boards of the private sector.

The Law 24.012 of Argentina that passed in 1991 can be regarded as the world's first gender quota. This sparked the interest of many countries in adopting gender quotas strarting in the political boards since the quota proponents supported that with equal women's participation, democracy could be established. One of their famous slogans was: "with few women in politics, women change; with many women in politics, politics change." Over the past years we have many times seen gender quota being adopted all over the world and Argentina stands out as the first to take such an initiative and mandating that political parties nominate women for 30 percent of the electable positions on their candidate lists. In 2021, however, women accounted for 56.8% of the labor force in the U.S., but when it came to chief executive positions, women held only 29.1% of these roles.

Gender quota is a measure based on the idea of fighting against gender discrimintation and neglection of either gender in the workforce and therefore it holds the belief that a specific percentage of the governing positions in either the public or private sector should be held by women, who have been facing rejection because of their gender for centuries now. It is strongly connected to the concept of gender equality and aims to increase representation of women in mostly politics, but also generally in governing boards. This implementation of gender quotas in governing boards can have significant effect on the gender gap by changing the disadvantageous treatment towards women when it comes to equal opportunities in leadership.

In today's world, the main reason why women are still required to cope with difficulties in

attaining leadership positions in the private sector is the phenomenon of glass ceiling. The term "glass ceiling" was first introduced by Marilyn Loden while speaking as a panelist at the 1978 Women's Exposition in New York. Loden was supposed to discuss about how women were responsible and to blame for the barriers preventing them from advancing in their careers. Instead, she talked about the profound and ignored issues that historically kept women from occupying positions of authority. This concept was again becoming popular in 1986, in an article underlining the fact that it was actually the subtle hierarchy of men that created the invisible barriers which prevented women from successfully moving forward with their careers past a certain level. In 2015, it was reported that this concept goes back to 1970 and to this day, in contemporary times, it has expanded even more by including also minorities in addition to women. Thus, clearly gender quotas can bring about change regarding glass ceiling.

But are gender quotas solely positive measurements and how should they be formed to not bring down, as a result, the opposite gender?

One of the 17 Sustainable Development Goals is Gender Equality. Gender quotas in govenring boards definitely accelerate the accomplishment of this goal. By that, we mean the minimization and prevention of gender inequalities while discussing positions of decision-making. The UN Women operations act in several ways regarding the gender quotas:

- Promotion of women empowrement, which includes diplomatic measures that aim to amending laws to include gender equality perspectives;
- Progress tracking: that includes mapping the progress of women's political participation around the world in 2012 with the Inter-parliamentary Union (IPU);
- 2030 Agenda enforcement:

  "In August 2017, the Executive Board of UN-Women endorsed the new Strategic Plan 2018-2021. The Strategic Plan contributes to the implementation of the 2030 Agenda and spells out how UN-Women's operational response and coordination role support the gender-responsive implementation of the 2030 Agenda, which galvanizes results across all SDGs.

  The decision 2017/5 endorsing the Strategic Plan calls upon UN Women to continue to play a central role in promoting gender equality and the empowerment of women and girls in supporting Member States, upon their request, in the gender-responsive implementation of the 2030 Agenda.

  In line with the 2016 quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR), the Strategic Plan contains a Common Chapter which spells out how UN Women, UNICEF, UNFPA and UNDP will work together with stronger coherence and collaboration in supporting the achievement of the 2030 Agenda."

Overall, creating a framework for a national gender quota in governing boards of the private sector requires diplomacy, cooperation and collaboration and putting behind any stereotypical behaviours against women. We must not forget, though, that extremes are never ideal. It is evident that there has been overrepresentation of men and that women need to be empowered but we don't want to change roles in this hierarchy. The purpose of gender quotas should be to eliminate any form of discrimination based on one's gender and provide everyone with equal opportunities in occupying positions in governing boards regardless their gender. Under no circumastances, are gender quotas aiming at brining "matriarchy". On the contrary, they are aiming at creating an environment where everyone can feel comfortable and have equal rights of exressing their opinion and having the power to make a change.

Major Parties Involved

Argentina

Argentina implemented a 30 percent gender quota in 1991, the first time gender quota law in

the world. In the 2019 elections, Argentina began to mandate a zipper system for party lists with a 50 percent quota in which men and women alternate in the candidate lists.

UAE

Sheikha Manal bint Mohammed, president of the UAE Gender Balance Council, in 2020 said how important it is to intergrate the participation of women in governing board positions of not only the public sector but also the private, in order to achieve gender parity. She also sai the new legislation was in the pipeline to help the UAE achieve its target of ranking among the top 25 countries for gender balance by 2021. "The 2019 directive to increase the representation of women in the Federal National Council to 50 per cent has placed the UAE among leading countries in terms of equality in parliamentary representation", she mentiones. To increase the representation of women on boards of directors, the Dubai Women Establishment (**DWE**) launched the 'Women on Boards' initiative in 2012. This led to the UAE Cabinet's decision to make female representation on the boards of directors of all corporations and government entities mandatory.

Europe

In European countries representation of women is more of an intentional step. Nineteen European nation-states have legislated gender quotas for political candidate lists. Meanwhile, 18 require that women comprise a certain percentage of corporate boards, or that corporations work toward meeting such a threshold. Examining this emerging trend in the private sector, it has been reported that corporate board quotas evolved separately: only half of the European states that adopted corporate board quotas had national legislative quotas in place.

- Eight EU countries have adopted national mandatory gender quotas for listed companies (Belgium, France, Italy, Germany, Austria, Portugal, Greece, the Netherlands).
- Ten have taken a softer approach, using a range of measures and initiatives (Denmark, Estonia, Ireland, Spain, Luxembourg, Poland, Romania, Slovenia, Finland, Sweden).
- Nine countries have not taken substantial action (Bulgaria, the Czech Republic, Croatia, Cyprus, Latvia, Lithuania, Hungary, Malta, Slovakia).

Timeline of Events

1945 Gender equality enshrined in the United Nations Charter

Women's Exposition in New York -

1986

Argentina's world's first gender quota implementation

1991 2000 2000

Adoption of the Millenium Development goals

MArilyn Loden first introducing the term "glass-ceiling"

Passaga of UN Security Council Resolution 1325 (UNSCR 1325)

2010 Creation of UN Women ***2012*** DWE - "Women on Boards" initiative

Adoption of the Sustainable

2015 2017

Development Goals

Endorsement of new Strategic plan 2018-2021 by the Executive Board of UN Women

Possible Solutions

Quota systems provide a quick and simple solution to the unjustifiable fact of women's underrepresentation. Gender quotas can, in addition, be used as a tool to fast-track an increase in women's representation in politics and break the rigid status quo of male dominance. Gender quotas, though, that are to be implemented in the governing baords of the private sector have to be based on a framework with specific characteristics. These characteristics could probably concern the specific criteria that the positions of decision-making require and how gender quota is not intergrated to favor any gender but to promote equality and parity, for all genders to feel empowered and represented.

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