CHAPTER 4

GENDER QUOTAS ON CORPORATE BOARDS: ON THE DIFFUSION OF A DISTINCT NATIONAL POLICY REFORM

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ABSTRACT

The spread of corporate board quota legislation is studied in light of diffusion theory. Mechanisms of diffusion, path dependency and critical junctures can contribute to explaining the spread of policy reforms, such as the corporate board quota legislation. The empirical section describes the Norwegian reform process and maps out the ongoing European and global reform processes and debates. Seven countries, in addition to Norway, have in recent years initiated legal reforms and adopted corporate board quota rules: Spain, Iceland, France, the Netherlands, Belgium, Italy and Malaysia. However, the debates over the introduction of parallel legislation extend further, and are a burning issue in several other Western European countries, as well as globally. The discussion addresses why this policy spreads, and tries to understand the complexities of factors that have led to the diffusion of public debate and legal reform of corporate board quota.
Keywords: Gender; quotas; diffusion; path-dependency; equality policy

In 2003 the Norwegian parliament adopted a quota law that regulates the gender composition of a wide range of corporate boards. At the time the Norwegian quota law was introduced, it was unique. No other country had implemented similar regulations. Since then parallel laws have spread. Globally the Norwegian quota law has sparked off debates over the persistent male dominance in economic decision-making and of the possibility and feasibility of adopting quota arrangements. The quota law has also gained considerable attention in leading international news magazines. In recent years the parliaments of Spain (2007), Iceland (2010), France (2011), the Netherlands (2011), Belgium (2011), Italy (2011) and Malaysia (2011) have adopted similar quota laws regulating the gender composition of corporate boards. Simultaneously, public debate over the possibility of introducing quotas or promoting alternative strategies to increase the representation of women on corporate boards has been the subject of lively discussion in most Western European countries.

Norway’s position as a forerunner of gender equality is widely acknowledged, as is illustrated by its annual position among the top ranked countries of the World Economic Forum Global Gender Gap Index. Nonetheless, the strong and prevalent male dominance in economic decision-making positions in Norway has long constituted a troublesome challenge to the more general image of Norwegian gender equality success. This imbalance between gender equality advancements in general and the prevalence of male dominance in the economic sphere creates an important background for the emergence of the corporate board quota reform. The distinctive national conditions that led to the Norwegian corporate board quota law can be interpreted as being the result of a collision between the main path-dependent trajectory of the Norwegian gender quota tradition, and the occurrence of exogenous threats to this policy brought about by the policy of deregulation during the 1990s in Norway. This collision created a window of opportunity for political innovations and individual political agency which led to legal reform. Male dominance in economic decision-making is, however, a global phenomenon and presumably plays an important part in helping to understand why a debate and actual legal reforms regarding gender representation on corporate boards are currently spreading across Europe (and globally). In this chapter I study the spread of corporate board quota legislation and address how theories of diffusion can help to explain the spread of policy reforms, such as the quota reform. In
this examination I also lean heavily on perspectives of historical institutionalism and show how phenomena such as path-dependency and critical junctures prepare the ground for diffusion.

The chapter begins with a presentation of some core elements of theories of historical institutionalism and diffusion theory. While theories of historical institutionalism illuminate the emergence of the Norwegian corporate board quota law, the spread of similar legislation is addressed through the lens of diffusion theory. In the next section I elaborate on the Norwegian quota law, and then proceed with a sketch of the ongoing diffusion of corporate board quota legislation in Europe. Finally I discuss historical institutionalism and diffusion theory in combination, aiming at a thorough understanding of the emergence and diffusion of this policy innovation.

THEORETICAL PERSPECTIVES OF HISTORICAL INSTITUTIONALISM AND DIFFUSION

Historical Institutionalism

Theories of historical institutionalism emphasize timing, sequences, trajectories and contextual factors, to explain social, political and economic change and stability. Recent contributions on the subject of historical institutionalism increasingly focus on explanations of institutional change (Thelen & Mahoney, 2010). A major point is that large changes cannot always be explained by large causes, but rather by the interactions between several events and conditions that happen gradually and in congruence with institutional and national trajectories. In this regard, path dependency is a key concept which calls attention to how institutional arrangements change and evolve in an interaction between ‘critical junctures and developmental pathways’ (Thelen, 1999, p. 387). A particular emphasis is on the importance of the interactions of circumstances, processes, events and formative moments, and how they interact and create political openings and drive path-dependent processes of continuity and change (Thelen, 1999, p. 338).

Path dependency can be defined in both a broad and a narrow sense. The broader version simply claims that prior courses of events affect what happens in later stages of evolvement or simply that ‘history matters’ (Pierson, 2000, p. 252). The narrower definition emphasizes that path-dependent trajectories are shaped by dynamic processes of positive feedback, where movements in a
certain direction enforce or constrain further movements in the same direction (Pierson, 2000, p. 252, 2004, p. 20; Thelen, 1999).

Thelen (1999) underlines the significance of an integrated understanding of change and continuity as the result of both critical junctures and policy feedbacks. The concept of critical junctures offers an approach to understanding processes of change, while the concept of policy feedback’s main contribution lies in its ability to explain and understand processes of continuity (Thelen, 1999, p. 388). Consequently, stability and change should not be explained analytically differently, but rather interactively and in coherence (Thelen, 1999, p. 399).

Critical junctures can be understood as periods and episodes where the stability and continuity of institutions are disturbed, where exogenous or endogenous factors (or shocks) open up windows of opportunity that make evident the possible choices between alternatives (Mahoney & Thelen, 2010, p. 7; Onoma, 2010, p. 67). Critical junctures interconnect with the importance of sequences and timing and in particular the interrelation and temporal order of processes (Pierson, 2004, p. 56).

A recent contribution to historical institutional analysis is the development of tools to understand path-dependent trajectories and how national traditions develop in interaction with processes of globalization and Europeanization (Walby, 2009). Even so, this perspective has been criticized for overemphasizing the importance of national distinctiveness and of the reproduction of stable patterns, taking little notice of the ways in which countries change in response to external shocks caused by processes of globalization (Hall & Soskice, 2001, p. 62–68).

The system of concepts attached to historical institutionalism is relevant for understanding the emergence of the Norwegian quota law. Further, national distinctive factors are probably important for understanding why corporate board quota legislation is spreading to a specific set of countries. Simultaneously, diffusion is in itself important for understanding the spread of debate and actual legal regulation in many countries of Europe and across the globe.

Diffusion Theory

Throughout the last couple of decades, the simultaneous international diffusion of economic and political liberalization has been the topic of several studies (Krook, 2008; Simmons, Dobbin, & Garrett, 2008). Changes happening as the result of diffusion are nothing new, although global
diffusion has gained momentum. The simultaneity of political and economic reforms is interesting, particularly in relation to the diffusion of corporate board quota legislation. Hence the diffusion of the corporate board quota law can be viewed as first spreading from the sphere of politics to the economy, from political decision-making to economic decision-making assemblies, as well as a global spread from country to country of both electoral quotas and corporate board quotas. In politics gender quotas have spread rapidly throughout the last couple of decades (Dahlerup, 2006; Krook, 2008). Currently a parallel diffusion process seems to be developing for gender quotas on corporate boards.

