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Portugal: The Slow Progress of the Regulatory Framework

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Introduction

As far as the promotion of gender balance on corporate boards is concerned, the progress of the regulatory context in Portugal has been slow, and policies have relied on a combination of awareness-raising initiatives and soft measures (policy recommendations and incentives to self-regulation). Only recently, since 2012, has it been mandatory for state-owned companies to implement Gender Equality Action Plans (hereafter referred to as GEAPs), with special emphasis being placed on achieving a gender balance on corporate boards, including a more proactive government approach designed to obtain the voluntary commitment to this initiative of the major listed companies on the stock exchange. Some progress has been noted over the last five years, but the overall

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picture is still far from a situation of gender balance and the country displays one of the lowest representations of women on boards in the European Union (EU). Among the largest listed companies, as detailed later on, in only seven out of twenty-eight EU countries is the proportion of women on boards lower than in Portugal (13 percent). The Socialist government, which is currently ruling the country with the political support of the left-wing political forces represented in parliament, is planning to introduce binding legal measures. As will be discussed further in the section *Critical Reflection on the Case*, the impetus for change has mainly been top-down and results from the commitment of just a few people rather than of the main actors in the business field and grass-root organizations. This chapter discusses the case of Portugal and illustrates how the Portuguese approach to increasing the share of women on boards has until now been characterized by the country's relative slowness in developing a regulatory framework at a time when a wide range of other European countries have opted for harder approaches, such as the introduction of binding legal measures.

After describing the *general background* of the political, economic and labor situation in the country and highlighting its singularities from a gender perspective, this chapter outlines the characteristics of the corporate governance system in Portugal and the situation of women in the highest echelons of the business sector. This is followed by an overview of the gender policy and regulatory framework in the country, as well as of the current debate on the introduction of binding measures to accelerate gender balance on corporate boards. Next, the position of the key social actors and their contribution to the debate is discussed, followed by a critical reflection both on the Portuguese case and on one of the key actors. This discussion results from the research work undertaken for this study.

General Background

Portugal is a relatively small EU country. The population is estimated to be 10,358,076 people in 2016, 53 percent of whom are women Pordata (2016). Equality between women and men was enshrined in the 1976

Portuguese Constitution and, since then, the promotion of equality between men and women has been regarded as a fundamental duty of the State. This constitutional principle is a consequence of the democratic revolution that took place in April 1974, overthrowing the dictatorial regime that had ruled the country since 1926. In 1933, the Political Constitution of the regime known as the "New State" had declared the principle of the equality of citizens before the law "except, in the case of women, for the differences resulting from their nature and for the good of the family". With the democratic revolution, for the first time in the country, the right to vote became universal, restrictions in terms of professional occupations were abolished (with access being granted to all posts in local government, the diplomatic service and the judiciary) and, after 1976, husbands no longer had the right to open their wives' correspondence. At that time, women acquired the same civil rights as men, and the principle of the husband's marital power was abolished.

In 1977, the Commission on the Status of Women (CCF—*Comissão da Condição Feminina*) was formally institutionalized under the auspices of the Presidency of the Council of Ministers, after it had already been in operation since 1975. It now has the name of the Commission for Citizenship and Gender Equality (CIG—*Comissão para a Cidadania e a Igualdade de Género*) and is the official mechanism responsible for implementing public policies designed to promote gender equality in the country.˙ The Law on Equal Opportunities and Equal Treatment for Men and Women in Work, Employment and Vocational Training was enacted in 1979, and a specialized body was established in this field—The Commission for Equality in Work and Employment (CITE—*Comissão para a Igualdade no Trabalho e no Emprego*).

