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AT A GLANCE

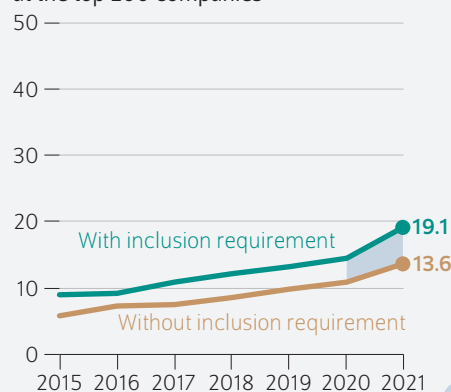
Markedly more women on executive boards of large companies; inclusion requirement seemingly already having an effect

By Anja Kirsch, Virginia Sondergeld, and Katharina Wrohlich

- Share of female executive board members at the 200 largest companies grew to almost 15 percent; biggest increase since the Barometer began in 2006
- Unlike previous years, growth of female executive board members was markedly more dynamic than of female supervisory board members; share of women on supervisory boards still higher
- New statutory inclusion requirement for executive boards seems to be causing notable anticipation effects
- As with the gender quota for supervisory boards, it has become clear that statutory requirements are an effective instrument for increasing the number of women on boards
- Scope of the gender quota and inclusion requirement in Germany is relatively narrow in an EU comparison; worthwhile considering expanding the scope to include all listed companies

Statutory inclusion requirement for executive boards seems to be having an effect even before it becomes mandatory

Share of female executive board members at the top 200 companies



Sources: Authors' own surveys and calculations.

From August 2022:
At least one woman on
executive boards with four
or more members at
listed companies with full
co-determination

66

companies are subject
to the requirement

19

companies had no women
on their executive board
in late fall 2021

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FROM THE AUTHORS

"Gender quotas are an effective instrument for increasing the share of women on these boards. However, they alone cannot solve the issue of gender inequality: Corporate culture, economic and social conditions, and social norms are other important factors for progress in this area."

— Virginia Sondergeld —

MEDIA



Audio Interview with Virginia Sondergeld (in German)
www.diw.de/mediathek

Executive boards remain dominated by men, but change is finally coming

By Anja Kirsch, Virginia Sondergeld, and Katharina Wrohlich

The 2022 DIW Berlin Women Executives Barometer, the largest analysis of the shares of women on top boards in the private sector in Germany, has found that a significantly greater number of women were appointed to executive boards in 2021 following many years of sluggish growth. While only an initial sign of change, there are some indications that this growth could kick-start an increase in women on the executive boards of major German companies. In 2021, 38 women joined the executive boards of the 200 largest companies in Germany. Totaling 139 women, this is an increase by over three percentage points compared to 2020 to a share of almost 15 percent. There has not been an increase this large since the beginning of the DIW Women Executives Barometer in 2006. The share of women has also increased significantly in the 160 publicly listed companies: by around three percent, the largest increase in years, to a good 14 percent of female executive directors.

Where is this sudden growth coming from? Likely, the new inclusion requirement for executive boards (*Beteiligungsgebot für Vorstände*) is one driver. As of 2021, publicly listed companies with full co-determination and four or more executive board members must appoint at least one woman—or in the opposite, non-existent case, at least one man—when filling new executive board positions. Although the requirement only applies to 66 firms currently, it seems to be producing remarkable anticipation effects: Twelve companies that did not have a woman on their board in the fall of 2020 now do have a woman on their board. As of late fall 2021, only 19 of the 66 companies still had men-only executive boards; in 2020, the number was 31. While the companies subject to the inclusion requirement for executive boards increased

their share of female executive board members from a good 14 to a good 19 percent, the increase in other companies was by just under three percentage points to around 14 percent.

This growth shows that, similar to the statutory gender quota for supervisory boards that has been in place for several years, the inclusion requirement for executive boards is an effective instrument for increasing the share of women on boards. However, such legal measures cannot solve every issue: Aspects such as corporate culture, economic and social conditions, and social norms are also involved in achieving gender equality in business and society.

Nevertheless, the stark increase of women on executive boards fuels the hope that momentum is building for greater gender equality. After all, female executive board members have a direct influence on corporate culture, pay scales, HR policies, and more. Compared to supervisory board members, they are much more visible to other company employees and are thus more effective role models; they are proof that women can make it all the way to the top. Legal requirements for women on boards can be the impetus for all of this.

Therefore, there are many reasons to expand such requirements if necessary. The scope of the inclusion requirement for executive boards in Germany is very narrow, as it only affects 66 companies. This narrow scope is also shown in a comparison of all existing gender quotas in the European Union in the second report in this year's DIW Women Executives Barometer. Policymakers should therefore consider extending the inclusion requirement for executive boards, for example to all publicly listed companies.

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Markedly more women on executive boards of large companies; inclusion requirement seemingly already having an effect

By Anja Kirsch, Virginia Sondergeld, and Katharina Wrohlich

ABSTRACT

There was a significant increase in the number of women on executive boards of large companies in Germany from 2020 to 2021 after years of slow progress: In fall 2021, there were 139 women on the executive boards of the 200 largest companies, 38 more than in 2020. This is an increase of a good three percentage points to almost 15 percent, the largest seen since the beginning of the DIW Berlin Women Executives Barometer in 2006. There were also markedly more female executive board members on average in the DAX companies. The inclusion requirement for executive boards (*Beteiligungsgebot für Vorstände*), which was adopted in 2021 and comes into effect in August 2022, has clearly resulted in anticipation effects: The share of female executive board members of companies subject to the requirement has increased from a good 14 percent to a good 19 percent. In contrast, the share of female executive board members of companies not subject to the requirement only increased from 11 percent to around 14 percent. Similar to the gender quota for supervisory boards, this shows that statutory requirements are an effective instrument for increasing the share of women on boards. The momentum in supervisory boards, however, was markedly weaker in 2021 than in previous years.

For over fifteen years, DIW Berlin's Women Executives Barometer has been documenting the share of women on management boards and among managing directors (hereafter referred to as "executive boards") as well as on supervisory, administrative, and advisory boards as well as boards of trustees (hereafter "supervisory boards") of the largest companies in Germany.¹ It is also documented to what extent women hold executive board chair and executive board spokesperson positions (hereafter "CEO") as well as supervisory board chair positions. These shares of women are reported here for the 200 largest companies in Germany (measured by revenue),² all DAX companies,³ all companies with government-owned shares,⁴ the 100 largest banks (measured by balance sheet total),⁵ and the 60 largest insurance companies (measured by revenue from contributions).⁶ Furthermore, the share of women on executive boards and supervisory boards is reported separately for the companies⁷ subject to the gender quota on supervisory boards and for the companies subject to the 2021 inclusion requirement for executive boards. Altogether, the 2022 DIW Berlin Women Executives Barometer includes information on around 500 companies in Germany. The figures published here were researched

¹ Last in 2021, cf. Anja Kirsch and Katharina Wrohlich, "Number of women on boards of large firms increasing slowly; legal requirements could provide momentum," *DIW Weekly Report*, no. 3/4 (2021): 17-19 (available online; accessed on January 11, 2022. This applies to all other online sources in this report unless stated otherwise).

² The publication "Die 100 größten Unternehmen" from the *Frankfurter Allgemeine Zeitung* (July 7, 2021) was used to select the 100 and 200 highest-performing companies.

³ The list of listed companies in the individual DAX groups was taken from the website www.boerse-ard.de (in German; available online; accessed November 28, 2021).

⁴ The list of all companies with government-owned shares was taken from the Federal Government's *Beteiligungsbericht des Bundes 2020* (in German; available online; accessed on April 8, 2021).

⁵ The 100 largest banks (measured by balance sheet total) were selected according to Anja U. Kraus and Harald Kuck, "Der Brexit wirbelte einiges durcheinander," *Die Bank, Zeitschrift für Bankpolitik und Praxis* 7 (2021): 14-25 (in German).

⁶ The 60 largest insurance companies (measured by revenue from contributions) were selected based on an analysis by the *Kölner Institut für Versicherungsinformation und Wirtschaftsdienste* (KIVI). Additionally, the largest reinsurance companies according to the reinsurance statistics (from December 31, 2020) published by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BAFIN) in March 2021 were integrated into the group of the 60 largest insurance companies.

⁷ The list of companies that were subject to the gender quota on supervisory boards in fall 2021 was kindly provided to us by FidAR e.V.

Table 1

Women on executive and supervisory boards in Germany's 200 largest companies¹ (without financial sector)

	Largest 200 companies							Largest 100 companies						
	2006	2010	2013	2016	2019	2020	2021	2006	2010	2013	2016	2019	2020	2021
Executive/management boards														
Total number of companies	200	200	200	200	200	200	200	100	100	100	100	100	100	100
With composition data	195	195	195	200	197	193	197	97	95	97	100	98	96	97
With women on executive board	9	22	35	61	78	81	101	1	8	19	35	45	48	60
Percentage share	4.6	11.3	17.9	30.5	39.6	42.0	51.3	1.0	8.4	19.6	35.0	45.9	50.0	61.9
Total number of members	953	906	906	931	907	878	944	531	490	484	498	484	468	482
Men	942	877	866	855	813	777	805	530	479	461	455	428	404	403
Women	11	29	40	76	94	101	139	1	11	23	43	56	64	79
Percentage share of women	1.2	3.2	4.4	8.2	10.4	11.5	14.7	0.2	2.2	4.8	8.6	11.6	13.7	16.4
Total number of chairpersons ²	195	195	194	176	192	183	176	97	97	97	94	97	95	90
Men	195	193	190	171	182.5	176	162	97	97	96	94	94.5	91	84
Women	0	2	4	5	9.5	7	14	0	0	1	0	2.5	4	6
Percentage share of women	0	1.0	2.1	2.9	4.9	3.8	8.0	0	0	1.0	0	2.6	4.2	6.7
Supervisory boards/administrative boards														
Total number of companies	200	200	200	200	200	200	200	100	100	100	100	100	100	100
With composition data	170	166	157	154	164	154	160	87	86	86	81	88	83	86
With women on supervisory board	110	117	123	138	150	145	149	65	61	71	74	83	79	81
Percentage share	64.7	70.5	78.3	89.6	91.5	94.2	93.1	74.7	70.9	82.6	91.4	94.3	95.2	94.2
Total number of members	2,500	2,293	2,159	2,160	2,177	2,074	2,183	1,389	1,263	1,231	1,198	1,321	1,252	1,317
Men	2,304	2,050	1,834	1,671	1,563	1,453	1,519	1,270	1,142	1,044	922	932	866	910
Women	196	243	325	489	614	621	664	119	121	187	276	389	386	407
Percentage share of women	7.8	10.6	15.1	22.6	28.2	29.9	30.4	8.6	9.6	15.2	23.0	29.4	30.8	30.9
Total number of chairpersons	170	167	160	153	162	153	160	87	87	87	80	87	83	86
Men	167	165	156	150	156	145	150	85	85	83	78	84	79	81
Women	3	2	4	3	6	8	10	2	2	3	2	3	4	5
Percentage share of women	1.8	1.2	2.5	2.0	3.7	5.2	6.3	2.3	2.3	3.4	2.5	3.4	4.8	5.8

1 The figures for 2021 were researched from November 28 to December 7, 2021.

2 In cases of dual leadership, the chairperson is counted as two half positions.

Figures for every year since 2006 and the names of all women on the executive boards of the top-200 companies are available online: www.diw.de/managerinnen

Sources: Authors' own surveys and calculations.

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from November 28 to December 7, 2021.⁸ The data are drawn from online company profiles, annual reports, and financial statements for 2020. This report also includes information from German Federal Gazette publications as well as specific data requests made to the companies by DIW Berlin.