Dobbin, Simmons, and Garrett (2007) argue that the explanation for diffusion processes tends to be of limited value because researchers favour one of the mechanisms over the other, and they simultaneously lack sufficient evidence for what drives diffusion processes. They therefore call for more openness in the explanation of policy diffusion (2007, p. 463). In the following I will review a broad set of perspectives on diffusion.

A main assumption of diffusion theory is that the developments in national policies are affected by the policy choices of other countries. Different schools or perspectives have been central in explaining diffusion processes. In a comprehensive overview of the literature, Dobbin et al. (2007) distinguish between four schools: constructivist, coercion, competition and learning theorists. A similar typology of explanations of diffusion is provided by Weyland (2005). His conceptualization of what drives waves of policy diffusion distinguishes between foreign pressure, symbolic and normative imitation, rational learning and cognitive heuristics.

The constructivist approach understands diffusion as a consequence of changes in the social acceptance of public policies (Dobbin et al., 2007, pp. 450–454). The main assumption is that changes in beliefs, opinions and ideas drive policy diffusion. A central force behind diffusion is the uncertainty of policy-makers over which policies work. Their decisions are based on limited information and bounded rationality. Therefore there is a tendency to copy policies that seem to work for other countries. Policies diffuse, as for example the spread of UN human rights conventions, also partly because the alternative loses legitimacy (Krook, 2008; Wotipka & Ramirez, 2007). The constructivist view on the spread of policies embraces three mechanisms. First, a follow-the-leader mechanism is at work when a public policy becomes socially accepted because another leading country is used as an example of why a certain policy should be initiated. Most typically this applies when countries mimic the policies of ‘best practice’ countries. Generally, it is difficult to identify causal connections between the
introduction of political reforms and the financial success of a certain country. Thus the relationship between national policies that become part of a diffusion process and what impacts the success of a country may be random.

A second diffusion mechanism within the constructivist approach relates to the role of expert or normative isomorphism (DiMaggio & Powell, 1983). The main point is that diffusion may be due to the impact of expert groups, and in particular what they claim about the effects of different reforms. This mechanism does not presuppose a leading country, but the impact of certain groups of experts.

A third mechanism stresses regional diffusion of the significance of similarities or assumptions of similarities between countries. This applies in particular to countries that tend to compare with each other, countries that are connected through more or less formalized networks, or those that simply belong to the same region. Imitation of the policy of a neighbouring country often implies a relatively high level of information about the consequences of a certain reform. Diffusion is extended to the global level when a tipping-point is reached within a region.

The coercion approach understands diffusion processes as resulting from anti-liberal mechanisms (Dobbin et al., 2007, pp. 454–457). This implies the existence of coercive actors that further particular policies to increase the likelihood of policy adoption. Coercion interconnects with power asymmetries. Conditionality, policy leadership and hegemonic ideas are particular coercive mechanisms in the diffusion of policies. The strongest example of coerced diffusion relates to conditionality, which is illustrated by how powerful actors, such as the World Bank or the IMF, set requirements through incentives to encourage or make changes happen and spread. Policy leadership, another form of diffusion by coercion, is illustrated by situations where one particularly powerful country makes a move in a certain direction with consequences for the choice set of other countries. There are clear similarities between the constructivist approach and the mechanism of hegemonic ideas. The diffusion of powerful ideas can be seen as a form of coercion, in the sense that certain ways of thinking become part of the political discourse and impact how other policy-makers understand what the problem is and how its solution should be found. Hegemonic ideas belong to the coercion approach in a more subjective sense, because the voluntary aspect is at least questionable.

Economic competition illustrates a third approach to how policies diffuse. Competition implies that policies change because of changes in incentives. The point is not that change occurs because individual actors push for it, but
it occurs as the result of the modification of the general terms of other countries in ways that promote their competitive position. As a result other countries have to make moves to avoid lagging behind. Policy diffusion resulting from changes in incentive structures does not have to result in policy convergence, but may instead reinforce existing path-dependent differences and traditions (Dobbin et al., 2007, p. 459).

Learning constitutes a fourth perspective of diffusion. It maintains that diffusion can happen when opinions are changed because of new information. The main idea is that policies may shift as a result of changes in the understanding of the relationship between causes and effects. A government learns from other governments’ experiences with certain policies. The success and failure of one country influences the political moves of other countries (Simmons et al., 2008, p. 31). What kind of information the learning is based on may vary, but the perception of success will impact the likelihood of adoption.

I return to the perspectives described above and discuss which theories of diffusion can help explain the current international spread of the Norwegian corporate board quota law.

A BRIEF NOTE ON DATA

The diffusion of corporate board quota legislation is quite recently introduced and debated around Europe. Accessible information about the different national legislative reforms is scarce and difficult to obtain.

The analysis of the Norwegian case is based on analyses of all relevant documents provided about the political process, as well as other types of information, for example from the media debate. The two most important documents are: (1) White paper from the Ministry of Children and Family Affairs 1999: Proposition on reforms to the Gender Equality Act and (2) White paper from the Ministry of Children and Family Affairs 2001: Gender representation in public limited companies, state limited companies and state businesses, etc., proposal to change the Company’s Act and some other Acts. An in-depth analysis of the Norwegian policy-making process is provided in Teigen (2010), and of the first stages of the political process in Teigen (2002).

Data on the diffusion of the corporate board quota reform to other countries is mainly provided from recent research and mappings of the national policy reforms and the global situation of the representation of women on corporate boards. See in particular the Corporate Women Directors International 2010 report ‘Accelerating Board Diversity Globally’
Contacts in the different countries have helped in gathering the information. In addition I have systematically retrieved information from a wide range of sources available on the internet. For accuracy of information, several internet sources have been checked about the proceedings of legal reform and debate in the countries presented in the following empirical analysis. The information should be read with caution, however. The diffusion of corporate board quota legislation described in this chapter is still unfinished, and information has been collected from wherever possible.

WHY NORWAY ADOPTED THE CORPORATE BOARD QUOTA LAW

Comparative studies show that male dominance on corporate boards is a world-wide norm. Today’s relatively high representation of women on the boards of Norwegian public limited companies is a recent and particular exception (Grosvold, 2009, p. 115; Gonzalez & Fagan, forthcoming). The main tendency has been towards a lack of women in decision-making positions in economic life (see Heidenreich, 2009; Skjeie & Teigen, 2003, 2005), which represents a stark contrast to the well-established picture of Norway as an international forerunner of gender equality. The following mapping of the diffusion of corporate board quota legislation starts with a relatively thorough description of the Norwegian law and an analysis of the complex interplay of contextual factors, sequences, timing and critical junctures which led to the legal reform (for a comprehensive analysis of the policy process that led to the emergence of the Norwegian corporate board quota law, see Teigen, 2010).