After many Portuguese families had endured extremely poor conditions under the right-wing authoritarian regime, the democratic revolution brought new material and social expectations for both women and men. A greater impulse for the country's modernization came from its accession to the European Economic Community, in 1986. Even so, for the majority of the working population, wages have remained relatively low, and the indicators on poverty and social inequality are still well above the EU average. With the democratic regime, the welfare state was universalized, and freedom and pluralism became a reality. However, the legacy of decades of obscurantism still persisted in society, with the State remaining too centralized, high levels of bureaucracy, a weak civil society, and strong social inequalities, including inequalities between men and women in different domains of social life Nogueira (2009, p. 72).

Since the mid-1970s, however, there has been noticeable investment in formal education, despite the gap that still exists in relation to the EU (on average). In 1970–1971, women amounted to just one-third of those with a university degree; in the 1980s, they were already 50 percent; and, according to the latest data available (2010–2011), they now represent 60 percent of all graduates, 64 percent of all master graduates and 55 percent of those holding a PhD degree (CIG 2013).

As far as welfare state provisions, gender ideologies and family characteristics are concerned, Portugal has often been grouped together with the so-called Mediterranean and Southern European countries. However, as Wall (2007) put it, while, historically, Portugal's pathway is linked to the Southern European male breadwinner model, it is also possible to conclude that the process of change has been marked by divergence. Since the late 1990s, progressive public policies relating to family matters, the expansion of service provision and parental leave have all been embedded in a gender equality model geared toward providing support for a greater involvement of fathers in parenting roles and in the dual-earner model. Moreover, Portugal has had a long tradition of participation in employment and stands out as the country with the highest female contribution to the income of dual-earner families (Torres et al. 2004; Wall 2007; Casaca 2012; Casaca and Damião 2011), as outlined in the following section.

Political and Economic System

The global financial meltdown of 2008 severely affected the country by exacerbating the so-called sovereign debt crisis and leading to the implementation of three "Growth Programs" in 2010 and two subsequent packages, aimed at containing the deficit and the public debt. In March 2011, the Parliament failed to approve the fourth Stability and Growth Program, leading the government to recognize the need for external financial support and creating a political crisis. In May, a three-year bailout program was therefore agreed with the Troika—the European Commission (EC), the IMF and the European Central Bank (ECB). A key condition of the bailout was compliance with the EU policy guidelines and meeting the target of a fiscal deficit of no more than 2.5 percent of GDP by 2015. As a consequence, the policy agenda has largely been dominated by the current fiscal consolidation plan, austerity measures, labor market reforms, and the country's critical economic and employment situation (Ferreira 2014; Addabbo et al. 2015). In recent years, some convergence has been observed between men and women's situation in the labor market as gender gaps have become narrower in employment and unemployment, as well as in part-time and temporary work. Far from there being a trend toward greater gender equality or an expression of a substantial change in gender relations, these results suggest that men have found themselves moving closer to the women's vulnerable position in the labor market (Addabbo et al. 2015).

Governance Structure According to Company Law

The first recommendations on corporate governance were enacted by the regulator—the Portuguese Securities Market Commission (CMVM—*Comissão do Mercado de Valores Mobiliários*)—and date back to 1999. In 2001, the Commission made it mandatory for listed companies to publish an annual report on their governance structures and practices and declare their level of compliance on a "comply or explain" basis. Since then, the regulation has been amended a few times, with an attempt also being made to adjust to the European Commission's guidelines (Alves and Mendes 2009; Pereira et al. 2010). The specific recommendations include the coverage of key aspects such as: shareholders' meetings and disclosure; board of directors; supervisory board; committee on financial matters; audit committee; and statutory audit; specialized commissions and remunerations. The latest regulation on this subject issued by the CMVM came into force in 2013.[1] It revised the nature of the contents to be included in the report and made it possible for listed companies to opt for an alternative Code of Governance to the one recommended by the CMVV, duly accompanied by a suitable justification.