Top 200 companies

Notable increase in the share of women on executive boards

In the fourth quarter of 2021, the share of women on the executive boards of the 200 largest companies (excluding the financial sector) was almost 15 percent; in 2020, it was 11.5 percent. This is an additional 38 women (139 in total),

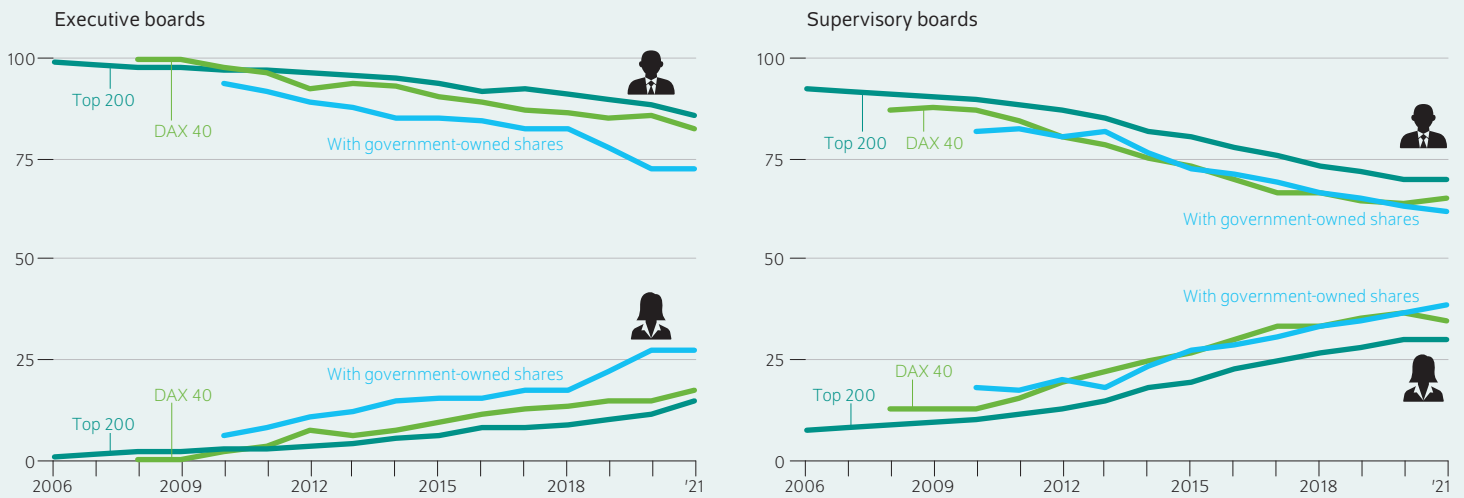
the strongest annual increase of this indicator since data collection for the Women Executives Barometer began in 2006 (Table 1, Figure 1). However, due to increases in the size of executive boards, the number of executive board members in this group has increased overall. There was also a strong increase in the share of women at the top 100 companies, which have consistently had higher shares of women on their executive boards since 2016. As of late fall 2021, it was over 16 percent; in 2020, it was almost 14 percent.

There was also a significant increase in the share of female CEOs in these groups compared to 2020: In the top 200 companies, this figured doubled compared to the previous year and by the fourth quarter of 2021, was eight percent (14 women compared to seven in 2020). There was steady growth in the top 100 companies as well, with almost seven percent of CEO positions being held by women (compared to a good four percent in 2020). This is an increase of two

⁸ We would like to thank Arianna Antezza, Louise Koch, and Lukas Hain for their excellent support in data research.

Figure 1

Shares of women and men in selected groups of companies In percent



Sources: Authors' own surveys and calculations.

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Recently, the share of women on executive boards increased markedly more than the share of women on supervisory boards at the top 200 and DAX 40 companies.

women (from four to six) who are in charge of one of the 100 largest companies in Germany in the fourth quarter of 2021.⁹

Share of women on supervisory boards barely increasing

The share of women on supervisory boards is still significantly greater than the share of women on executive boards. However, over the past year, this share has developed less dynamically. Nevertheless, in the top 200 companies, a 30-percent share of women was achieved for the first time: The share of women on the supervisory boards of these companies increased by 0.5 percentage points to a good 30 percent. In contrast, the share of women on supervisory boards of the top 100 companies stagnated. As in 2020, the share of women in 2021 was almost 31 percent.

However, the number of women heading supervisory boards has also increased, even if still at a low level. In the top 200 companies, the number of chairwomen increased from eight in 2020 to ten in 2021, which is a little over six percent of all supervisory board chairs. In the top 100 companies, five

women were supervisory board chairs (up from four in 2020) in the fourth quarter of 2021, a share of almost six percent.¹⁰

Listed companies

More women on executive boards almost everywhere; especially stark increase in the DAX 40 companies

The share of women on the executive boards of the publicly listed companies (DAX 40, MDAX, SDAX, and TecDAX) examined here has—like the top 200 companies—increased strongly compared to previous years. In late fall 2021, the share was a little over 14 percent on average for all DAX companies, an increase of three percentage points compared to 2020 (Table 2). Such a large annual increase has not occurred since the beginning of the observation period in 2011. The share of female CEOs has also increased to almost six percent.¹¹

⁹ Manon van Beek (Tennet TSO GmbH), Anna Maria Braun (B. Braun SE), Dr. Stephanie Coßmann (Lanxess AG), Belén Garijo (Merck KGaA), Tanja Gönner (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH), Dr. Marianne Janik (Microsoft Deutschland GmbH), Christina Johansson (Bilfinger SE), Carla Kriwet (BSH Hausgeräte GmbH), Dr. Nicola Leibinger-Kammüller (Trumpf Gruppe), Martina Merz (Thyssenkrupp AG), Tina Müller (Douglas GmbH), Dr. Sabine Nikolaus (Boehringer Ingelheim Deutschland GmbH), Aline Seifert (Alliance Healthcare Deutschland AG) and Dr. Susanna Zapreva (Enercity AG).

¹⁰ Filiz Albrecht (Bosch Rexroth AG), Dr. Simone Bagel-Trah (Henkel GmbH), Beate Bockelt (Sano-Aventis Deutschland GmbH), Anna Borg (Vattenfall GmbH), Catharina Claas-Mühlhauser (Claas KGaA mbH), Yvonne van der Laan (Basell Polyolefine GmbH), Doreen Nowotne (Brenntag SE), Monika Standziak-Koresch (Orlen Deutschland GmbH), Cristina Stenbeck (Zalando SE), and Bettine Würth (Würth-Gruppe).

¹¹ Dr. Stephanie Coßmann (Lanxess AG), Melissa Di Donato (SUSE S.A.), Belén Garijo (Merck KGaA), Dr. Britta Giesen (Pfeiffer Vacuum Technology AG), Christina Johansson (Bilfinger SE), Martina Merz (Thyssenkrupp AG), Petra von Strombeck (New Work SE), Sonja Wärntges (DIC Asset AG), and Maria Zesch (Takkt AG).

WOMEN EXECUTIVES BAROMETER: SHARE OF WOMEN

Table 2

Women on executive and supervisory boards in selected listed companies¹ in Germany

	Subject to the gender quota for supervisory boards ³				Average of the DAX groups						
	2016	2018	2020	2021	2011 ⁴	2013	2015	2017	2019	2020	2021
Executive/management boards											
Total number of companies	106	104	107	103	130	160	160	160	160	160	160
With composition data	106	104	107	103	130	160	160	160	159	159	159
With women on executive board	26	34	50	57	17	37	35	43	56	64	81
Percentage share	24.5	32.7	46.7	55.3	13.1	23.1	21.9	26.9	35.2	40.3	50.9
Total number of members	447	483	485	476	569	681	658	697	706	686	689
Men	446	442	424	405	549	639	620	647	640	610	592
Women	31	41	61	71	20	42	38	50	66	76	97
Percentage share of women	6.5	8.5	12.6	14.9	3.5	6.2	5.8	7.2	9.3	11.1	14.1
Total number of chairpersons ²	103	104	107	103	130	160	158	155	157	157	158
Men	102	102	104	97	129	159	158	150	152.5	152	149
Women	1	2	3	6	1	1	0	5	4.5	5	9
Percentage share of women	1.0	1.9	2.8	5.8	0.8	0.6	0	3.2	2.9	3.2	5.7
Supervisory boards/administrative boards											
Total number of companies	106	104	107	103	130	160	160	160	160	160	160
With composition data	105	104	107	103	130	160	158	160	159	159	159
With women on supervisory board	105	104	107	103	82	119	130	137	136	141	144
Percentage share	100	100	100	100	63.1	74.4	81.3	85.6	85.5	88.7	90.6
Total number of members	1,562	1,511	1,621	1,552	1,406	1,668	1,653	1,761	1,698	1,703	1,677
Men	1,134	1,016	1,045	1,002	1,228	1,384	1,284	1,284	1,167	1,150	1,126
Women	428	495	576	550	178	286	369	477	531	553	557
Percentage share of women	27.4	32.8	35.5	35.4	12.7	17.1	22.3	27.1	31.3	32.4	33.2
Total number of chairpersons	104	104	107	103	130	158	158	160	159	159	159
Men	100	100	102	99	129	154	152	155	151	152	151
Women	4	4	5	4	1	4	6	5	8	7	8
Percentage share of women	3.8	3.8	4.7	3.9	0.8	2.5	3.8	3.1	5.0	4.4	5.0

1 The figures for 2021 were researched from November 28 to December 7, 2021.

2 In cases of dual leadership, the chairperson is counted as two half positions.

3 Companies according to the Women-on-Board-Index 2021 by FidAR.

4 Calculations do not include TecDAX companies.

Figures for every year since 2006 and the names of all women on the executive boards of listed companies are available online: www.diw.de/managerinnen

Sources: Authors' own surveys and calculations.

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A more detailed look at the individual DAX groups (Table 3) shows that the largest listed companies represented in the DAX 40 index remained in the lead regarding the share of women on executive boards in the fourth quarter of 2021 (17.5 percent). However, it must be taken into account that the leading index of the German stock exchange was increased from 30 to 40 companies in September 2021. The composition of the top DAX companies has significantly changed as a result, and thus, the share of women on the boards of the DAX 30 companies in fall 2020 are only comparable with those on the boards of the DAX 40 companies in fall 2021 to a limited extent. When viewing only the companies that were in the DAX 30 in 2020, it can be seen that they have a higher share of women on their boards (just under 19 percent) than the DAX 40 group in fall 2021. This is an increase of a good four percentage points compared to the previous year.

The MDAX was also affected by the change to the stock indices: Since September 2021, ten fewer companies are included

in this index. Comparing the new version of the MDAX in fall 2021 with the 2020 MDAX group shows that the share of women on the executive boards stagnated at around 12 percent. Stagnation is also apparent when viewing developments in the companies that were in the MDAX group in 2020 only.

In contrast, there was a noticeable increase in the share of women on the executive boards of the SDAX and TecDAX companies: from almost eight to almost 13 percent for the SDAX and from almost 11 to almost 14 percent for the TecDAX companies (Table 4).

In regards to female CEOs, there were increases in all DAX groups with the exception of the MDAX companies (still with two female CEOs¹²). There was again one female CEO, Belén Garijo (Merck), among the DAX 40 companies in fall 2021. In the SDAX companies, the number of female CEOs

¹² Dr. Stephanie Coßmann (Lanxess AG) and Martina Merz (Thyssenkrupp AG).

