



**EUROPEAN COUNCIL
THE PRESIDENT**



Brussels, 5 December 2013
EUCO 260/13

PRESSE 548
PR PCE 234

**Speech by President of the European Council
Herman Van Rompuy
at the European Women on Boards launch event**

I am honoured to have been invited to speak here tonight. May I start with a light-hearted remark? I see a question mark in the title of today's event: "Gender diversity on the boards of European enterprises: A means to foster smart, sustainable and inclusive growth? – question mark..." May I begin, ladies and gentlemen, by suggesting that we conclude this evening by removing the question mark. I expect there were no question marks hanging over tonight's exchanges?

I have to be cautious because in "my" European Council, only 4 out of 28 members are women. But that is the choice of the citizens in each member state! Indeed, gender diversity in companies will help foster more economic growth in Europe. And precisely the kind of growth that Europe needs. Inclusive growth means, among other things, that it benefits our citizens by offering employment.

Let me recall the specific employment target set out in the Europe 2020 Strategy: raising to 75% the employment rate for both women and men. Right now our employment rate is 68,5%: but broken down by gender it is 75% for men... and 62% for women. To reach the target of 75% for all, the barriers that are holding women away from the work-place have to come down. This is precisely what you are seeking to achieve with your database of "board-ready" women, at the highest level.

P R E S S

Dirk De Backer - Spokesperson of the President - ☎ +32 (0)2 281 9768 - +32 (0)497 59 99 19
Preben Aamann - Deputy Spokesperson of the President - ☎ +32 (0)2 281 2060 - +32 (0)476 85 05 43
press.president@consilium.europa.eu <http://www.european-council.europa.eu/the-president>

EUCO 260/13

1
EN

Promoting a change in corporate culture inside the board room. And a change in perception outside the room too, with more role models for women in business. More diversity at all levels in companies and more diverse boards will better reflect today's society. As we slowly emerge from one of the worst financial crises in history, more competent women in decision-making would be good news. It reminds me of what someone said about the Lehman Brothers: if it had been Lehman Brothers and Sisters, maybe things would have turned out different.

Both we know from common sense and from experience that diversity is good for decision-making. Balanced boards make more balanced decisions. And with 60% of university degrees going to women, it would be foolish not to make the most of all that potential.

For too long, political and economic decision-making has been a men's club. Yet there is change. In Washington, Janet Yellen is about to succeed Ben Bernanke as the head of the Federal Reserve. Frankfurt has to follow. Because for the moment there are no women on the executive board of the European Central Bank. The members are selected from candidates put forward by the member states, and there were never any women's names put forward.

But the positive element is that recently gender targets have been set by the European Central Bank. By the end of 2019, at least 28% of senior managers and 35% of middle managers must be women. And the European Union's first top bank supervisor has just been named by the European Central Bank, and it will be a woman: Danièle Nouy, from France. So even in Frankfurt, the tide is turning.

As you all know, the European Commission has proposed an EU Directive for improving the gender balance on company boards. It is no secret that the Member States have different views on the matter. Some want voluntary measures. Others believe that the voluntary approach has not produced the results promised: quotas are now the last resort.

What is the best approach? It is not for me to judge. But what I want to stress is this: all Member States agree on the principle. Yes. It is time we saw more diversity and balance in the boardroom. This is the European consensus. And your organisation is its professional embodiment. Here I salute our Norwegian friends, who helped found this network, having led the way in this field.

Gender equality is a wide and complex policy area where much more work is needed. To be sure, equality between women and men is enshrined in law here in Europe. We are justly proud of this fact. But equality in the law books is not equality in practice. We also need to continue to change attitudes.

We are still on the road to real equality. That long road is littered with discredited ideas, which we tend to forget: That women are second class citizens. That women should not vote. That women should not study. That women should not work professionally. That women should not lead. In our multicultural societies, we cannot accept a return of those bygone ideas. We all belong to the modern world.

Today the image of an all-male boardroom already looks absurd. It is an anachronism. Once that model has gone, no one will want it back. Least of all the men! In my experience, most men support the evolution we are seeing. So let us not polarise the debate. Let us never polarise a debate: it pollutes reasoning. Having equal chances is a matter of justice. It is our common interest to choose the best leaders.

And the gender imbalance in company boardrooms is only the tip of the iceberg. Glass ceilings and sticky floors still too often prevent women from achieving their full potential. We still have job segmentation, with millions of women consigned to low-paying sectors. In the economy as a whole, women still continue to be paid less. For every euro earned by a man, a woman earns just 84 cents. Statistics have highlighted this persistent flaw. Progress has been too slow.

My point is this: Inequality thrives when it is hidden or imperceptible. One way in which politicians and interest groups can effect change is by making problems visible. The boardroom debate has already made a difference in Europe. Companies have been put on the spot; they feel more accountable, the pressure will make them change. So the debate we are having in Europe about company boards is valuable in itself. By putting the matter in the public eye, it encourages change – and not only in boardrooms. But in every room of every organisation where decisions are taken.

Your organisation makes a crucial contribution to this process. Encouraging Europeans to open the door to motivation and talent and diversity. Europe is learning. An attitude-shift is under way. The tide is turning. And we are moving forward together.

The balanced company boardroom is a symbol and a microcosm. It will stimulate progress and change. You set an example that will inspire other women to make a similar contribution. I wish you fair winds for the voyage ahead.