Listed companies are currently regulated by the Company Code (*Código das Sociedades Comerciais*), the Securities Code (*Código dos Valores Imboliários*), the Code of Corporate Governance (CMVM), other mandatory regulations and guidelines issued by the CMVM, and also by self-regulation and market control (Mota and Montez 2012). The CMVM is also the national "supervisory authority with powers to oversee the compliance of listed companies with the applicable rules, as well as to instruct the procedures for any offences committed and apply the relevant sanctions, such as administrative fines or ancillary penalties" (Mota and Montez 2012, p. 252). The Portuguese Corporate Governance Institute (IPCG—*Instituto Português de Corporate Governance*) has played a key role in setting out the Good Corporate Governance Code. This Code was approved in 2013 and serves as a general guide of good practices designed for all companies, including the listed ones. It has been seen as an alternative to the CMVM code, since—according to the latest revised regulations (2000 and 2013), it is now possible for listed companies to opt for other Corporate Governance Codes. Both bodies are currently involved in a joint proposal for a new revised code (under public consultation in May 2016).

Governance Structures and Practices

According to the Company Code (*Código das Sociedades Comerciais*, art. 278. °), which came into force in 2007, any one of three governance models may currently be adopted:

– the one-tier Latin model, comprising a Board of Directors (with an odd number of members, unspecified), a Board of Auditors and a Statutory Auditor (this may be a single person). All these board members are elected by the Shareholders' General Meeting. The articles of association may authorize the board to delegate the day-to-day management to some directors or to an Executive Board (EB). In this situation, the non-executive members have the duty to exercise general supervision of the EB, with its more detailed supervision being the responsibility of the other bodies.

– the one-tier Anglo-Saxon model comprising a Board of Directors, including an Audit Committee and a Statutory Auditor.
– the Continental (or two-tier) model, based on two fundamental boards. The Supervisory Board and the Executive Board of Directors. The Shareholders' General Meeting elects the Supervisory Board members, who are in charge of supervising and monitoring the management; they are also responsible for appointing (and dismissing) the Executive Board of Directors and the respective chair (including a committee on financial matters). A further governing body is the Statutory Auditor (Alves and Mendes 2009).

The one-tier Latin model is the one most commonly adopted among listed companies, followed by the Anglo-Saxon model (Mota and Montez 2012). According to the latest information available, in 2014, the Latin model was the model of governance used in 31 listed companies (representing 72 percent of the total number of companies), with the Anglo-Saxon model being adopted by 11 and the two-tier model by only two of the listed companies, thereby representing 26 percent and 2 percent, respectively (CMVM 2016, pp. 8–9).

Board of Directors

According to the recommendations made by the CMVM, each company must ensure that its governing bodies have the necessary number of members to guarantee the separation between governance and management functions. The number of members is specified by each company, according to its respective size and specificities (shareholder's structure, for instance), and duly set out in the respective statutes. Such information must be transparent and reported on an annual basis (see above). A recommendation is made regarding the number of non-executive members, as this shall guarantee the capacity to effectively follow-up, monitor and assess managerial activities. Moreover, the number of independent members (among the non-executives) must reflect the company's size and the shareholder's structure, but can never be less than one-quarter of the total number of directors. In the one-tier model, the board is generally made up of executive and non-executive members (individuals who participate in board meetings and are expected to appreciate and formulate opinions regarding the board's plans, to help—due to their valuable experience—in shaping the board's decisions, and to supervise the performance of executive members, but without having any managerial power). The board of directors nominates the executive board members. In the case of the Anglo-Saxon model, the audit committee must consist of at least three non-executive members. (According to the Corporate Code, this committee should also have a majority of independent members.) In these models, the directors are appointed (and dismissed) by the shareholders' general meeting. In the two-tier model, board members are elected, suspended and dismissed by the general and supervisory board (or, if stated in the articles of association, by the shareholders' meeting). Directors are elected for up to four years (Mota and Montez 2012, pp. 253–254) and must possess the appropriate technical competences, as well as having knowledge of the company's activity and sufficient availability to pursue their duties (Mota and Montez 2012, p. 257).