WOMEN EXECUTIVES BAROMETER: SHARE OF WOMEN

Table 3

Women on executive and supervisory boards in DAX 30/DAX 40 and MDAX companies¹

	DAX-30/DAX-40 ²							MDAX ³					
	2008	2011	2015	2019	2020	2021 (DAX-30)	2021 (DAX-40)	2011	2015	2019	2020	2021 (MDAX-60)	2021 (MDAX-50)
Executive/management boards													
Total number of companies	30	30	30	30	30	29 ⁴	40	50	50	60	60	60	50
With composition data	30	30	30	29	29	28	39	50	50	60	60	60	50
With women on executive board	1	6	16	22	21	25	31	5	5	19	24	26	20
Percentage share	3.3	20.0	53.3	75.9	72.4	89.3	79.5	10.0	10.0	31.7	40.0	43.3	40.0
Total number of members	183	188	197	190	178	176	234	213	195	257	250	248	193
Men	182	181	178	162	152	143	193	208	190	234	220	217	170
Women	1	7	19	28	26	33	41	5	5	23	30	31	23
Percentage share of women	0.5	3.7	9.6	14.7	14.6	18.8	17.5	2.3	2.6	8.9	12.0	12.5	11.9
Total number of chairpersons ⁵	30	30	30	29	29	28	39	50	48	59	59	59	49
Men	30	30	30	28.5	29	27	38	50	48	57	57	57	47
Women	0	0	0	0.5	0	1	1	0	0	2	2	2	2
Percentage share of women	0	0	0	1.7	0	3.6	2.6	0	0	3.4	3.4	3.4	4.1
Supervisory boards/administrative boards													
Total number of companies	30	30	30	30	30	29	40	50	50	60	60	60	50
With composition data	30	30	30	29	29	28	39	50	50	60	60	60	50
With women on supervisory board	27	26	28	29	29	28	39	35	46	54	55	55	45
Percentage share	90.0	86.7	93.3	100	100	100	100	70.0	92.0	90.0	91.7	91.7	90.0
Total number of members	527	479	488	458	452	436	544	581	599	604	629	625	527
Men	458	404	357	296	287	281	355	515	472	416	420	418	353
Women	69	75	131	162	165	155	189	66	127	188	209	207	174
Percentage share of women	13.1	15.7	26.8	35.4	36.5	35.6	34.7	11.4	21.2	31.1	33.2	33.1	33.0
Total number of chairpersons	k.A.	30	30	29	29	28	39	50	50	60	60	60	50
Men	k.A.	29	29	28	28	27	36	50	48	57	57	57	49
Women	k.A.	1	1	1	1	1	3	0	2	3	3	3	1
Percentage share of women	k.A.	3.3	3.3	3.4	3.4	3.6	7.7	0	4.0	5.0	5.0	5.0	2.0

1 The figures for 2021 were researched from November 28 to December 7, 2021.

2 Since September 20, 2021, the group of the largest listed companies has included 40 instead of 30 companies.

3 In contrast to the expansion of the DAX 30 to the DAX 40, the MDAX was reduced by ten companies in fall 2021.

4 Deutsche Wohnen SE was acquired by Vonovia SE in 2021 and is therefore no longer included.

5 In cases of dual leadership, the chairperson is counted as two half positions.

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Sources: Authors' own surveys and calculations.

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increased from three to six, and in the TecDAX companies, from one to two.¹³

Share of women on supervisory boards only increased at SDAX and TecDAX companies

The share of women on the supervisory boards of DAX companies had already reached 30 percent in 2018 (Table 2). Growth has been less dynamic since then; there were even slight declines in some groups recently. On average across all DAX groups, the share of women on supervisory boards in late fall 2021 was a good 33 percent, one percentage point higher than in 2020.

In past years, the largest listed companies always achieved the highest share of women on supervisory boards. The

share of women was almost 35 percent in the DAX 40 group in the fourth quarter of 2021, which is greater than the other DAX groups (Table 3). However, the value is below the 2020 value, even when considering the restructuring of the index.

While the share of women on supervisory boards has stagnated among the MDAX companies at 33 percent, the share increased by three percentage points each among the SDAX and TecDAX companies to almost 32 and almost 35 percent, respectively. Thus, the share of women on supervisory boards was above 30 percent in all DAX groups for the first time in late fall 2021.

Companies with government-owned shares: share of women on executive boards stagnating at a relatively high level

As many companies with government-owned shares are small, they can only be compared to the other groups of companies examined here to a limited extent. In addition,

¹³ SDAX: Melissa Di Donato (SUSE S.A.), Dr. Britta Giesen (Pfeiffer Vacuum Technology AG), Christina Johansson (Bilfinger SE), Petra von Strombeck (New Work SE), Sonja Wärntges (DIC Asset AG), and Maria Zesch (Takkt AG). TecDAX: Melissa Di Donato (SUSE S.A.) and Dr. Britta Giesen (Pfeiffer Vacuum Technology AG).

WOMEN EXECUTIVES BAROMETER: SHARE OF WOMEN

Table 4

Women on executive and supervisory boards in SDAX and TecDAX companies¹

	SDAX							TecDAX						
	2011	2013	2015	2017	2019	2020	2021	2013	2015	2017	2019	2020	2021	
Executive/management boards														
Total number of companies	50	50	50	50	70	70	70	30	30	30	30	30	30	
With composition data	50	50	50	50	70	70	70	30	30	30	30	30	30	
With women on executive board	6	11	11	9	15	19	30	8	3	5	9	8	10	
Percentage share	12.0	22.0	22.0	18.0	21.4	27.1	42.9	26.7	10.0	16.7	30.0	26.7	33.3	
Total number of members	168	170	165	172	259	258	262	107	101	117	131	120	118	
Men	160	157	154	163	244	238	229	98	98	111	119	107	102	
Women	8	13	11	9	15	20	33	9	3	6	12	13	16	
Percentage share of women	4.8	7.6	6.7	5.2	5.8	7.8	12.6	8.4	3.0	5.1	9.2	10.8	13.6	
Total number of chairpersons ²	50	50	50	48	69	69	70	30	30	29	29	30	30	
Men	49	50	50	46	67	66	64	30	30	27	28.5	29	28	
Women	1	0	0	2	2	3	6	0	0	2	0.5	1	2	
Percentage share of women	2.0	0	0	4.2	2.9	4.3	8.6	0	0	6.9	1.7	3.3	6.7	
Supervisory boards/administrative boards														
Total number of companies	50	50	50	50	70	70	70	30	30	30	30	30	30	
With composition data	50	50	49	50	70	70	70	30	29	30	30	30	30	
With women on supervisory board	21	27	33	35	53	57	60	19	23	25	26	26	27	
Percentage share	42.0	54.0	67.3	70.0	75.7	81.4	85.7	63.3	79.3	83.3	86.7	86.7	90.0	
Total number of members	346	388	365	399	636	622	612	207	201	241	259	266	269	
Men	309	337	302	309	455	443	418	174	153	187	178	182	176	
Women	37	51	63	90	181	179	194	33	48	54	81	84	93	
Percentage share of women	10.7	13.1	17.3	22.6	28.5	28.8	31.7	15.9	23.9	22.4	31.3	31.6	34.6	
Total number of chairpersons	50	50	49	50	70	70	70	30	29	30	30	30	30	
Men	50	50	48	49	66	67	66	29	27	28	28	28	27	
Women	0	0	1	1	4	3	4	1	2	2	2	2	3	
Percentage share of women	0	0	2.0	2.0	5.7	4.3	5.7	3.3	6.9	6.7	6.7	6.7	10.0	

¹ The figures for 2021 were researched from November 28 to December 7, 2021.

² In cases of dual leadership, the chairperson is counted as two half positions.

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Sources: Authors' own surveys and calculations.

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in contrast to the private sector, supervisory board seats in these companies are often tied to a leading position in public administration or to political mandates. The share of women in senior public administration positions and political offices affects the share of women on the supervisory boards of these companies due to this fact.

To date, companies with government-owned shares have had a higher share of women on executive boards than private sector companies. In particular, there were marked increases in this group of companies from 2018 to 2020: The share of female executive board members increased from almost 18 percent in 2018 to almost 28 percent in fall 2020. Recently, this growth has not continued: In late fall 2021, the share of women on executive boards of companies with government-owned shares was again almost 28 percent (Table 5). Although there were three more female executive board members compared to 2020 (totaling 45), the share did not change because there were more companies with government-owned shares and thus more executive board positions overall.

Contrary to the trend in the large private sector companies, the share of women on supervisory boards of companies with government-owned shares continued to increase by around 1.5 percentage points to around 39 percent. This group now has a higher share than the DAX 40 group (Figure 1). Women are much more frequently supervisory board chairs in companies with government-owned shares than in other groups of companies: In the fourth quarter of 2021, this was the case for every third company.¹⁴

¹⁴ Helga Barth (Deutsches Institut für Entwicklungspolitik gGmbH), Annabritt Biederbeck (Zentrale Stelle zur Abrechnung von Arzneimittelrabatten), Dr. Daniela Brönstrup (WIK Wissenschaftliches Institut für Infrastruktur und Kommunikationsdienste GmbH), Tanja Burckardt (Bw Bekleidungsmanagement GmbH), Yasmin Fahimi (Sprind GmbH), Antje Geese (DFS Deutsche Flugsicherung GmbH und Fluko Flughafenkoordination Deutschland GmbH), Monika Grüter (Kulturveranstaltungen des Bundes in Berlin GmbH), Eva-Lotta Gutjahr (juris GmbH), Dr. Simone Hartmann (HIL Heeresinstandsetzungslogistik GmbH), Oda Keppler (Helmholtz-Zentrum für Umweltforschung GmbH – UFZ), Prof. Dr. Veronika von Messling (Helmholtz-Zentrum München Deutsches Forschungszentrum für Gesundheit und Umwelt GmbH und Helmholtz-Zentrum für Infektionsforschung GmbH), Dr. Julia Reuss (NOW GmbH), Ulrike Schauz (Transit-Film-Gesellschaft mbH), Prof. Dr. Ina Schieferdecker (CISPA – Helmholtz-Zentrum für Informationssicherheit gGmbH), Rita Schwarzelühr-Sutter (Gesellschaft für Anlagen- und Reaktorsicherheit (GRS) gGmbH), Tatjana Tegt-bauer (DEGES Deutsche Einheit Fernstraßenplanungs- und -bau GmbH), and Tanja Überall (GEKA Gesellschaft zur Entsorgung von chemischen Kampfstoffen und Rüstungsaltslasten mbH).

Table 5

Women on executive and supervisory boards in companies with government-owned shares¹

	2010	2013	2015	2017	2019	2020	2021
Executive/management boards							
Total number of companies	61	60	61	61	62	63	66
With composition data	60	60	61	60	62	63	66
With women on executive board	9	14	20	22	28	32	33
Percentage share	15.0	23.3	32.8	36.7	45.2	50.8	50.0
Total number of members	152	143	144	140	150	151	162
Men	142	125	122	115	117	109	117
Women	10	18	22	25	33	42	45
Percentage share of women	6.6	12.6	15.3	17.9	22.0	27.8	27.8
Total number of chairpersons ²	54	56	37	41	49	46	37
Men	51	51	33	36	41	35	30
Women	3	5	4	5	8	11	7
Percentage share of women	5.6	8.9	10.8	12.2	16.3	23.9	18.9
Supervisory boards/administrative boards							
Total number of companies	61	60	61	61	62	63	66
With composition data	54	51	55	51	56	56	59
With women on supervisory board	46	41	53	50	56	56	59
Percentage share	85.2	80.4	96.4	98.0	100	100	100
Total number of members	577	553	595	530	601	602	626
Men	472	453	431	368	393	380	385
Women	105	100	164	162	208	222	241
Percentage share of women	18.2	18.1	27.6	30.6	34.6	36.9	38.5
Total number of chairpersons	53	47	55	51	54	56	59
Men	45	39	48	41	43	42	40
Women	8	8	7	10	11	14	19
Percentage share of women	15.1	17.0	12.7	19.6	20.4	25.0	32.2

¹ The figures for 2021 were researched from November 28 to December 7, 2021.