The Norwegian quota law was passed in parliament in 2003, and stipulates a minimum of 40 per cent representation of each gender on a wide spectrum of Norwegian corporate boards. The main focus of attention has been on public limited companies, especially stock-listed companies. Public limited companies usually have many shareholders and are governed by rather strict rules with regard to the composition of their boards and the share capital. A company must be registered as a public limited company to be listed on the Oslo Stock Exchange. However, the quota requirement also applies to the boards of state- and municipality-owned companies and was recently expanded to all cooperative companies. The quota regulation for state-owned and intermunicipal companies became effective in 2004, for newly established public limited companies in 2006, for established public
limited companies in 2008, and for municipal and cooperative companies in 2009. Altogether there are between 1,000 and 1,500 companies that are subject to the quota legislation. Many more private limited liability companies exist, about 160,000, which are not subject to the quota law. Many of these are rather small companies, however. Nonetheless, although the quota law does not include the majority of Norwegian companies, it applies to most of the central actors in Norwegian economic life.

The criteria for gender representation on boards are set down in the *Norwegian Public Limited Liability Companies Act* in its article 6-11a. Demand for representation of both genders on the board are as follows:

1. Where there are two or three members on the board, both genders should be represented.
2. Where there are four or five members on the board, both genders should be represented by at least two members.
3. Where there are six to eight members on the board, both genders should be represented by at least three members.
4. Where there are nine or more members on the board, the membership should comprise at least 40 per cent men and 40 per cent women.
5. Rules 1 to 4 also apply for the election of deputy members.

*The Political Process*

It took 10 years from when the first government motion was sent to the consultative bodies in 1999 until it was fully implemented in 2009, by reaching the target of 40 per cent women. The first initiative to introduce a quota regulation for corporate boards came in the consultation audit regarding a major revision of the Gender Equality Act in 1999 by the minority Conservative-Centre government coalition (Bondevik I). The quota motion was withdrawn, however. In the next phase, the proposition to regulate the gender composition of corporate boards was moved from the Gender Equality Act to the Companies Act. Simultaneously, the proposed quota target was changed from 25 to 40 per cent, which implied harmonization with the quota demands that apply to publicly appointed boards and committees (§ 21, the Gender Equality Act). A new motion was sent for consultation by the Labour Party government, Stoltenberg I, in 2001. The final adoption of a quota ruling in the Companies Act was based on the motion from 2001 and presented to parliament by a new Conservative-Centre government coalition (Bondevik II) in 2003.
(Proposition to Parliament, nr 97 (2002–2003)). When the new quota law was passed in parliament, it received broad political support, with all parties except for the Progress Party voting in favour.

The quota law produced rapid changes in the gender composition of public limited company boards. At the turn of the millennium, less than five per cent of board members were women; after the debate on introducing a quota regulation started to run, the representation of women increased slowly and steadily. However, in 2005, which was the critical year for effectuating the parliamentary decision or not, the representation of women had only reached 12 per cent. This led to a two-phase implementation: In 2006 a 40 per cent rule applied for all newly established public limited companies and full implementation for public limited companies in 2008. The 40 per cent target was met in 2009 (Fig. 1). Hence, many of the largest domestic companies by market value in Norwegian business, such as Statoil, Telenor, DNB NOR, Yara International and Hydro, have in the course of a few years changed from having almost no women in decision-making positions to having an almost equal number of men and women on their boards.

The fairly tough sanctions set up for breaking the law are probably an important factor on why the implementation of the quota law went smoothly. The Companies Act applies identical sanctions for breaching of all its rules, forced dissolution being the final penalty. However, the enforcement of the law follows a three-step model. First, the company may receive several warnings, then the Business Register may impose a fine, and then finally, a company not fulfilling the quota target will be subject to

![Fig. 1. Proportion of Women on the Boards of Public Limited Companies, Norway, 2004–2011. Source: Statistics Norway.](image-url)
forced dissolution. According to the report of the Register for Business Enterprises, which is tasked with controlling the implementation of the Act, all companies subjected to the quota law fulfil the demands, and there have been no cases where the sanction system has needed to be effectuated.

A Distinct National Policy Reform

The Norwegian gender quota law for corporate boards was unique at the time it was introduced. The origin of this new and innovative legislation can be explained as resulting from a complex interplay between some distinctive factors, circumstances and events.

First, some positive conditions prepared the ground for the emergence of the political debate on the possibility to regulate the gender composition of corporate boards. In the 1980s and 1990s, the lack of women in management was a central concern of the gender equality debate in many countries. The existence of glass-ceiling effects that hindered women from reaching top positions in the economic world was a key factor in these debates (Cotter, Hermsen, Ovadia, & Vanneman, 2001). In many ways the debate on the lack of women in economic decision-making hit a particularly sore spot for Norway and helped create a window of opportunity for creative policy-making. This debate, in combination with the Norwegian state-feminist tradition, with its strong emphasis on gender equality in the political-public debate was important, especially the tradition for applying gender quotas and positive action procedures.

Norwegian political tradition has strongly emphasized gender equality, although policy-making has mainly concerned the public sector, either through measures to encourage female employment and to promote work–family reconciliation (paternity leave, kindergartens, etc.), or through positive action measures to promote gender equality within the public sector. Typically the private sector is more male-dominated, especially in top positions, and the concern for issues of gender equality has been modest within Norwegian business (Skjeie & Teigen, 2003). The autonomy of owners has created an important demarcation line for government interventions to promote gender equality. Hence, regulation of the gender composition of corporate boards clearly constitutes an innovative reform of state intervention in the private sector.

The combination of male dominance in decision-making positions in Norwegian economic life, and a Norwegian tradition for applying quota policies to accelerate gender equality, prepared the ground for the corporate board quota reform. Simultaneously, a change in the policies of and the
relationship between the state and the market created a particular environment for the quota reform to emerge. The gender composition of corporate boards became a salient political issue because of the political consequences for gender equality of the deregulation and privatization of state-owned enterprises. In the 1980s and 1990s, programmes of liberalization, deregulation and privatization of state businesses occurred globally (Vogel, 1996). Since state ownership is a major feature of the Norwegian economy, these processes received considerable attention, with a particular emphasis on how deregulation could have negative consequences in terms of the welfare state. One specific illustration was how neo-liberal reforms would limit the scope of the regulation in the Gender Equality Act of the gender composition of publicly appointed boards, councils and committees. Thus, instead of narrowing the scope of gender equality policies, deregulation came to produce a critical juncture that broadened the field of action of the quota clause in the Gender Equality Act. Hence the corporate board quota law can be seen as having originated from a conjunction of distinctive national circumstances, especially the Norwegian quota tradition, with globalized processes of deregulation and privatization. The gender equality political tradition’s response to changes in the relations between the spheres of politics and the economy opened a window of opportunity for innovative government political reform.