As for state-owned companies, the legal framework is governed by different laws and amendments. In the case of the appointment of the board of directors, the decision is made by the Council of Ministers or, in some cases, also by the Minister responsible for the respective sector. The decision is based on an appraisal report drawn up for each appointee by the Committee on Recruitment and Selection for Public Administration (a body created in 2012). The criteria for the position are established by this Committee but, in general, the appointees must possess integrity, professional merit, skills, management experience and a bachelor's degree (OECD 2013). The statutory principles regarding public managers must be followed and were defined in 2007 (Decree-Law No. 71/2007).

Supervisory Boards and Auditors

Supervisory board members and audit committee members are elected by the shareholders' general meeting. These bodies must have a greater number of members than the executive board of directors. Whereas auditors are responsible for carefully examining the ledgers, accounts and financial statements of the company and ensuring their compatibility with accounting policies and standards, the supervisory board members are in general responsible for: "supervising the corporate activity; supervising the internal audit and risk control systems; controlling the financial information and bookkeeping of the company; receiving communications of irregularities; and issuing reports regarding the supervision and opinions about the accounts submitted by the board of directors" (Mota and Montez 2012, p. 257).

Gender-Balance Criteria

No reference is to be found to gender balance on corporate boards in any regulatory document produced by the CMVM. However, according to the Good Corporate Governance Code designed by the IPCG in 2014, a recommendation is made to the Nomination Committees to try and appoint highly qualified women to the governing bodies whenever its composition is being reconfigured. Moreover, as already mentioned, in 2016, a new code of corporate governance was drawn up in conjunction with the CMVM and is now under public consultation. This states that: "corporate companies shall set criteria and requirements for the membership of corporate bodies that are adequate in relation to the post to be filled; in addition to personal attributes (such as independence, integrity, experience and competence), criteria shall also be observed relating to diversity, in particular gender, in order to contribute to a better performance of the corporate board and to its more balanced composition" (IPCG 2016). Companies are also recommended to set specific targets to attain a balanced gender representation by 2020. Since 2013 (as outlined in the section entitled *National Public Policy Regarding Women on Boards*), the chair of the board of directors of the regulatory body (CMVM), like all the other regulatory bodies, must alternate between men and women, and the distribution of other members of the executive board must guarantee a minimum representation of 33 percent of each sex. For state-owned companies, no quantitative targets have been set so far; the new government proposal, however, states the minimum representation of 33 percent of each sex by 2018, as detailed in the Section on the Regulatory Framework.

Facts and Figures

Until the aftermath of the economic and financial crisis, the women's employment rate (aged 15–64) was above the average level for the EU. According to the latest data available (for 2015), the women's employment rate is now 61.1 percent and the EU average (EU28) is 60.4 percent. Only 12.5 percent of employed women work on a part-time basis. Moreover, Portuguese women tend not to interrupt their labor trajectories after childbirth. On the contrary, in 2015, the employment rate among women (aged 20–49) with children under 6 years of age was actually higher (78.5 percent) than among women without children (74.1 percent)—which may be seen as a singularity of the country.

There are historical, social and economic factors that may explain such relatively high levels of female labor force participation, such as the shortage of male workers due to their massive recruitment for the country's colonial wars and high emigration flows (initially a male-dominated phenomenon), both of which occurred in the 1960s; low wages and the need to bolster family incomes; the development of the public administration sector, after the democratic revolution in 1974, and, since then, women's increasing formal educational success, as well as the effects of a socialization process that has been based on the dual breadwinner model (Torres et al. 2004; Casaca and Damião 2011; Casaca 2012). However, despite their intensive labor market participation, the quality of employment is generally low and patterns of horizontal segregation are still prevalent, with women being overrepresented in precarious jobs and in those occupations offering poor career prospects, while also earning 16.7 percent less than men (basic wages) and 20 percent less when it comes to total earnings (data refer to 2014).[2]