Figures for every year since 2006 and the names of female chairpersons of companies with government-owned shares are available online: www.diw.de/managerinnen

Sources: Authors' own surveys and calculations.

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Banks and insurance companies

Strong increases in the share of women on executive boards, but almost no increase in supervisory boards

The share of women on the executive boards of the 100 largest banks in Germany has increased strongly, as it has in the top 200 companies in the other sectors of the private sector, albeit at a lower level. It was a good 13 percent in fall 2021, an increase of almost three percentage points compared to 2020 (Table 6). The share of women on the executive boards of the 60 largest insurance companies also increased to over 13 percent from almost 12 percent in fall 2020. However, there were eight women, two fewer than in 2020, among the CEOs of the 100 largest banks in the fourth quarter of 2021, and the corresponding share of women decreased from just over ten to just over eight percent.¹⁵ In contrast, there was a strong

increase in insurance companies: five women CEOs (a good eight percent), over twice as many in 2020 (two women, a good three percent).¹⁶

There has been a moderate increase in the share of women over the past year in the supervisory boards of the financial sector. In the 100 largest banks, the share of women on supervisory boards increased by one percentage point to almost 25 percent; in the 60 largest insurance companies, it rose by one percentage point to a good 25 percent. There was an increase in the share of female supervisory board chairs at insurance companies too: from almost seven to ten percent (six women instead of four).¹⁷ There were still seven women serving as supervisory board chair at the 100 largest banks, which is a share of around seven percent.¹⁸

Share of women on executive boards increasing in all types of banks, but the share of women on supervisory boards only increasing in the public sector banks

Out of all types of banks, the private sector banks have the largest share of women on executive boards by far (17 percent), followed by the cooperative banks (12 percent) and the public sector banks (around 11 percent) (Table 7). In all bank types, however, the share of female executive board members increased markedly compared to 2020. This is in contrast to the number of female CEOs: With four women and one woman in the public sector and cooperative banks, respectively, this figure has remained the same. As of late fall 2021, the private sector banks even had two fewer female CEOs compared to 2020.¹⁹

When it comes to women on supervisory boards, there was only an increase in the public sector banks: The share of women increased by around two percentage points to a good 24 percent. The value declined for the private sector banks (from almost 29 to a good 28 percent) as well as for the cooperative banks (from around 24 to almost 23 percent).

At public sector banks, the number of female supervisory board chairs has decreased (from four to two) – in contrast to the positive trend regarding the number of women on supervisory boards in this group of banks. However, the number

¹⁵ Kristine Braden (Citigroup Global Markets Europe AG), Isabelle Chevelard (Targobank AG), Ines Dietze (SWN Kreissparkasse Waiblingen), Karin-Brigitte Göbel (Stadtsparkasse Düsseldorf), Tanja Müller-Ziegler (Landesbank Berlin AG), Christine Novakovic (UBS Europe SE), Silke Schneider-Wild (Sparda-Bank München e.G.), and Edith Weymayr (Landeskreditbank Baden-Württemberg-Förderbank (L-Bank)).

¹⁶ Heike Böhner (Volkswahl Bund Lebensversicherung a.G.), Zeliha Hanning (Württembergische Lebensversicherung AG und Württembergische Versicherung AG), Katharina Jessel (Bayerische Beamtenkrankenkasse AG), and Nina Klingspor (Allianz Private Krankenversicherungs-AG).

¹⁷ Prof. Dr. Liane Buchholz (Westfälische Provinzial Versicherung AG), Cosima Ingenschay (DEVK Allgemeine Versicherungs-AG), Silke Lautenschläger (DKV Deutsche Krankenversicherung AG), Ulrike Lubek (Provinzial Rheinland Versicherung AG), Alison Martin (ZURICH Insurance plc, NL f. Deutschland), and Isabella Pfaller (Bayerische Beamtenkrankenkasse AG).

¹⁸ Dr. Ingrid-Ulla Bartölke (Volkswagen Bank GmbH), Anke Beckemeyer (Sparda-Bank West e.G.), Katrin Lange (Investitionsbank des Landes Brandenburg), Mónica López-Monís Gallego (Santander Consumer Bank AG), Ramona Pop (IBB Investitionsbank Berlin), Gitta Wild (Sparda-Bank Südwest e.G.), and Clare Woodman (Morgan Stanley Europe SE).

¹⁹ Public sector banks: Karin-Brigitte Göbel (Stadtsparkasse Düsseldorf), Tanja Müller-Ziegler (Landesbank Berlin AG), Edith Weymayr (Landeskreditbank Baden-Württemberg-Förderbank (L-Bank)), Ines Dietze (SWN Kreissparkasse Waiblingen). Cooperative banks: Silke Schneider-Wild (Sparda-Bank München e.G.). Private sector banks: Kristine Braden (Citigroup Global Markets Europe AG), Isabelle Chevelard (Targobank AG) and Christine Novakovic (UBS Europe SE).

WOMEN EXECUTIVES BAROMETER: SHARE OF WOMEN

Table 6

Women on the executive and supervisory boards of large banks and insurance companies in Germany¹

	Banks							Insurance companies						
	2006	2010	2013	2016	2019	2020	2021	2006	2010	2013	2016	2019	2020	2021
Executive/management boards														
Total number of companies	100	100	100	100	100	100	99 ²	63	62	60	59	60	60	60
With composition data	100	100	100	100	100	100	99	63	62	60	59	59	59	60
With women on executive board	10	10	24	30	32	33	39	10	10	29	31	26	32	32
Percentage share	10.0	10.0	24.0	30.0	32.0	33.0	39.4	15.9	16.1	48.3	52.5	44.1	54.2	53.3
Total number of members	442	408	396	404	410	392	403	394	399	396	357	327	338	348
Men	431	396	371	371	370	351	350	384	389	362	322	291	298	302
Women	11	12	25	33	40	41	53	10	10	34	35	36	40	46
Percentage share of women	2.5	2.9	6.3	8.2	9.8	10.5	13.2	2.5	2.5	8.6	9.8	11.0	11.8	13.2
Total number of chairpersons	100	100	100	98	98	98	95	63	62	60	59	59	59	60
Men	98	98	97	94	93	88	87	63	62	59	58	57	57	55
Women	2	2	3	4	5	10	8	0	0	1	1	2	2	5
Percentage share of women	2.0	2.0	3.0	4.1	5.1	10.2	8.4	0	0	1.7	1.7	3.4	3.4	8.3
Supervisory boards/administrative boards														
Total number of companies	100	100	100	100	100	100	99 ²	63	62	60	59	60	60	60
With composition data	100	100	100	98	99	99	97	63	62	60	59	58	58	60
With women on supervisory board	89	88	89	95	95	97	94	46	48	50	52	52	51	52
Percentage share	89.0	88.0	89.0	96.9	96.0	98.0	96.9	73.0	77.4	83.3	88.1	89.7	87.9	86.7
Total number of members	1633	1548	1485	1520	1564	1585	1428	812	732	683	639	581	588	605
Men	1387	1295	1230	1194	1208	1206	1074	720	645	572	498	452	445	453
Women	246	253	255	326	356	379	354	92	87	111	141	129	143	153
Percentage share of women	15.1	16.3	17.2	21.4	22.8	23.9	24.8	11.3	11.9	16.3	22.1	22.2	24.3	25.3
Total number of chairpersons	100	100	100	98	99	99	97	63	62	60	59	58	58	60
Men	97	97	97	91	95	92	90	63	61	59	58	57	54	54
Women	3	3	3	7	4	7	7	0	1	1	1	1	4	6
Percentage share of women	3.0	3.0	3.0	7.1	4.0	7.1	7.2	0	1.6	1.7	1.7	1.7	6.9	10.0

1 The figures for 2021 were researched from November 28 to December 7, 2021.

2 Deutsche Hypothekbank AG merged with Norddeutsche Landesbank Girozentrale and is therefore no longer included.

Figures for every year since 2006 and the names of all women on the executive boards of banks and insurance companies are available online: www.diw.de/managerinnen

Sources: Authors' own surveys and calculations.

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of female supervisory board chairs increased for private sector and cooperative banks (from two to three and from one to two, respectively).²⁰

At the beginning of the observation period in the mid-2000s, the 100 largest banks had higher shares of women on their supervisory and executive boards than the 100 largest other private sector companies. However, they have been overtaken by the other sectors both in terms of the share of women on supervisory boards (in 2016) and with regard to the share of women on executive boards (in 2018) (Figure 2). The top 100 banks now lag far behind the top 100 companies in terms of the shares of women on supervisory and executive boards.²¹

²⁰ Public sector banks: Katrin Lange (Investitionsbank des Landes Brandenburg) and Ramona Pop (IBB Investitionsbank Berlin). Private banks: Dr. Ingrid-Ulla Bartölke (Volkswagen Bank GmbH), Mónica López-Monís Gallego (Santander Consumer Bank AG), and Clare Woodman (Morgan Stanley Europe SE). Cooperative banks: Anke Beckemeyer (Sparda-Bank West e.G.) and Gitta Wild (Sparda-Bank Südwest e.G.).

²¹ A detailed comparison of the development of the share of women on supervisory and management boards from 2006 to 2019 and an overview of possible reasons for the particularly slow progress in the financial sector is provided in Anja Kirsch and Katharina Wrohlich (2020), "Propor-

Legal requirement for the representation of women and men on supervisory and executive boards is having a positive effect

Several international comparison studies have shown that statutory gender quotas have a significantly greater impact than non-binding recommendations or voluntary commitments;²² an inner-German comparison also shows the effectiveness of this measure. In 2015, Germany introduced a statutory gender quota of 30 percent for supervisory boards of listed companies that also have employee representation on their supervisory boards (full co-determination) as a part of the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors Act (*Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen*

tion of women on top-decision making bodies of large companies increasing, except on supervisory boards in the financial sector," *DIW Weekly Report*, no. 4/5 (2020): 32-42. (available online)

²² Cf. Paula Arndt and Katharina Wrohlich, "Gender quotas in a European comparison: tough sanctions most effective," *DIW Weekly Report* no. 38 (2019): 691-698 (available online).