Nonetheless, the corporate board quota law would probably not have emerged if it were not for the initiative, political entrepreneurship and persistence of some dedicated women politicians, from the Christian Democratic Party and the Labour Party, as well as the final spontaneous and surprising actions of a conservative male politician (Bjørkhaug & Sorensen, this volume; Teigen, 2010).

In spite of the importance of distinctive national factors and societal particularities for the emergence of the corporate board quota legislation in Norway, the current situation is that similar legislative reforms are spreading. In the following I will review the ongoing international diffusion process.

**DIFFUSION OF GENDER QUOTAS ON CORPORATE BOARDS**

The lack of women in top management and on the boards of business corporations is a global phenomenon (CWDI, 2010; Grosvold, 2009).
Strategies to promote gender equality in economic decision-making have not existed until recently. The self-regulation of businesses and of owners’ rights and privileges has been a main guiding principle. Recently, however, quota legislation that stipulates the representation of women on corporate boards is under implementation in many countries. The Norwegian quota law clearly forms the model. The following section will present an early, preliminary mapping of the legal initiatives and policies established to accelerate and secure the presence of women on corporate boards. Although some of the information presented is scarce and incomplete, the mapping gives a fairly comprehensive picture of the diffusion processes presently under way. The first section maps out the actual diffusion of adoption of national corporate board quota legislation, as well as to what degree the different countries have established quota arrangements to regulate the gender composition of political assemblies. The second section presents some examples of the spread of national debates on the representation of women on corporate boards. These debates address the possibility of introducing corporate board quota measures where the result of the public debates is still undecided.

The Diffusion of Corporate Board Quota Legislation

The first country to follow Norway in introducing a corporate board quota law reform was Spain. In 2007 the Spanish government committed to have at least 40 per cent of each gender in all publicly listed companies and companies with more than 250 employees by the year 2015 (De Anca, 2008; Gonzalez & Martinez, forthcoming). However, the Spanish government has not established a full implementation plan or measures to punish non-compliance (CWDI, 2010).

Quota tradition: Over the last 10 years, Spain has undergone a rapid evolution of gender equality political reform (Gonzalez & Martinez, forthcoming), a process that accelerated after the socialist government came to power in 2004 with President José Luis Rodríguez Zapatero in charge. The corporate board quota law was introduced simultaneously with an electoral law regulating the gender composition of political parties’ electoral lists. Today women constitute 37 per cent of the national assembly of Spain, and the presence of women on boards of listed companies increased from 6 to 9 per cent from 2004 to 2009 (Gonzalez & Martinez, forthcoming).
Next was Iceland, which adopted a corporate board quota reform in 2010. This regulation requires all publicly listed companies and companies with more than 50 employees to have at least 40 per cent of each gender represented on their boards from 2013. No penalties for non-compliance have yet been established.

Prior to the introduction of the corporate board quota law in Iceland, some measures to promote gender equality in the economy were promoted. National databases giving information on women candidates and a gender equality index of the 100 largest companies on Iceland were introduced. The numbers from 2008 show 7 per cent women on listed company boards in Iceland (Rafnsdottir & Styrkarsdottir, 2009). There is little accessible information on the gender composition of public limited company boards in Iceland, yet there appears to have been a profound increase in the representation of women after the collapse of the Icelandic economy.

*Quota tradition:* The political situation regarding gender equality in Iceland parallels the other Nordic countries (Niskanen, 2011), although there are elements of social and political life that appear to differ and to be counterproductive to gender equality, related to dense elite networks and ensuing nepotism (c.f. Styrkarsdottir, Erlingsdottir, & Rafnsdottir, 2010). The gender composition of publicly appointed boards is regulated through the Gender Equality Act. Internal party quotas apply to three of the political parties, the Social Democratic Alliance, the Left-Green Movement and the Progressive Party, while electoral quotas only apply to the Progressive Party. Women constitute 43 per cent of the members of parliament.

On the broader Western European arena, the diffusion of corporate board quota legislation accelerated in 2011. In January 2011 France adopted a corporate board quota law. The French parliament gave its final approval to a law reserving at least 40 per cent of the seats for each gender on the boards of the largest companies, to be realized within six years. The law applies to all listed companies, companies with more than 500 employees or revenues exceeding 5 million euros. This includes a total of about 2,000 companies. An interim regulation requires a minimum representation of 20 per cent women by end of 2013, and full implementation from 2016. No real penalties for non-compliance appear to have been instituted, although the appointment of board members in violation of the quota regulation may be recognized as invalid.

*Quota tradition:* In France a parity law for political office was introduced in 2000, requiring equal representation of men and women in the national assembly. However, a decade later, only 19 per cent of the members of parliament are women.
In Belgium a federal law proposal was accepted in parliament in 2011. The quota law is applicable to the executive boards of listed companies, where a minimum of 33 per cent of each gender should be represented on these boards by 2017. Further, the law is applicable to companies with 50 per cent shares on the stock exchange, with full implementation by 2018. The companies that do not comply with the quota law will be fined. The adoption of quota legislation also included the boards of public enterprises, which should guarantee one-third of the board members designated by the federal state (or an enterprise owned by the state). This regulation is immediately applicable from the next financial year.17

**Quota tradition:** In Belgium a parity law was introduced in 2002, demanding equal representation of men and women in political decision-making assemblies. The Belgian system of electoral candidate quotas requires that no gender can be proportionately greater than the other and the two top candidates cannot be of the same gender (Electoral Code, Article 117 bis). There have been electoral quotas in Belgian politics since 1994; the current system was introduced in 2002 and came into effect in the federal election in 2007, and for the regional assemblies and the EU parliament in 2009.

In the Netherlands a corporate board quota law was adopted by the Dutch parliament in the summer of 2011. The corporate board quota law demands 30 per cent representation of each gender on both executive and supervisory boards, of companies (listed and unlisted) with more than 250 employees. There are, however, some acceptable grounds for exemptions. No sanction system has been introduced, and the enforcement of the quota regulation depends on the requirement of the company to report on deviance from the 30 per cent requirement.18

**Quota tradition:** In Dutch politics, the Labour Party and the Green-Left Party have introduced electoral quotas. Since 1987 the Labour Party has practised a system where men and women should alternate on the national election list, although other concerns such as age and ethnicity can be taken into consideration. The quota target of the Green-Left Party is not confirmed.19

Italy and Malaysia have recently joined the ‘club’ of countries legally regulating the gender representation of corporate boards. Accessible information about the spread of corporate board quota legislation to Italy and Malaysia is scarce, and will therefore only be dealt with superficially. In 2011 the Italian parliament adopted a corporate board quota law. The law requires that 15 per cent of the seats on boards and supervisory boards are reserved for the less represented gender at the first renewal of the board,
within 12 months, starting from June 2011. Then, at the second and third renewal, the quota rises to 30 per cent. The sanction for non-complying companies first includes a reminder from the state, which provides four months to make adjustments. If the company continues not to comply, there will be a second reminder and finally a sanction of one million euros for the board of directors. If the quota is not met after three months, the board or the supervisory board will be wound up. There are presently 5 per cent women on Italian corporate boards.20

Quota tradition: In the Italian parliament only one of the political parties, the Democratic Party, has introduced a quota ruling, requiring 50 per cent representation of women, with a strict alternation on electoral lists. In the Italian parliament 21 per cent of the representatives are women.