Despite the important strides that have been made in terms of investment in education and labor market participation, the underrepresentation of women in Portugal both in management positions and in economic decision-making is quite noticeable. According to the Gender Equality Index (EIGE 2016), the economic power of Portuguese women is the lowest (7.2) of all the EU28 (average: 31.7—data refer to 2012 and are calculated on the basis of two indicators: the share of board members in the largest listed companies and the share of board members at central banks). In state-owned companies—a sector targeted by the normative framework, which has been encouraged to implement GEAPs since 2007 and has even been obliged to adopt them since 2012—women account for 23.1 percent of board members and 9 percent of all CEOs (data refer to 2014).[3] As for the largest 500 companies, a recent report estimated that only a small percentage of women (8.3 percent) were represented on boards (Informa D&B 2016). The systematic provision of information and comparable data has only been available since 2003 and currently relates to the largest companies listed on the Lisbon Stock Exchange.[4] Figure 3.1 displays data from 2008—as this is the period corresponding to the first policy recommendations in the country for the adoption of GEAPs in the business sector, and the number of companies covered in the survey has since become more stabilized. Despite the increasing proportion of women in the highest decision-making bodies, rising from 3 percent in 2008 to 13 percent in 2015 (see Fig. 3.1), the figure is still well below the EU average (23 percent) and situates Portugal among the laggard countries in this area: only in 7 out of the 28 EU countries there is a lower proportion of women on boards. During this period, no woman has held the CEO position.

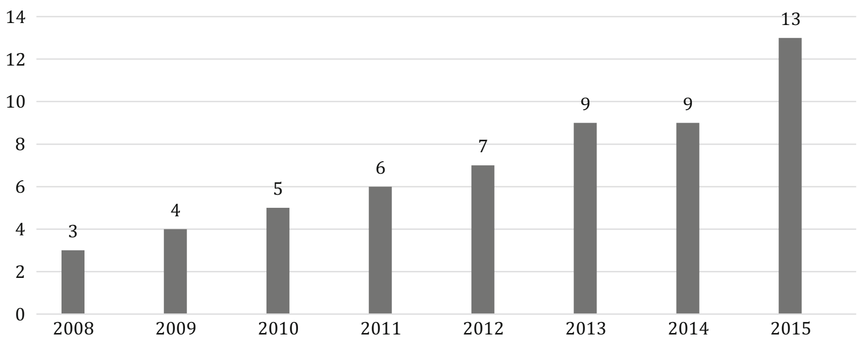

Fig. 3.1 Women in the highest decision-making bodies (boards) in the largest listed companies (%) (*Source*: European Commission database on women and men in decision-making positions (data relate to October—19 companies between 2008 and 2011; 18 companies in 2012 and 2013; 17 companies in 2014 and 2015))

According to the latest CMVM report, among all the listed companies (43 in 2014), the proportion of women on boards was lower than among the largest ones, as women filled only 40 out of 422 managerial positions (9.5 percent) (CMVM 2016, p. 10).

National Public Policy Regarding Women on Boards

The regulatory context in Portugal has been slow and policies have relied on a combination of awareness-raising initiatives and soft measures. The already-mentioned Commission for Equality in Labor and Employment (CITE), together with the Commission for Citizenship and Gender Equality (CIG), have given the "Equality is Quality" award to companies that distinguish themselves in the promotion of gender equality in the workplace. This award has been granted since 2000, and in a systematic manner by the two bodies since 2005. The initiative was put in place under a Socialist Government (14th Constitutional Government), within a new political institutional context: a Minister of Equality was appointed for the first time in the country. It is worth noting that, in the late 1990s, the policy context in the EU was favorable to the development of equal opportunities policies and gender mainstreaming in national employment policies (Villa 2013). The Portuguese government was in tune with the "spirit" of the time. The first phase of the European Employment Strategy (EES), after its launch in 1997, shaped the first National Employment Plan in the country, with Equal Opportunities being one of the four pillars. Various innovative policies and measures to tackle discrimination on the grounds of gender were envisaged, including the attribution of awards to exemplary companies, but also key reforms were made to the policy relating to employment leave in order to promote fathers' parental roles and to contribute to the modernization of gender relations (Rêgo 2012). A Global Plan for Equal Opportunities was designed in 1997, also for the first time in the country, under the 13th Constitutional Government (Socialist).