Table 7

Women on the executive and supervisory boards of private banks, public banks, and cooperative banks in Germany¹

	Public banks					Private banks ²					Cooperative banks				
	2010	2015	2019	2020	2021	2010	2015	2019	2020	2021	2010	2015	2019	2020	2021
Executive/management boards															
Total number of companies	52	52	54	54	50 ³	36	31	27	27	29	12	17	19	19	20
With composition data	52	52	54	54	50	36	31	27	27	29	12	17	19	19	20
With women on executive board	3	14	16	13	16	5	10	10	14	16	2	4	6	6	7
Percentage share	5.8	26.9	29.6	24.1	32.0	13.9	32.3	37.0	51.9	55.2	16.7	23.5	31.6	31.6	35.0
Total number of members	203	203	204	196	190	157	128	129	122	138	48	63	77	74	75
Men	199	187	185	180	170	151	118	115	105	114	46	59	70	66	66
Women	4	16	19	16	20	6	10	14	17	24	2	4	7	8	9
Percentage share of women	2.0	7.9	9.3	8.2	10.5	3.8	7.8	10.9	13.9	17.4	4.2	6.3	9.1	10.8	12.0
Total number of chairpersons	52	52	53	53	49	36	29	26	26	27	12	17	19	19	19
Men	52	51	50	49	45	34	28	25	21	24	12	16	18	18	18
Women	0	1	3	4	4	2	1	1	5	3	0	1	1	1	1
Percentage share of women	0	1.9	5.7	7.5	8.2	5.6	3.4	3.8	19.2	11.1	0	5.9	5.3	5.3	5.3
Supervisory boards/administrative boards															
Total number of companies	52	52	54	54	50	36	31	27	27	29	12	17	19	19	20
With composition data	52	52	54	54	50	36	29	26	26	27	12	17	19	19	20
With women on supervisory board	48	52	53	54	49	29	25	24	25	25	11	16	18	18	20
Percentage share	92.3	100	98.0	100	98.0	80.6	86.2	92.3	96.2	92.6	91.7	94.1	95.0	95.0	100
Total number of members	960	933	957	985	829	396	311	308	295	288	192	274	299	305	311
Men	802	725	754	763	627	333	239	224	210	207	160	231	230	233	240
Women	158	208	203	222	202	63	73	84	85	81	32	43	69	72	71
Percentage share of women	16.5	22.3	21.2	22.5	24.4	15.9	23.5	27.3	28.8	28.1	16.7	15.7	23.1	23.6	22.8
Total number of chairpersons	52	52	54	54	50	36	29	26	26	27	12	17	19	19	20
Men	49	47	52	50	48	36	28	24	24	24	12	17	19	18	18
Women	3	5	2	4	2	0	1	2	2	3	0	0	0	1	2
Percentage share of women	5.8	9.6	3.7	7.4	4.0	0	3.4	7.7	7.7	11.1	0	0	0	5.0	10.0

1 The figures for 2021 were researched from November 28 to December 7, 2021.

2 Two of the private banks are independent savings banks.

3 Deutsche Hypothekbank AG merged with Norddeutsche Landesbank Girozentrale and is therefore no longer included.

Figures for every year since 2006 are available online: www.diw.de/managerinnen

Sources: Authors' own surveys and calculations.

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Dienst, FüPoG I).²³ As of fall 2021, the quota applied to 103 companies.

Within the group of the top 200 companies, a comparison of those companies that are subject to the supervisory board quota with those companies to which it does not apply shows that there has been a significantly stronger increase in the share of women in the quota companies, especially from 2014 to 2019 (Figure 3).²⁴ Over this period, the share of female supervisory board members for companies subject to the quota increased by almost 15 percentage points (from around

20 to over 34 percent), while it increased by only a good seven percentage points (from almost 16 to a good 23 percent) in the companies not subject to the quota. The share caught up somewhat in 2020 and 2021, but it still lags behind that of companies to which the quota applies (35 percent) significantly, at just over 27 percent.

FüPoG I contained no legal requirements for executive boards. The inclusion requirement was first introduced as a part of the Second Act for Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (*Zweites Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst*, FüPoG II), which was passed in August 2021 and applies to appointments from August 2022.²⁵ This

²³ A detailed description of the legislation can be found in the second report of this issue, cf. Anja Krusch, Virginia Sondergeld, and Katharina Wrohlich, "While gender quotas for top positions in the private sector differ across EU countries, they are effective overall," *DIW Weekly Report*, no. 3/4 (2022).

²⁴ The fact that the share of women on supervisory boards has been increasing since 2014 before FüPoG I came into effect points to anticipation effects of this law that can currently also be observed in the run-up to the inclusion requirement for executive boards.

²⁵ Cf. Kirsch, Sondergeld, and Wrohlich, "While gender quotas for top positions in the private sector differ across EU countries, they are effective overall."

law states that publicly listed companies with full co-determination and an executive board with at least four members must fill the next available board position with a woman if the executive board does not have any female members. Unlike the 30 percent gender quota for supervisory boards determined in FöPoG I, FöPoG II requires a minimum number of women and men instead of a quota. This design is understandable, as executive boards are much smaller than supervisory boards (Figure 4). The companies subject to the gender quota for supervisory boards have a supervisory board with 15.1 members on average and an executive board with 4.6 members on average. For the companies subject to both the supervisory board quota and the inclusion requirement for executive boards, the average executive board size is 5.5 members. Thus, the requirement of at least one woman on executive boards corresponds to a gender quota of 20 percent on average. For companies with a four-person executive board, this is a quota of 25 percent.

Although this new law has only been publicly known for just over a year and will only apply to board appointments from August 2022, significant anticipation effects of this law can already be seen:²⁶ In the top 200 companies subject to the new inclusion requirement, women accounted for just over 19 percent of executive board members in late fall 2021 (Figure 5), almost five percentage points more than in 2020. There has not been a comparably large increase in the past five years. On average, the share of female executive board members of these companies only increased by one percentage point per year from 2013 to 2020. In the top 200 companies not subject to the inclusion requirement, the share of female executive board members has increased by almost three percentage points to around 14 percent since fall 2020.

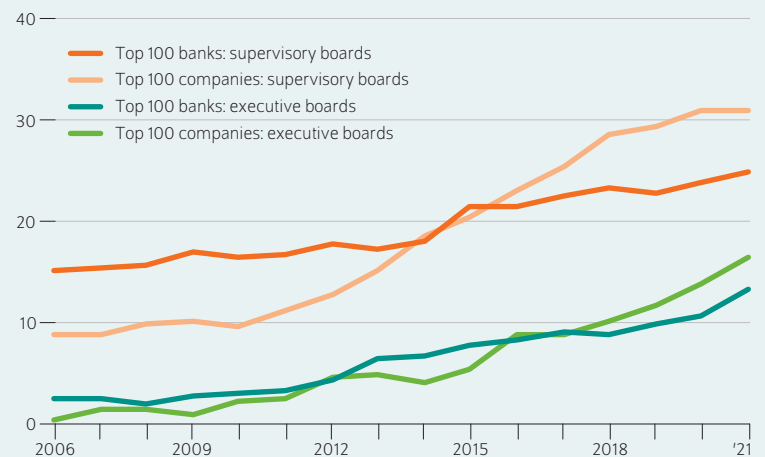
Of the 66 companies subject to the inclusion requirement, 16 have more female executive board members than they did in 2020 (two companies have fewer women). Twelve companies that did not have any female executive board members in 2020 appointed one woman to their executive board in 2021.

Generally, the size of a company's executive board remains constant over time. However, ten companies increased the size of their executive board over the course of appointing a woman.

In the companies subject to the quota for supervisory boards (of them, a subgroup is also subject to the inclusion requirement for executive boards), the executive board has averaged five members over the past years. Compared to 2020, somewhat fewer companies (29) had an executive board with three or fewer members (2020: 33 companies). However, these developments do not indicate that the companies are attempting to circumvent the inclusion requirement by shrinking the size of their executive board.

Figure 2

Percentage share of women on executive and supervisory boards of the top 100 banks and top 100 companies (excluding the financial sector)
In percent



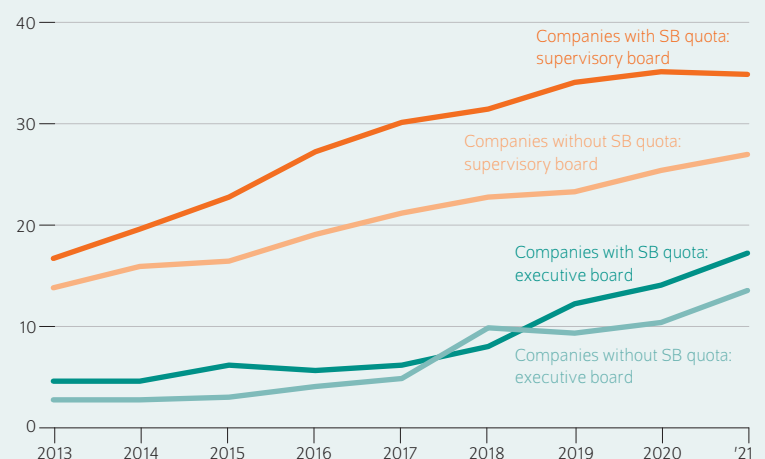
Sources: Authors' own surveys and calculations.

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The largest banks lag significantly behind the largest non-financial companies in terms of shares of women on boards.

Figure 3

Share of women on top decision-making bodies of the top 200 companies with and without a gender quota for supervisory boards
In percent



Sources: Authors' own surveys and calculations.

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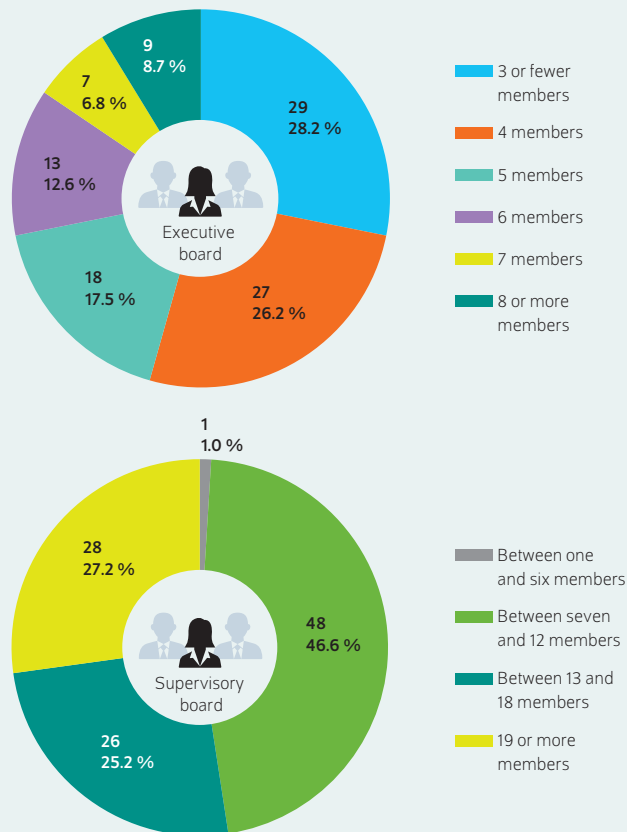
Companies that are subject to the gender quota on supervisory boards also have significantly more women on their executive boards than other companies.

²⁶ A study from the summer of 2021 documented clear anticipation effects, cf. Virginia Söndergeld and Katharina Wrohlich, "Mindestbeteiligung von Frauen in Vorständen: Einige Unternehmen sind neuem Gesetz bereits zuvorgekommen," *DIW aktuell* no. 65 (in German; available online).

Figure 4

Board sizes of companies subject to the gender quota for supervisory boards

Number of companies and share of all companies in percent



Sources: Authors' own surveys and calculations.

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Executive boards are significantly smaller bodies than supervisory boards.

Conclusion: Stark increases in the shares of women in executive boards; legal requirements causing anticipation effects

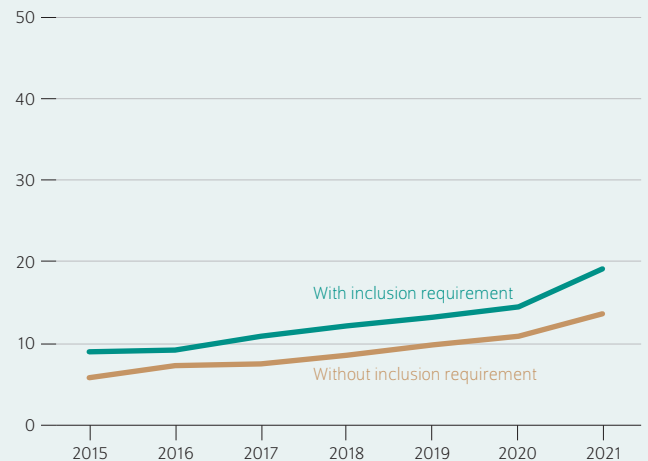
The share of women on the executive boards of the largest companies in Germany increased strongly in 2021 compared to 2020. In the 200 largest companies, the three-percentage-point increase to just under 15 percent was over four times greater than the average annual growth since the beginning of the DIW Women Executives Barometer in 2006. There were also markedly more women on executive boards in publicly listed companies, banks, and insurance companies.