The Malaysian law, from 2011, establishes a 30 per cent quota target that should be reached within five years. Presently there are 8 per cent women on corporate boards in Malaysia (CWDI, 2010).

Quota tradition: The quota project (www.quotaproject.org) has no information about electoral gender quotas in Malaysia, but some system of racial quotas is supposed to have been instituted in Malaysian politics.

Ongoing and Undecided

Public debates on the possibility of introducing quota measures or similar arrangements have taken place in many countries all over the world, although the public saliency of the issue, the heat of the debate and the likelihood of quota adoption vary. The corporate board quota issue has been most intensely debated in Europe, particularly in what we know as the Western European countries. We are in addition acquainted with the existence of debates on the introduction of corporate board quota legislation in the United States, Canada, Australia and Japan. At present it is not possible to map the complete scope and content of the global spread of national debates on the representation of women on corporate boards.

In Europe the debate has reached the supranational level. At the EU level Vivian Reding, vice president of the European Commission and EU justice commissioner, is strongly pushing for changes in the gender composition of corporate boards. She has initiated a voluntary process for companies to sign their commitment to reaching the goal of 30 per cent women board members by the year 2015 and 40 per cent by 2020, called the ‘Women on
the Board Pledge for Europe’. If this self-regulation is not realized by March 2012, Reding claims that she will push for regulatory initiatives:

A year from now on International Women’s Day (8 March 2012), the Commission will assess whether there is significant progress and whether credible self-regulatory initiatives were developed to enhance women’s participation in decision-making. If this has happened by March 2012, I will congratulate the European business world. If it has not happened, you can count on my regulatory creativity.21

The fact that this debate has reached the top levels of decision-making in the EU system shows the strength of attention around gender imbalances in economic decision-making, and in particular on corporate boards. Hence the Norwegian corporate board quota legislation appears to have hit a raw nerve concerning male dominance in top positions in economic life in many countries.

At the European level, Germany and the UK are distinguished as two of the countries where the corporate board quota legislation issue has been most intensely debated, although legal reform is still pending. In Germany there has been a large public debate over whether to introduce corporate board quota legislation. The special issue of Der Spiegel of July 8, 2010 had the front page headline ‘Warum Deutschland die Frauen-Quote braucht!’ The controversy over the corporate board quota law has even been played out within the government: the Federal Minister of Family Affairs, Senior Citizens, Women and Youth Kristina Schröder (CDU) has taken a position against a quota law, while the Federal Minister for Labour and Social Affairs Ursula von der Leyen (CDU) argues strongly for the introduction of a quota law. In Germany existing statistics indicate a representation of women in publicly listed company boards of about 2–3 per cent.22 The question of whether Germany will introduce a corporate board quota legislation is still pending.23 A press conference was held on the quota issue in October 2011, by Kristina Schröder (CDU), Ursula von der Leyen (CDU) and Minister of Justice Sabine Leutheusser-Schnarrenberger (FDP). The opposing views within the German government still continue, and came to the open in this context. Nonetheless, a system called ‘flexi quotas’ is to be introduced, where the different companies are obliged to set targets for the representation of women in leadership and on boards, and a law is to be introduced that will fine companies who do not comply with the targets they set.

**Quota tradition:** In Germany political quotas have been introduced by four of the political parties and regulate the gender composition of election lists in the Social Democratic Party, the Left Party, Alliance 90/the Green
Party and the Christian Democratic Union. Women have a 33 per cent representation in the German parliament (Deutscher Bundestag).

In the UK, as in Germany, the diffusion of corporate board quota legislation has fostered a heated debate about gender equality in decision-making in the economy, particularly about the under-representation of women on corporate boards. In the UK, gender balance on corporate boards has moved front-stage in the gender equality debate, and in 2010 the government asked Lord Davies to undertake a review of the causes of women’s under-representation (Women on boards, 2011). The Davies Report documented a representation of 12.5 per cent of women on UK FTSE boards. An update of the Lord Davies report was released in October 2011. The recent report shows that the representation of women on FTSE 100 boards has increased from 12.5 to 14.2 per cent.

The quota regulations are generally not highly regarded in the UK, and proactive measures have often been seen as preferable. The strategies promoted in the Lord Davies reports, and which are particularly pronounced in the UK debate, emphasize alternative routes to quota policies for advancing gender balance on corporate boards and management. Despite the general scepticism about quota measures in the UK, the debate represents an interesting balancing act of advancing policies very similar to quota measures. One of the most highly debated recent initiatives is called ‘the 30 per cent club’, formed by Helena Morrissey, which aims at pressing UK companies to employ more women on corporate boards. Nonetheless, Morrissey, as the spokesperson for the 30 per cent club, is careful to emphasize that this is not a quota target, but an initiative to promote gender balance through voluntary measures.

**Quota tradition:** In the UK voluntary party quotas have been introduced by two parties, the Liberal Democrats and the Labour Party. The Liberal Democrats introduced a 40 per cent target of women candidates. The Labour Party has introduced a system where party members have one vote for a woman and one vote for a man, and the man and woman with the most votes are selected. Women represent 22 per cent of members of parliament (House of Commons).

Even in Scandinavia, the corporate board quota debate is still not settled. Sweden has at least this far decided not to adopt corporate board quota legislation. The debate over corporate board quota legislation went on almost in tandem with the Norwegian debate. Vibeke Heidenreich’s chapter in this volume contributes an analysis of why Norway and not Sweden adopted such legislation. She emphasizes in particular the combination of less state ownership in Swedish business and more reluctance towards
gender quotas in Swedish gender equality politics, at the same time as the more radical-feminist Swedish gender equality discourse has been more in opposition to the main logic of the discourse of business life, and in particular the arguments of the ‘business case’ for women, which was very central to the Norwegian debate. Nonetheless, the Swedish debate returns from time to time. In autumn 2011 the corporate board quota is again being publicly debated, especially within the Conservative Party. The main arguments appear to differ between those claiming that the lack of gender balance in Swedish companies calls for drastic measures, and those who argue that the autonomy of economic life and the individual must be given first priority.

In *Finland* the introduction of corporate board quota legislation has been debated. Thus far it appears, however, that such legal reform has been rejected. There has been some reform of the corporate governance code, however. The code recommends that listed companies have at least one woman represented on the board. Any deviation from this should be explained, or the company should comply. Recently, however, the minister of gender equality has announced that she plans to propose corporate board quota legislation.