One decade later, under the 17th Constitutional Government, led by the Socialist Party, a major change in the political legislation was introduced by the Parity Law.[5] In the case of the business sector, some further steps were taken, but the preference was for a *soft* route. A Resolution of the Council of Ministers (approved in 2007) stated that all state-owned companies should adopt gender-equality plans, after carrying out a detailed internal diagnosis. Such a statement was explicitly in line with the Principles of Good Governance of the Public Sector. One year later, a new resolution (RCM No. 70/2008) outlined the strategic principles for public sector companies and reinforced the understanding that human resource management policies and practices should be put in place in order to promote equality between women and men and the reconciliation among professional, family and private life. This was to be accomplished through the adoption of GEAPs. The adoption of GEAPs has also been one of the measures laid down in all the national action plans since 2007 (The Third National Action Plan for Equality: Citizenship and Gender 2007–2010), the following one (2011–2013) and the current one (The Fifth National Plan for Equality—Gender, Citizenship and Non-Discrimination—2014–2017). The latter includes measures designed to strengthen the implementation of plans for equality in private companies; monitor the enforcement of the legal initiatives relating to the implementation of action plans for gender equality in state-owned companies and the promotion of women's representation in the highest decision-making bodies; and take into account the representativeness of women on managerial boards as a decisive criterion for the selection of projects applying for funding under the Cohesion Policy. It was in this political context that financial support was made available through Priority Axis 7 of the Operational Programme for the Promotion of Human Potential (POPH), under the National Strategic Reference Framework (QREN, 2007–2013). In this context, about 85 million euros were made available to fund the public policies geared toward the promotion of gender equality. The intervention typology 7.2, for instance, was specifically aimed at the promotion of gender equality plans in companies and organizations (private, public and non-profit sectors).

In 2012, under the center-right coalition that formed the 19th Constitutional Government (2011–2015), a new resolution was adopted and the implementation of GEAPs became clearly mandatory for all state-owned companies, after the required diagnosis/gender audit had been carried out, followed by a full monitoring process. These companies were also obliged to report the progress made to the government member responsible for gender equality (every six months). It was also stated that, in all private companies with public capital, the State must recommend to private shareholders the adoption of gender equality policies. GEAPs, as well as self-regulation measures, were also recommended to all the publicly listed companies. Decree-Law No. 133/2013 provides for the following obligations: the managerial and supervisory boards of state-owned enterprises must set the plural presence of men and women in their composition as a core objective; state-owned companies must define specific goals in terms of the promotion of equality and non-discrimination, and adopt gender equality plans in order to achieve an effective equal treatment and equal opportunities between women and men, to eliminate discrimination and to promote the reconciliation of professional, family and personal life. The regulatory bodies were also targeted: Decree-Law No. 67/2013 established that the nomination of the chairperson of the Board of Directors should alternate between men and women, and the distribution of the other members of the executive board should guarantee a minimum representation of 33 percent of each sex. In March 2015, a new government resolution established a deadline for listed companies: the target of at least 30 percent of women had to be reached on a voluntary basis by 2018; otherwise, a quota law would be enacted. In June 2015, 13 out of 43 publicly listed companies signed the respective agreement. In addition to the personal commitment shown by the Secretary of State for Parliamentary Affairs and Equality, the still pending proposal of the European Directive to increase Gender Equality in the Boardrooms of Listed Companies, suggested in 2012, as well as the European Strategy 2010–2015, which included equality in decision-making as a strategic area, may have acted as the inspirational framework for more proactive measures.