While the share of women on supervisory boards has often grown much more dynamically than the share of women on executive boards in past years, the situation was reversed in 2021: There were smaller increases in the supervisory boards,

Figure 5

Shares of women on executive boards of the top 200 companies with and without the inclusion requirement for the executive board

In percent



Sources: Authors' own surveys and calculations.

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The share of women has recently increased more strongly at companies that will be subject to the new inclusion requirement for executive boards from August 2022.

albeit at a higher level. In the top 200 companies, the share of female supervisory board members only increased slightly from just below to just above 30 percent; in the top 100 companies, it stagnated around 31 percent. Only the companies with government-owned shares experienced a significant increase to around 39 percent.

The major increases in the executive boards are best viewed in context: In summer 2021, the inclusion requirement for executive boards was passed. From August 2022 onward, publicly listed companies with full co-determination and at least four executive board members must have at least one female board member (or, in the reverse case of an all-woman board, one man). Although the law does not come into effect until August 2022, it has caused strong anticipation effects. Of the—as of January 2022—66 companies subject to the inclusion requirement, twelve companies that did not have a woman on the board in fall 2020 have since appointed a female board member. Only 19 of the 66 companies still do not have a woman on their executive board. In 2020, 31 of 64 companies did not have any female executive board members. These developments show that legal requirements have a powerful impact.

There is also the hope that the stark increase in the number of women on executive boards will lead to further improvements in gender equality. Female executive board members are able to directly influence a company's culture, salaries, and personnel policies. Through their influence, positive

effects on gender equality in pay and promotion could develop in the respective companies.²⁷ Additionally, women on executive boards—unlike women on supervisory boards—are very visible to employees. As role models, they show that women can make it all the way to the top levels of management. They serve as inspiration for other women and demonstrate the behavior and strategies needed to be successful.²⁸

Furthermore, as more cooperation between women and men occurs at the top management levels, prejudices and doubts about women's leadership qualities are reduced.²⁹ This can lead to the gradual dismantling of gender stereotypes, prejudices, and discrimination across society, thereby increasing equal opportunities for women and men in the labor market in the long term.

²⁷ Pallab Kumar Biswas, Helen Roberts, and Kevin Stainback, "Does women's board representation affect non-managerial gender inequality?" *Human Resource Management* 60, no. 4 (2021): 659–680; Pallab Kumar Biswas et al., "Board Gender Diversity and Women in Senior Management," *Journal of Business Ethics* (2021).

²⁸ Thekla Morgenroth, Michelle K. Ryan, and Kim Peters, "The Motivational Theory of Role Modeling: How Role Models Influence Role Aspirants' Goals," *Review of General Psychology* 19, no. 4 (2015): 465–483.

²⁹ Thomas F. Pettigrew and Linda R. Tropp, "A meta-analytic test of intergroup contact theory," *Journal of Personality and Social Psychology* 90, no. 5 (2006): 751–783.

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JEL: D22, J16, J59, J78, L21, L32, M14, M51

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While gender quotas for top positions in the private sector differ across EU countries, they are effective overall

By Anja Kirsch, Virginia Sondergeld, and Katharina Wrohlich

ABSTRACT

This second report in the DIW Berlin Women Executives Barometer 2022 explores the designs and effects of gender quotas across Europe, coming to the conclusion that they are an effective instrument for increasing the share of women in top positions at large companies. Furthermore, the quotas differ greatly between the countries, for example in regard to the number of companies subject to the quota, the concrete quota targets, or sanctions. Using European data for the years 2003 to 2021, this report shows that the group of nine EU countries that have introduced a gender quota has a significantly greater share of women on top decision-making bodies than the group of the non-quota EU countries (almost 35 percent compared to 22 percent). Generally, the share of female non-executive directors (in Germany, this refers to supervisory board members) is higher than the share of female executive directors. The effectiveness of quota regulations has been confirmed by calculations that take into account that certain factors differ by country, such as cultural norms regarding gender roles or labor market policy and family policy. Against this background, the President of the European Commission's initiative to advance a draft directive for more equal representation of men and women on the boards of large companies appears helpful. The proposal is currently being blocked in the Council of the EU. If this changes, the share of women on boards could increase, especially in the countries that do not yet have a mandatory gender quota.

Women remain underrepresented in top positions in the economy, both in Germany and on average in all countries of the European Union (EU). Over the past two decades, different measures have been taken in multiple European countries, including Germany, to increase the share of women in these positions.¹ "Top positions" include either managing directors (executives) or non-managing directors (non-executives). In a two-tier corporate governance system, the top positions are on executive and supervisory boards, and in a one-tier system, on the board of directors.

A particularly noteworthy measure that nine EU countries have introduced to combat this imbalance is a statutory gender quota for board positions. A further measure taken by 18 EU countries is the use of gender diversity recommendations for filling board positions in national corporate governance codes.² In 2014, a statutory reporting obligation was introduced at EU level that requires firms to publish information on the composition and operation of the administrative, management, and supervisory bodies, to describe their diversity policy for these bodies, and to report on the implementation and results of the policy.³

The statutory reporting obligation regarding board composition and diversity policy is an indirect measure for increasing the share of women in top positions. Gender diversity recommendations in national corporate governance codes are non-binding. In contrast, statutory gender quotas are a direct and binding measure for increasing the share of women on boards. Accordingly, such gender quotas are the subject of controversial debate.⁴

¹ Anja Kirsch, *Women on Board Policies in Member States and the Effects on Corporate Governance*. Study commissioned by the European Parliament's Policy Department for Citizens' Rights and Constitutional Affairs at the request of the JURI Committee (2021) (available online; accessed on January 4, 2022. This applies to all other online sources in this report unless stated otherwise).

² A detailed description of the recommendations in corporate governance codes can be found in Paula Arndt and Katharina Wrohlich, "Gender quotas in a European comparison: Tough sanctions most effective," *DIW Weekly Report* no. 38 (2019): 691-698 (available online). *DIW Weekly Report* no. 38 (2019): 691-698 (available online).

³ EU Directive on the disclosure of non-financial and diversity information (Non-Financial Reporting Directive 2014/95/EU) (available online).

⁴ Cf. for example Heike Anger and Dieter Fockenbrock, "Frauenquote für Vorstände: Gefährliches Glatteis oder überfällige Maßnahme?" *Handelsblatt Online*, February 25, 2020 (in German; available online).

This second report in the DIW Berlin Women Executives Barometer 2022 analyzes the current gender quotas in EU countries in detail. First, the gender quota for supervisory boards in Germany as well as the inclusion requirement for executive boards adopted in 2021 are presented. Next, the gender quotas of nine EU Member States are compared in detail. In addition, this report includes an empirical analysis of European data on the share of women on boards over an extended time period. It shows that on average in the EU, the share of female non-executive directors is higher than the share of female executive directors. Furthermore, the report shows a positive relationship between the introduction of national gender quotas in the EU countries and the share of women on boards in those countries. The report closes with a look at the newest developments regarding a gender quota at EU level.

Inclusion requirement for executive boards supplements the gender quota for supervisory boards in Germany

In May 2015, the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors Act (*Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst*, FüPoG I) became law. It mandates that publicly listed companies that also have equal representation of shareholders and employees on their supervisory board (full co-determination) fulfill a gender quota of 30 percent on their supervisory boards.

In spring 2020, Federal Minister for Family, Senior Citizens, Women, and Youth, Franziska Giffey, and Federal Minister of Justice, Christine Lambrecht (both SPD), presented a bill to introduce a legal requirement for the inclusion of women and men on the executive boards of private-sector companies. For more than half a year, it seemed that the then-governing parties, the CDU/CSU and the SPD, could not agree on this bill. In November 2020, surprising news came: a working group set up by the coalition committee had agreed on legislation for an inclusion requirement for executive boards.⁵ On January 6, 2021, the Federal Cabinet passed the bill for the Second Act for the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (*Zweites Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst*, FüPoG II), which includes a legally binding requirement of one woman and one man on executive boards with at least four members of major listed companies that also have full co-determination on their supervisory boards. The bill was passed in a somewhat modified form on June 11, 2021, by the *Bundestag* and the law was promulgated on August 11, 2021.⁶ Currently, it

applies to 66 companies,⁷ which form a subgroup of the companies subject to the gender quota for supervisory boards.⁸ According to the law, at least one woman and one man must be represented on the executive board and an appointment in violation of the requirement is void. The requirement applies to executive board appointments from August 1, 2022, but existing board terms may be completed until expiry.⁹

Nine EU countries have gender quotas for boards

In addition to Germany, eight other EU Member States have introduced gender quotas for boards in the past 15 years (Table 1). Spain became the first country in the EU to introduce such a gender quota in 2007.¹⁰ Belgium, France, Italy, and the Netherlands introduced quotas in 2011. In 2015, Germany introduced a quota for supervisory boards, followed by Austria and Portugal in 2017¹¹ and Greece in 2020.

The gender quota introduced in France in 2011 applies exclusively to non-executive directors. An additional quota for the top ten percent of upper management positions, including executive directors, was passed by the French Parliament in December 2021.¹² In Germany, too, the statutory regulations were expanded to include requirements for executive directors in 2021 as described above.

Some quotas are of limited duration

While most countries introduced gender quotas without time or term-related restrictions, Italy and the Netherlands have limited them in different ways. In Italy, the 2011 quota law applied to three terms for a director, which generally last three years each.¹³ In 2019, the law was modified to include a new time limit, this time of six terms. This change came into effect in January 2020.¹⁴

⁷ The list of companies that were subject to the gender quota on supervisory boards in fall 2021 was kindly provided to us by FidAR e.V.

⁸ The gender quota of 30 percent for supervisory boards applies to publicly listed companies with full co-determination, regardless of the size of the supervisory board. Currently, this applies to 103 firms.

⁹ See Article 76, section 3a of the Stock Corporation Act (*Aktiengesetz*).

¹⁰ Norway was the first country worldwide to introduce a statutory gender quota for supervisory boards in 2003. See for example Arndt and Wrohlich, "Gender quotas in a European comparison: Tough sanctions most effective."

¹¹ Sara Falcão Casaca et al., "Is a progressive law accelerating the longstanding snail's pace? Women on corporate boards in Portugal," *RAE-Revista de Administração de Empresas* 61, no. 2 (2021): 1–7; Theresa Haager and Christina Wieder, *FrauenManagementReport 2021* (Kammer für Arbeiter und Angestellte für Wien: 2021).

¹² Law no. 2021-1774 of December 24, 2021, *Loi visant à accélérer l'égalité économique et professionnelle* (in French; available online); Le Monde, "Parité femmes-hommes: le Sénat vote pour l'établissement de quotas aux postes de direction des grandes entreprises," October 28, 2021 (in French; available online).

¹³ *Gazzetta Ufficiale, Legge 12 luglio 2011, n. 120. Modifiche al testo unico delle disposizioni in materia di intermediazione finanziaria, di cui al decreto legislativo 24 febbraio 1998, n. 58, concernenti la parità di accesso agli organi di amministrazione e di controllo delle società quotate in mercati regolamentati* (in Italian; available online).

¹⁴ *Gazzetta Ufficiale, Budget Act of September 27, 2019, no. 160 (2019)* (in Italian; available online); White & Case, *Italy increases gender quotas in corporate boards of listed companies (2020)* (available online).

⁵ Cf. Thomas Sigmund and Heike Anger, "Koalition einigt sich: Frauenquote in Vorständen kommt," *Handelsblatt Online*, November 21, 2020 (in German; available online).

⁶ Cf. Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, *Zweites Führungspositionen-Gesetz – FüPoG II* (in German; available online).