In *Denmark* the corporate board quota debate has just emerged as a political-public debate. Although Denmark is a deviant case among the Nordic countries, with a more limited gender equality political tradition (Borchorst, Freidenvall, Kantola, Reisel, & Teigen, forthcoming) and with a particular scepticism of quota arrangements, it is much too early to conclude whether Denmark will adopt corporate board quota legislation, especially since the Danish parliamentary election in 2011 may lead to a changing trajectory of gender equality politics.

To sum up, the corporate board quota legislation has spread in a short time to a number of Western European countries, and is intensely debated in even more; hence the outcome is still pending. In the following the aim is to grasp the patterns of the diffusion process.

**DISCUSSION**

A wave of diffusion of corporate board quota legislation has swept across Western Europe and some other parts of the world during the last couple of years. The legal initiatives and debates on corporate board gender quotas illustrate the ways in which bold reforms first adopted in one country may soon attract attention in other countries (Weyland, 2005). The following
section will use the main perspectives of diffusion theory and historical institutional theory presented earlier, and address and explore how we can explain the ongoing diffusion of corporate board quota legislation. The following discussion will take as its point of departure the main claims presented in the section concerned with diffusion theory. I then proceed by addressing the possible interrelationship between national specificity and the driving forces of diffusion, combining historical institutionalism, and in particular path-dependency, with diffusion theory.

*Can Diffusion Theory Explain Corporate Board Quota Law Diffusion?*

The follow-the-leader mechanism within diffusion theory claims that particularly successful countries often influence policy-making in other countries, and that there is a tendency for other countries to copy the policy reforms of these countries (cf. Dobbin, Simmons, & Garret, 2007). This tendency builds on the expectation that it is exactly these policies that will lead to desired progress. In particular for Spain and Iceland, the follow-the-leader mechanism may have played a role in the initiating process of this new policy, although maybe in somewhat different ways for these two countries.

The corporate board quota law was introduced in Spain as part of a larger package of welfare-state reforms. The change of government in 2004, when the Socialist Party came into power with Zapatero as prime minister, was a critical juncture which started off a large reform process. In this process the Scandinavian social-democratic welfare-state regimes were put forward as inspiration for the reform processes. A gender equality political reform process combined with an ambition to make bold political moves provided the incentive for the introduction of corporate board quota legislation.

The situation in Iceland was rather different and in a way more problematic, given that the economy and politics of Iceland were severely stricken by the financial crisis, and in particular, the collapse of the Icelandic banking sector that followed. This situation has, however, clearly contributed to revitalizing the public gender equality debate in Iceland and induced a quantity of gender equality political reforms. The Prime Minister of Iceland Johanna Sigurdardottir came to power in the winter of 2009, and has since then strongly pushed for gender equality reform (Styrkarsdottir et al., 2010). In the wake of the collapse of the Icelandic economy, the other Nordic countries became engaged in its reconstruction. Furthermore, a central claim in the wake of the financial crisis was that it was a consequence
of male-dominance, the old-boys’ network, and nepotism in economic and political decision-making in Iceland (Styrkarsdottir et al., 2010). This criticism seems to have paved the way both for copying the gender equality policies of the other Nordic countries and in particular for the adoption of the corporate board quota law.28

In 2011 the diffusion process gained momentum. The Norwegian corporate board quota law has been hailed in the international press (see note 1), which has probably played a role in the diffusion of similar legislation to countries such as France, the Netherlands, Belgium and Italy. The Norwegian economic advancements in the aftermath of the financial crisis, along with its long-standing reputation for gender equality success, may indeed have influenced the copying of the Norwegian corporate board quota law by other countries. Gender equality, and quota policies in particular, have typically been associated with the Scandinavian social-democratic model. Paradoxically, the corporate board quota legislation was first proposed in Norway by a Conservative-Centre government. Even in some of the other countries that have established parallel legislation, France, Belgium, the Netherlands and Italy, conservative governments have had a leading position in the governments initiating corporate board quota legislation.29 Anyhow, the spread of the corporate board quota legislation illustrates an unusual situation where a political reform often associated with social democracy is pushed forward by conservative governments. In spite of the importance of the follow-the-leader mechanism, it should not be overstated. Closer reading of the proposition and the subsequent debate in the Dutch parliament shows that the Norwegian example is only briefly touched upon. The proponents of corporate board quota legislation in the debate in the Dutch parliament emphasized the gender equality deficits in economic decision-making in the Netherlands in a comparative perspective.30

The importance of expert groups is another diffusion mechanism (see Simmons et al., 2008, pp. 35–37). The claim is that policy reforms spread on the basis of experts’ statements about particular solutions to a problem being particularly effective. The role of experts is clearly present in the international debate on corporate board quotas. The claim that more women in management and leadership positively affect company performance has been particularly important (see Dale-Olsen, Schöne, & Verner, this volume). What is relevant in this context is the fact that central actors in the international debate have been very eager to put forward the argument that having more women in management and on boards is good for the profitability of companies – often called ‘the business case for women’. The
international research and advisory organization, Catalyst, has been central in promoting the message that more women in management and leadership will positively affect company performance. The ‘business case for women’ has been a central argument promoted by policy makers for the quota reform, as indeed was the case for Norway (Björkhaug & Sørensen, this volume), and still is in the international debate. Still, experts opposed to the ‘business case’ argument have also been active in the academic and public debate, arguing that the Norwegian quota reform has negatively influenced company performance (see, e.g. Ahern & Dittmar, forthcoming).

A third mechanism stresses the significance of regional copying, and argues that neighbouring countries tend to compare with and copy each other, while often being better informed about the consequences of an actual reform in a neighbouring country. What should be recognized as a region in this context is uncertain. On the one hand, the Western European region could define the regional context in this regard, especially since the scope of spread, at least of the most intense debate and legal initiatives, seems to be located within Western Europe. On the other hand, a narrower definition of the relevant region in this context would concentrate on the Nordic countries. Looking only at the Nordic region, and at legal reform there, it is less certain whether we are here dealing with a neighbouring spread effect. Only for Iceland, which was the third country after Norway to adopt corporate board quota legislation, did the regional effect probably play a role. But regional diffusion of legal reform is not a pertinent tendency in this case, although Sweden probably emerges as the country where the corporate board quota issue has been most intensely debated. Sweden constitutes a particular interesting case in this connection. For some years there was quite a parallel process going on in Sweden (Bohman, Bygren, & Edling, forthcoming; Heidenreich, this volume; Tienari, Holgersson, Merilainen, & Hook, 2009). However, the result was not to adopt a corporate board quota law for Sweden. In Denmark, an introduction of corporate board quota law is currently under debate, and the result of this debate is still pending. In contrast to the other Nordic countries, Denmark has a less pronounced and active gender equality political tradition (Borchorst et al., forthcoming). In Finland, the debate is yet again being addressed.