Table 1

Gender quotas in European Union Member States

Country	Year of introduction	Duration	Quota target (in percent)	Criteria for applicability to the quota	Number of affected companies (approx.)	Scope	Sanctions	Type of sanction	Dominant board system	Type of director
Spain	2007	Unlimited	40	Company size	5,000	Wide	No	None	One-tier	Executive and non-executive together
Belgium	2011	Unlimited	33.3	Public listing	200	Medium	Yes	Open seats, suspension of board fee payments	One-tier	Executive and non-executive together
France	2011	Unlimited	40	Public listing or company size	950	Medium	Yes	Open seats, suspension of board fee payments	One-tier	Non-executive
	2021	Unlimited	40	Company size	unclear	Medium	Yes	Monetary penalties	One-tier	Executive
Italy	2011	Limited	33.3	Public listing	350	Narrow to medium	Yes	Monetary penalties and dismissal	Two-tier (board of auditors)	Executive and non-executive (separate boards)
	2019	Limited	40	Public listing	350	Narrow to medium	Yes	Monetary penalties and dismissal	Two-tier (board of auditors)	Executive and non-executive (separate boards)
Netherlands	2011	Limited	30	Public listing or company size	5,000	Wide	No	None	Two-tier and one-tier	Executive and non-executive (separate in the two-tier system)
	2022	Limited	33.3	Public listing	100	Narrow to medium	Yes	Open seats	Two-tier and one-tier	Non-executive
Germany	2015	Unlimited	30	Public listing and company size	100	Narrow	Yes	Open seats	Two-tier	Non-executive
	2021	Unlimited	One woman and one man	Public listing, company size, and executive board size	66	Narrow	Yes	Open seats	Two-tier	Executive
Austria	2017	Unlimited	30	Public listing or company size	70	Narrow to medium	Yes	Open seats	Two-tier	Non-executive
Portugal	2017	Unlimited	33.3	Public listing	70	Narrow to medium	Yes	Open seats and monetary penalties	Two-tier (board of auditors)	Executive and non-executive
Greece	2020	Unlimited	25	Public listing	160	Medium	Yes	Monetary penalties	One-tier	Executive and non-executive together

Sources: Heike Mensi-Klarbach und Cathrine Seierstad, "Gender quotas on corporate boards: Similarities and differences in quota scenarios," *European Management Review* 17, no. 3 (2020): 615-631; as well as the authors' compilation based on national quota laws.

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In the Netherlands, the law passed in 2011 did not come into effect until 2013. It was initially in effect for three years and expired in January 2016 before being renewed for another three years and expiring in January 2020. For two years, no quota law was in effect. A bill for a new, highly modified gender quota was approved by the Dutch House of Representatives in February 2021 and by the Dutch Senate in September 2021. It became law on January 1, 2022, and will be in effect for eight years.¹⁵

Gender quotas apply to non-executive directors and increasingly to executive directors as well

Corporate law determines which boards are entrusted with company leadership and this differs from country to country. Two basic regulatory frameworks used in EU countries are the two-tier system, in which corporate management and supervision are performed by separate bodies (executive board and supervisory board), and the one-tier system,

in which both functions are combined in one body (board of directors).¹⁶

In the past, one of these models has usually been mandatory in EU countries. Since the mid-2000s, however, many EU Member States have allowed companies to decide which model they use. Currently, the one-tier system is prescribed in Greece, Ireland, Malta, Spain, Sweden, and Cyprus, while the two-tier system is required in Germany, Estonia, Latvia, Austria, Poland, and Slovakia. In the rest of the Member States, there is the choice between multiple systems. Nevertheless, in many of these countries, the formerly prescribed model remains dominant.¹⁷

¹⁵ Eerste Kamer der Staten-Generaal, *Wijziging van Boek 2 van het Burgerlijk Wetboek in verband met het evenwichtiger maken van de verhouding tussen het aantal mannen en vrouwen in het bestuur en de raad van commissarissen van grote naamloze en besloten vennootschappen* (in Dutch; available online); Mijntje Lückers-Rovers, *The Dutch Female Board Index 2021* (Tilburg University TIAS School for Business and Society: 2021) (available online).

¹⁶ There are multiple variants of the two-tier system. In the two-tier system in Italy and Portugal, both the supervisory and executive boards are elected by the shareholders' meeting. The duties of the supervisory board mainly relate to auditing. In the two-tier system in Germany, only the supervisory board is elected by the shareholders' meeting. Its duties go beyond auditing, as it appoints the executive board and determines its pay. In addition, certain types of transactions require its approval. Cf. OECD, *OECD Corporate Governance Factbook 2021* (2021) (available online).

¹⁷ The one-tier system remains dominant in Belgium, Bulgaria, Denmark, France, and Luxembourg. The two-tier system continues to be dominant in Croatia, while a two-tier "board of auditors" system is dominant in Italy and Portugal. Cf. Martin Gelter and Mathias Siems, "Letting companies choose between board models: An empirical analysis of country variations," *European Corporate Governance Institute – Law Working Paper*, no. 573 (2021) (available online).

The gender quotas differ in terms of which boards and which directors they apply to. The one-tier system is dominant or even required in Spain, Belgium, and Greece. Here, the gender quota applies to the board of directors and does not distinguish between executive and non-executive directors. The one-tier system is also dominant in France, but the 2011 quota law only applies to non-executive directors. For French companies with a two-tier system, the quota only applies to the supervisory board. Most recently, an additional quota for executive directors has been introduced.

In Italy and Portugal, where a two-tier system with a board of auditors is prevalent, the quotas apply to both boards separately. In Germany and Austria, where two-tier systems are used, the quotas exclusively apply to the supervisory board (and thus only to non-executive directors). The new inclusion requirement in Germany applies to executive board members (executive directors).

In the Netherlands, the previous quota applied to both executive and non-executive directors, who often served on separate boards. The newly adopted quota, in contrast, only applies to non-executive directors.

Quota targets differ significantly

Greece has the lowest quota target at 25 percent, whereas the highest target of 40 percent applies in Spain, France, and Italy. In France, the current law for executive directors sets an interim target of 30 percent by 2027, while the 40 percent quota should be reached by 2030. In Italy, the quota was originally 33.3 percent and was increased to 40 percent. In Germany and Austria, however, the quota target for supervisory boards (non-executive directors) is 30 percent. There is no set quota target for the new regulation for executive board members in Germany. Instead, there is an inclusion requirement of at least one woman and one man on boards with more than three members, regardless of their exact number. In Belgium, Portugal, and the Netherlands, the quota target is 33.3 percent. In the Netherlands, it was originally 30 percent and was increased to 33.3 percent in the new law.

Public listing and/or company size are the most common criteria for applicability of the quota

Which companies are subject to the gender quota is determined by public listing and/or firm size depending on the country. Public listing is a criterion for being subject to the quota in all countries except Spain; it is even the only criterion in Belgium, Italy, Portugal, and Greece. In these countries, the quota applies exclusively to listed companies.

In France and Austria, unlisted companies are also subject to the quota if they meet a certain size, which is measured via assets, sales, or the number of employees. This was also the case for the first Dutch quota. The new French quota for upper management positions applies to companies with over 1,000 employees.

In Spain, a firm's size is the only criterion used to determine if the gender quota applies or not. All companies required to present an unabridged income statement are subject to the quota. Companies are required to submit such a statement if they reach a certain size in terms of assets, sales, or number of employees.

In Germany, the quota is especially narrow in its scope, as it only applies to some of the publicly listed companies. In addition to being listed, companies must also have full co-determination on their supervisory boards. This applies to companies with over 2,000 employees.

The new inclusion requirement for executive boards has an even narrower scope: It applies to a subgroup of these large, publicly listed companies that also have an executive board with at least four members.

Quota scope differs greatly: from around 5,000 companies in Spain to around 70 in Austria and Portugal

The criteria determining if the gender quota applies or not influence its reach and significance in a specific economy. If public listing is the only requirement for being subject to the quota, the number of affected companies can easily be determined, for example by using publications from the stock market supervisory authority. If, on the other hand, indicators of company size or several criteria must be met, it is more difficult to determine the companies subject to the quota. Therefore, the number of companies subject to the quota is usually estimated.¹⁸ While the number of companies subject to the quota is around 5,000 in both Spain and for the first quota law in the Netherlands, markedly fewer are subject to the quota in other countries. In France, around 950 companies are subject to the quota.¹⁹ In Italy, it is around 350, while in Belgium it is around 200. The Greek quota applies to around 160 companies. In Germany, the supervisory board quota currently applies to 103 companies and the inclusion requirement for executive boards to 66. The new quota in the Netherlands also applies to around 100 companies; in Austria and Portugal, the quotas apply to around only 70 companies each.

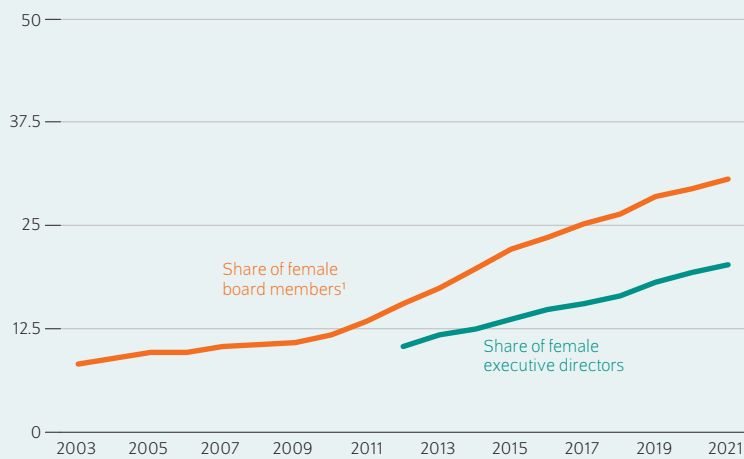
Regardless of how many companies are subject to the quota, the quota regulation in each country covers only a small portion of the companies located there. It is not enough to compare the absolute numbers of affected companies to estimate the scope of the quotas, as they must be viewed in context with the total number of companies. The economic importance of the quota companies compared to all companies should also be taken into account in such an assessment. Thus, comparing the scope of quota regulations across the EU is a complicated process. A comparison including these

¹⁸ Table 1 contains information on the approximate number of companies subject to the quotas.

¹⁹ The number of companies to which the new quota for executive directors and senior management positions applies could not be estimated.

Figure 1

Average share of women on boards of the largest listed companies in the EU



¹ In the underlying dataset, board members are the supervisory board members at companies with separate boards for corporate management and supervision (executive board and supervisory board) and all members (executive and non-executive) of the board of directors at companies where the functions are combined in one board.

Source: European Institute for Gender Equality (EIGE).

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The share of women on boards of large companies in the EU has increased over the years, but parity is still far off.

factors was made in an academic study.²⁰ In this study, the scope of the gender quota is Germany was classified as narrow. The quotas in Italy, Austria, and Portugal have a narrow to medium scope; a medium scope in Belgium and France; and a wide scope in Spain. The first Dutch quota also had a wide scope. Following the study, the scope of the new Dutch quota can be classified as narrow to medium, and the Greek quota as medium.²¹

Sanctions for non-compliance—except in Spain

There are sanctions for non-compliance with the quota law in eight countries. The Spanish law, in contrast, includes no sanctions; thus, the quota is sometimes viewed as a non-binding recommendation. However, it does contain an incentive for compliance, as public contracts can be given preferentially to companies that fulfill the quota.²² The first quota law in the Netherlands also did not include sanctions; the new law, however, does.

²⁰ Heike Mensi-Klarbach and Cathrine Seierstad, "Gender quotas on corporate boards: Similarities and differences in quota scenarios," *European Management Review* 17, no. 3 (2021): 615-631, and personal communication with the first author.

²¹ Mensi-Klarbach and Seierstad, "Gender quotas on corporate boards."