In the greater Western European sphere, however, we are indeed witnessing a regional spread. Western Europe has obviously been the prime locus of both legal reforms and debate over the introduction of corporate board quota legislation.

Competition, another central diffusion mechanism, emphasizes how policies may spread as a result of competition between countries. The
argument is that the actions or changes in policies of a certain country affect the framework conditions of other countries. Competition between countries has probably not been a major force in connection with the diffusion of the corporate board quota legislation. Still, the reasoning around the argument that having more women on boards is good for business lends itself to a competitive rhetoric. Furthermore, the fact that the corporate board quota law originated in Norway, which comparatively and for the time being combines financial and gender equality success, may make it appear a kind of competitive advantage to adopt quota regulations. Although some strongly argue that women are good for business, there is little evidence to show that companies not obliged to do so by the quota rule adopt voluntary regulations or simply include more women on their boards as a strategy to improve financial performance. A comparison of Norwegian public and private limited liability companies shows that the proportion of women has remained stable at less than 20 per cent in those limited liability companies not subject to quota restrictions. Furthermore, the increase to meet the 40 per cent target among public limited companies has not proceeded beyond the threshold (Seierstad & Opsahl, 2011), which we would assume to be the case as a consequence of an internalization of the ‘business case’ argument within companies.

Diffusion by coercion is based on the claim that the existence of power asymmetries implies that some actors impose their preferences for reform on others, and that they possess measures to advance particular policies to increase the likelihood of policy adoption (Dobbin et al., 2007, pp. 454–457). There is little evidence of actual coercion in the ongoing diffusion of corporate board quota legislation, although ‘threat’ rhetoric has been quite central in public debates on the introduction of corporate board quota legislation. In Norway, when the law was passed in 2003, it entailed a provision that it would not be implemented if businesses voluntarily managed to recruit enough women, 40 per cent, by 2005. As they did not, the law came into force in 2006. Similar ‘threats’ are built into the other countries’ adoption of corporate board quota laws. In all countries where governments have threatened to introduce quota legislation, the presence of women on corporate boards has increased (CWDI, 2010). Even though coercive policies up to now have been effective only within states, they cannot be completely ignored as a future mechanism of diffusion, however. The Women on the Board Pledge for Europe is being pushed forward as a policy initiative that starts as a voluntary strategy, but if not realized by March 2012, Vice President Reding insists that she will show ‘regulatory creativity’.
Learning constitutes a final diffusion mechanism (Dobbin et al., 2007, pp. 460–462). The main idea is that policies may shift as a result of changes in the understanding of the relationship between causes and effects. The tough sanctions attached to the Norwegian law are crucial for understanding its effectiveness. Whether the countries that have adopted corporate board quota legislation had also instituted a similar system of sanctions could be interpreted as an expression of learning. As far as it has been possible to map, it appears that there is much variation between the countries to the degree that sanctions are introduced to secure compliance with the quota policy. Where there are sanctions, they appear to concentrate on the possibility to impose fines for non-compliance. Yet no other country except for Norway has set up dissolution of the company as the final sanction. From a learning perspective, we would expect the other countries to also copy the Norwegian sanction system, because the effectiveness of the implementation of the Norwegian corporate board quota legislation is probably due to its attachment of rather tough sanctions for non-compliance. Even though there appears to be a weak institution of sanction policies to secure the fulfilment of the corporate board quota law, it should be noted that a major difference between the Norwegian situation and the legal reforms of the other countries is that the law has been effective in Norway since 2008, while it is has not yet been implemented in any of the other countries. Hence, it is possible that learning may play a role and even lead to the spread of the Norwegian sanction system, as the countries may face problems in implementing the legislation.

Learning has clear similarities with the argument of the role of experts. The situation is, however, that the effects of the quota reform appear to be almost as disputed as the quota issue itself. Nonetheless, the dramatic negative effects that some opponents argued would be the consequence have not been realized. Our survey of all board members of Norwegian public limited boards indicates that it has been possible to find competent women (Heidenreich & Storvik, 2010; Teigen, forthcoming), and the financial effects on companies may be seen as moderately positive (Dale-Olsen et al., this volume), although this last point is disputed (see Ahern & Dittmar, forthcoming). The largely successful implementation of the Norwegian corporate board quota legislation has probably increased the likelihood of other countries following suit.

Thus far I have discussed some main aspects of diffusion theory in light of the spread of the corporate board quota legislation. The aim has been to better understand the driving forces behind the ongoing diffusion of corporate board quota laws. The follow-the-leader and the regional
mechanisms appear to be of most relevance to explain the diffusion of the corporate board quota legislation that has taken place. The follow-the-leader mechanism applies in particular to the diffusion of quota regulations to Spain and Iceland. The recent diffusion to France, the Netherlands, Belgium and Italy probably has to be understood in the light of several mechanisms of diffusion. And it appears to illustrate how a diffusion process often gains momentum when it first is under way and countries often tend to rush to emulate seemingly successful policy reforms (Weyland, 2005, p. 295). This pattern is very clear concerning diffusion of debates, somewhat less so when it comes to diffusion of legislation. The question of regional diffusion depends on how we define region in this context. Restricted to the Nordic region, the diffusion of corporate board quota legislation has been limited, although the quota debate has been particularly distinct within the Nordic region. If the region of relevance includes Western Europe, it is clear that this has been the main locus for debate over corporate board quota legislation. In the following and then in the final section, I address the importance of national and contextual path-dependence to understand the patterns of the corporate board quota diffusion process.

The Role of National Distinctiveness

To understand the dynamics of diffusion, especially at this stage, explanations should not exclusively be sought by looking for the driving forces of diffusion. One should look for interplay between diffusion and nation-based factors, circumstances and events. What path-dependent structures may be of relevance and is it possible to identify a critical juncture that has led the different countries in the direction of adopting the corporate board quota law?

A path-dependent structure of relevance would be the existence of a gender quota tradition. Some kinds of political quotas are instituted to regulate the gender composition of the parliaments in all the countries where a corporate quota law has been adopted. However, the kinds of political quotas, the scope of these regulations and their effectiveness differ. For Norway, Iceland, the Netherlands and Italy, voluntary electoral quotas regulate the composition of electoral lists of some of the political parties. Between these countries scope and effectiveness vary widely, and the presence of women in parliament varies between 21 and 43 per cent. In France, Spain and Belgium there are electoral quota laws introduced to secure equal representation of men and women in political assemblies. And again effectiveness varies. In France where the
parity law should secure equal representation of men and women (50/50), only 17 per cent of the members of parliament are women; in Spain and Belgium the proportion of women in parliament is 37 and 39 per cent, respectively. Although there are major variations in the scope and commitment of these quota arrangements, there appears to be a path-dependent pattern between the institution of quota arrangements in political assemblies and corporate boards. In Germany, where the debate around introducing corporate board quota legislation has been, and is, particularly intense, voluntary party quotas exist in four of the political parties. Women’s representation is 33 per cent in the German parliament. In Sweden, which decided not to introduce corporate board quota legislation, voluntary quotas exist in four of the political parties. The representation of women in the Swedish parliament is 45 per cent. In the UK, on the other hand, the ‘first past the post’ system is unsuited for effective quota policies, although some arrangements exist in the Liberal and the Labour Party. Women constitute 22 per cent of the members of parliament. Variation in national quota tradition provides a point of entry to understand the direction of the ongoing diffusion wave of corporate board quota legislation.