²² Nevertheless, quota-compliant companies have not had any significant increase in income from public contracts and it appears that quota compliance is not consistently taken into account when awarding public contracts, cf. Ruth Mateos de Cabo et al., "Do 'soft law' board gender quotas work? Evidence from a natural experiment," *European Management Journal* 37, no. 5 (2019): 611-624.

The most common form of a sanction is known as the "open seat." A position remains vacant until a quota-compliant replacement can be found, and the appointment of a person of the over-represented sex is void. This sanction is in place in Belgium, Germany, France, Austria, Portugal, and, since 2022, the Netherlands.

An additional sanction is the suspension of the payment of attendance fees for as long as the board's membership does not meet the quota, as is the case in Belgium and France. The third option involves monetary penalties, which can be imposed in Italy, Portugal, and Greece. In Portugal, companies are fined if they do not fill the vacant position in a quota-compliant manner within 360 days. In Italy, the stock market supervisory authority warns companies that do not comply with the quota and imposes a fine. If the company continues to not comply, all current directors are removed. In Greece, fines are possible but not specified in the law. The new law in France stipulates a fine of one percent of the payroll for companies that do not comply with the quota for executive directors and top managers (*masse salariale*).

Share of female executive directors is lower EU-wide than non-executive directors

The European Institute for Gender Equality (EIGE) provides statistics on gender equality in the European Union.²³ In its gender statistics database, EIGE offers an indicator for all years since 2003 for the share of female board members of the largest publicly listed companies (blue chip companies) in the EU Member States.²⁴ In this database, "board members" refer to members of the supervisory boards of companies where corporate management and supervision are performed by different boards (executive and supervisory boards) as well as to all board of directors members (both executive and non-executive) at companies where both functions are combined in one board. An evaluation of the EIGE data shows that the share of female directors at the largest listed companies increased from eight percent at the beginning of the observation period in 2003 to almost 31 percent at the end of 2021 (Figure 1).

EU-wide data specifically on the share of female executive directors of the largest publicly listed companies has been available since 2012. In 2012, this share was a good ten percent on average. On average across all EU countries, the share of female executive directors of the largest publicly listed companies was a bit over 20 percent in 2021.

In Germany, the share of female non-executive directors was 36 percent, which is above the EU average of 33 percent (Figure 2, left side). In contrast, the share of female executive directors of the major listed companies in Germany

²³ Cf. EIGE, *Gender Statistics Database* (available online).

²⁴ From 2003 to 2006, the 50 largest companies in each country were used; since 2007, only the companies in the respective national blue chip index have been used. Therefore, the number of companies in the countries fluctuates between ten in Luxembourg or Slovakia, for example, and 40 in Germany, France, and Italy.

Figure 2

Share of women on boards of the largest listed companies by EU country, 2021



Source: European Institute for Gender Equality (EIGE).

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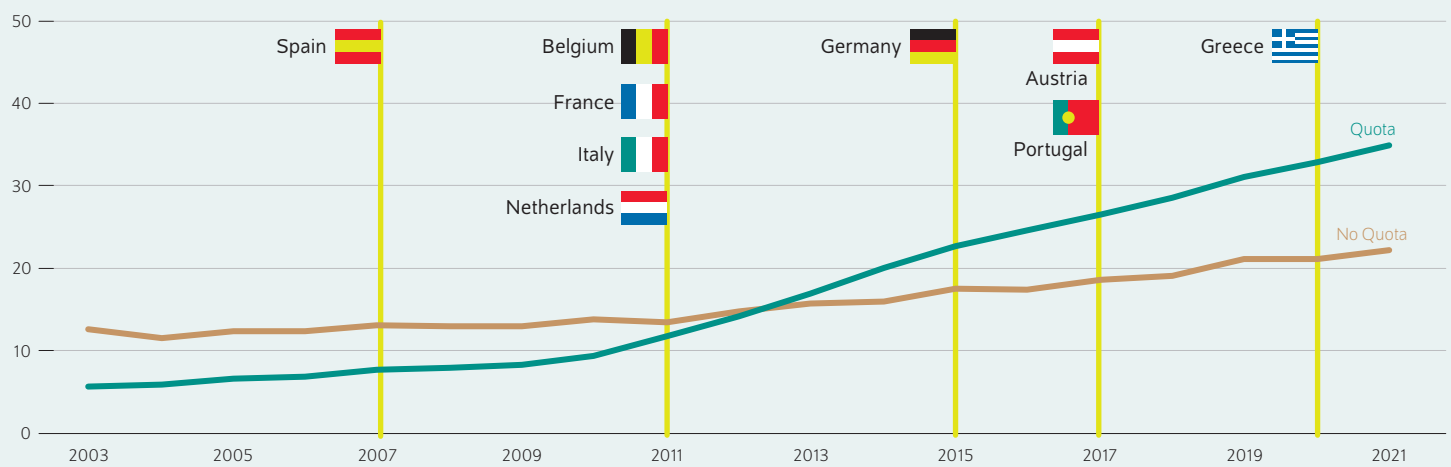
In Germany, the share of female supervisory board members was above the EU average, while the share of women on executive boards was below.

was almost 18 percent, which—despite the strong increase over the past year—is below the EU average of 20 percent (Figure 2, right side).

In other large EU Member States, such as France, Italy, or Spain, the share of female non-executive directors (48, 45, and 38 percent, respectively) was markedly higher than the share of female executive directors (24, 14, and around

17 percent), as is the case in Germany. However, there are also some exceptions in which the share of female executive directors was greater than the share of female non-executive directors: For example, the share of female executive directors of major listed companies was 32 and 31 percent in Romania and Estonia, respectively, while the share of female non-executive directors was 19 and a little over nine percent, respectively.

Figure 3

Average share of women on boards¹ in countries with and without gender quotas

Note: The vertical yellow lines mark the year in which a gender quota was introduced.

¹ Supervisory board (at companies with separate boards for corporate management and supervision) or the board of directors (at companies with one board for corporate management and supervision). Unfortunately, it is not possible to differentiate between executive and non-executive positions in the latter case.

Source: European Institute for Gender Equality (EIGE).

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Gender quotas have had a positive effect on the development of the share of women on boards.

Binding quotas increase the share of women significantly

The EIGE data make it possible to conduct an empirical analysis of the relationship between the introduction of a statutory quota and the development of the share of women on boards from 2003 to 2021. The board refers to the supervisory board in cases of companies with separate corporate management and supervisory boards or the board of directors in cases of companies with a combined board. Unfortunately, in the case of a board of directors, it is not possible to differentiate between executive and non-executive positions.²⁵ This analysis shows that statutory gender quotas have a positive impact on the development of the share of women on the board (Figure 3).²⁶ In countries that have introduced a statutory gender quota since 2003, the share of women on the boards of the largest publicly listed companies has increased more strongly than in countries without such a quota. At the beginning of the observation period, women were proportionately less represented in countries that have since introduced a quota (on average just under six percent) than in countries that have not introduced a quota regulation (just under 13 percent). Since 2010, the share of women in the quota countries has been increasing markedly more than in

the other countries, likely due to the fact that four countries (Belgium, France, Italy, and the Netherlands) introduced a quota law in 2011. In summer 2021, the share of women on the boards of the largest listed companies in the countries with a quota was just under 35 percent, compared to just over 22 percent in the non-quota countries. This indicates that gender quotas contribute to an increase in the share of women on boards.

This descriptive evidence on the impact of statutory quotas is also confirmed by econometric regression models. A panel model is estimated that includes country-specific fixed effects and a general time trend as well as country-specific linear time trends. Country-specific factors include, for example, societal norms regarding gender roles or institutional factors such as labor market policy and family policy. Country-specific time trends include societal debates about equality that vary across countries. The results of this estimate show that countries with a statutory gender quota have a share of women on boards that is statistically significantly higher than countries without a quota. The estimate also shows that voluntary commitments, such as corporate governance codes, have no significant impact on the share of women on boards.

Conclusion: Europe-wide quota could increase momentum

Comparing gender quotas across nine EU Member States reveals just how varied they are: They differ in terms of their year of introduction, the planned duration, the quota target,

²⁵ In the case of separate boards, only the supervisory board members (and thus the non-executive directors) are included, while in the case of combined boards, both executive and non-executive directors on the board are included in the data.

²⁶ This relationship has also been shown in an analysis of data up to 2019, see Arndt and Wrolich, "Gender quotas in a European comparison: Tough sanctions most effective."

and the group of companies to which the quota applies. Thus, they differ in their significance and reach. Moreover, they also differ in terms of sanctions for non-compliance and whether they apply to executive directors, non-executive directors, or both. As the empirical analyses in this Weekly Report show, these diverse gender quotas have contributed to an increase in the share of women on boards of the largest listed companies.

With few exceptions, women are proportionally more strongly represented among non-executive directors than among executive directors (in Germany, these are supervisory and executive board members, respectively). Regulations, such as those introduced in 2021 in France and the inclusion requirement in Germany, are a promising strategy for increasing the share of women on executive boards. Statutory quotas increase the share of women, for example by penetrating traditional, often informal appointment mechanisms based on networks ("old boys' clubs").²⁷

At the EU level, the European Commission made a proposal in 2012 for a directive on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures.²⁸ This directive would require a gender quota of 40 percent for non-executive directors for large, publicly listed companies or, alternatively, a quota of 33 percent for both executive and non-executive directors. The proposal also intends sanctions for non-compliance, but the Member States should specify the sanctions themselves.

The European Parliament endorsed the proposed directive for an EU-wide gender quota in 2013. However, national governments could not agree and it was blocked in the Council of the EU. Nevertheless, the proposed directive remains one of the priorities of the EU's Gender Equality Strategy 2020-2025, and the President of the Commission, Ursula von der Leyen, has stated in her Political Guidelines that she will try

²⁷ Cf. Isabelle Allemand et al., "Role of Old Boys' Networks and Regulatory Approaches in Selection Processes for Female Directors," *British Journal of Management* (2021) (available online).

²⁸ Proposal for a directive of the European Parliament and of the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures (available online).

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Table 2

Effect of the introduction of a gender quota on the share of women on boards of large companies¹

In percentage points

Fixed effects model (only explanatory variable: quota)		Fixed effects model (explanatory variables: quota and corporate governance code)	
Gender quota (reference: no quota)	3.530**	Gender quota (reference: no quota)	3.569**
		Corporate governance code (reference: no recommendations in code)	-0.321
N	505	N	505

1 A panel model is estimated that includes country-specific fixed effects, a general time trend, and country-specific linear time trends.

Interpretation aid: If a country introduces a gender quota, the share of women on boards of large companies in this country increases by around 3.5 percentage points.

Note: ** indicates the statistical significance of the estimate at the five percent level.

Source: Authors' own calculations based on European Institute for Gender Equality (EIGE) data for 2003 to 2021.

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to win a majority for it. The European Parliament has also been pressing for progress: In its January 21, 2021, resolution on the new EU gender equality strategy, it called on the Commission to break the deadlock in the Council of the EU and adopt the proposed directive. In October 2021, as part of the European Parliament's European Gender Equality Week, parliamentarians from the Committee on Legal Affairs called for discussions to resume in the Council of the EU. In 2021, EU labor and social affairs ministers debated the proposed directive and determined that a qualified majority remains out of reach.²⁹ Currently the German government is re-examining the proposal. Should Germany no longer block the proposal, a majority in the Council of the EU would probably be reached.

If the Council of the EU could agree to adopt the proposed directive, this would send a strong signal in terms of gender equality policy and could significantly increase the share of women on boards, particularly in those countries that do not yet have statutory quota regulations.

²⁹ European Parliament, *Legislative Train Schedule. Gender Balance on Boards* (2021) (available online).

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