Another point of entry connects to national variation in ownership structure. The strong public sector share of ownership in Norway compared to most other countries in Western Europe was probably an important factor in why the corporate board quota legislation was first introduced here. The public sector is, for instance, a marginal owner on the stock exchange in Spain and Iceland, the UK, Germany and Belgium, somewhat more in Sweden (8 per cent) and France (10 per cent) and well over 30 per cent in Norway. The ownership structure in the other countries does not help to understand the patterns of diffusion of the corporate board quota legislation, however. Nonetheless, the strong state ownership in the Norwegian economy was probably an important reason why the corporate board quota legislation was first established.

For two of the countries that have introduced corporate board quota legislation, a critical juncture for policy change can be identified. For Spain the shift in government in 2004 appears a critical juncture that led to a series of welfare policy reforms, and had an important impact on gender equality reforms (Alonso, Bustelo, Forest, & Lombardo, forthcoming), to which the corporate board quota law belongs. For Iceland the financial crisis clearly constituted a critical juncture, which led to women’s mobilization and a renewed activism for gender equality policy reforms, again including the corporate board quota law (Styrkarsdottir et al., 2010). The interaction between national distinctiveness and the dynamics of diffusion are probably
particularly crucial for the first countries copying a policy reform. The logic of further emulation may equally connect to politicians’ search for and attentiveness to successful policy reforms.

**Conclusion**

This chapter has aimed to explore the ongoing spread of corporate board quota legislation through an analytical review of different aspects of diffusion. The law originated in Norway in 2003 and appeared to be a unique and nationally distinctive gender equality policy reform. A few years later, however, parallel laws were introduced in several other European countries: Spain, Iceland, France, the Netherlands, Belgium and Italy, and is being intensely debated in many more.

Diffusion through a ‘follow-the-leader’ mechanism may have been of importance because of the current, very fortunate position of the Norwegian economy, where financial and gender equality success is combined. Consequently, when critical junctures occur, following Norwegian gender equality reforms may seem a good idea, especially those that address gender equality in the economy.

Diffusion of the corporate board quota legislation follows a regional pattern in to respect. First, by an early spread to Iceland and intense debates in Sweden. Second, the next phase includes the region of Western Europe as the locus of relevance both for legal quota reform. The range of the quota debates has been intense in most countries in this region.

In addition, the early adoption of diffusion appears to be connected to particular nation-based factors, circumstances and events. The existence of well-established quota regulations in politics may be regarded as a necessary albeit not sufficient condition. Where legislated quotas exist in politics, the road is relatively short from politics to the economy, irrespective of the degree of efficiency of these quotas. Where quotas in politics are voluntary, additional supporting factors seem to be necessary in order to introduce quota reforms into the economy.

**NOTES**


4. A public limited company is a company in which none of the members are personally liable for the company's debts.

5. For the time being, about 400 public limited companies, approximately 236 municipal companies, 236 inter-municipal companies, 50 state companies and 304 cooperative companies.

6. The Norwegian government is currently planning to propose an expansion of the corporate board quota legislation to include the largest private limited liability companies.

7. Parallel formulations in the other acts that regulate gender composition on company boards.

8. The rules regarding representation of both sexes are to be applied separately to employee-elected and shareholder-elected representatives in order to ensure independent election processes.

9. The corporate board quota legislation was first implemented for state-owned and inter-municipal companies in 2004, newly established public limited companies from 2006, all public limited companies from 2008, and cooperative and municipal companies from 2009.

10. The motion was to expand the functioning sphere of Article 21 of the Gender Equality Act to include all company boards, however only requiring at least 25 per cent of each gender, and not 40 per cent which was the case for publicly appointed boards, etc. (White paper from the Ministry of Children and Family Affairs, 1999).

11. A government coalition made up of the three parties at the centre of the party spectrum of Norwegian politics, the Centre Party, The Liberal Party and the Christian Democratic Party.

12. White paper from the Ministry of Children and Family Affairs 2001: Gender representation in public limited companies, state limited companies, and state businesses, etc., proposal to change the Companies Act and some other acts. (Høring: Kjønnsrepresentasjon i styret i allmennaksjeselskaper, statsaksjeselskaper og statsforetak, m.v. – forslag til endringer i allmennaksjesloven og i enkelte andre lover (BFD, 2001).


14. Proportion of women in board: Statoil 44%, Telenor 40%, DNB NOR 45%, Yara International 38%, Hydro 33%.

15. See the information retrieved from http://www.quotaproject.org/


17. Thanks to Tom Depelsmaeker of the Committee on Commercial and Economic Law, the Belgian House of Representatives, for providing information on the Belgian quota law.

18. Thanks to my colleague at Institute for Social Research, Merel Jonker, for information of the Dutch corporate board quota law.

20. Thanks to Mariateresa Torchia, University of Rome Tor Vergata, for providing information about the Italian corporate board quota law reform.


23. Our own report written on commission for the Friedrich Ebert Stiftung (Storvik & Teigen, 2010) has been frequently used especially in the German debate, but also in the European debate. http://library.fes.de/pdf-files/id/ipa/07309.pdf


25. FTSE is an index created by The Financial Times and the London Stock Exchange. The FTSE 100 index is a share index of the 100 most capitalized UK companies listed on the London Stock Exchange. The FTSE represents about 80 per cent of the market capitalization of the London Stock Exchange.


27. A Norwegian financial expert, Svein Harald Øygard, was temporarily hired as head of the central bank in Iceland.


29. The French government is led by the conservative UMP; the Dutch government consists of a conservative coalition of the People’s Party for Freedom and Democracy (VVD) and the Christian Democratic Alliance (CDA); the Belgian government is at present a caretaker government, following an ongoing conflict between the French and the Flemish constituencies; and the Italian government is a conservative coalition mainly consisting of representatives of the People for Freedom Party and Lega Nord.

30. Thanks to colleague Merel Jonker at the Institute for Social Research in Oslo for analyzing the Dutch parliamentary debate (see Tweede kamer der Staten-Generaal, ref. 31 083, 31 763).


32. See http://www.catalyst.org/publication/508/why-diversity-matters

33. Malaysia is not included because information is inadequate.

34. Italy 21 per cent; the Netherlands 39 per cent; Norway 40 per cent; and Iceland 43 per cent women.


REFERENCES


Gender Quotas on Corporate Boards