The new government, supported by left-leaning parties, which has been in power since November 2015, has announced its plans to introduce legislation comprising mandatory quotas for various segments of activity (state-owned companies; listed companies, public administration; supervisory boards; universities). According to the information provided by the Secretary of State for Citizenship and Equality, both quotas and deadlines vary across different domains and have been set by the government (as a first proposal), as follows:

- Decision-making bodies of enterprises operating in the area of public administration—33.3 percent of the underrepresented sex by January 2017; 40 percent from 1 January 2019 onward;
- Board of Directors and supervisory boards of state-owned companies—33.3 percent of the underrepresented sex by 1 January 2018;
- Boards of Directors/nominations to administrative positions at institutions of university and polytechnic education—33.3 percent of the underrepresented sex from 1 January 2017, and 40 percent from 1 January 2019 onward;
- Decision-making bodies of enterprises operating in the local government sector (linked to local municipal councils)—33.3 percent of the underrepresented sex from 1 January 2018;
- Decision-making bodies of listed companies on the Lisbon Stock Exchange—20 percent from 1 January 2018; 33.3 percent from 1 January 2020 onward.

This proposal, whose details have not yet been made public, was presented to the social partners in May 2016, at a meeting held under the auspices of the national committee for social dialogue. It was part of a wider program called *The Agenda for Gender Equality in the Labor Market and Companies*. The Agenda is still under consultation among the social partners and the proposal for a new law will be submitted to the Portuguese parliament before the end of 2016.[6]

Enabling and Hindering Forces

According to the Special Eurobarometer survey carried out in 2011 on *Women in Decision-making Positions* (European Commission 2012), roughly one out of four Portuguese citizens were in favor of the imposition of binding legal measures to achieve a gender-balanced representation on corporate boards, and one-third expressed a preference for self-regulatory initiatives. Most respondents (57 percent) were in favor of a parity scenario, stating that, in the event of legislation, a realistic target would be 50 percent of men and 50 percent of women on the boards of publicly listed companies. Therefore, based on this extensive survey, there should be grounds for thinking that the Portuguese population shows a clear and positive attitude toward gender balance in management positions.

In order to analyze the enabling and hindering forces affecting the evolution of the normative context and the foreseen quota legislation, different key actors were identified and contacted for the scope of this study. They were asked about their position in relation to the policy framework, the main causes of the low representation of women in the highest decision-making positions and the possible solutions needed to tackle the persistent gender imbalance. Moreover, their public position and contribution to the debate (when it existed) was also observed through an analysis of the contents of the media coverage of this situation. This was the only research option possible in the case of those actors who had not replied to our invitation to collaborate in the research. Drawing on the framework developed by Krook (2007) for politics, Seierstad et al. (2015) adapted this to map the political games played among key social actors and their motivations for pushing for legislative change. Although we do not employ the same procedural approach here, the categories of actors were adjusted to the specificities of the country, aiming at capturing their position in relation to the debate and their contribution to changes in the regulatory framework. Consequently, for the purpose of this study, the information relates to three types of social actors: (1) actors from civil society (including either organizations[7] or individuals—feminist/women's associations, women's networks, individual academics and researchers, politicians, women as business leaders, individual journalists and emerging interest groups who have used the social media to draw attention to the lack of women's public visibility); (2) state actors (the government, in particular the Office of the Secretary of State for Citizenship and Equality, bodies from the national official machinery—CIG and CITE, political parties with seats in Parliament); and (3) business/corporate actors and social partners.

In addition to participant observation (attendance of meetings; participation in seminars, conferences and debates), semi-structured interviews were undertaken, and content analysis was developed in relation to newspaper opinion articles, interviews given to the media and interventions in public debates.

Civil Society Actors

The position of key civil society actors is observed in this section, including both organizations and individuals that made themselves visible in discussing the topic. As mentioned, the debate has been brought to light by individual politicians, political parties (e.g. as happened recently with the Socialist Party, which is now in power), a few academics and, occasionally, by some media. No significant and visible grass-root movements have taken part in the discussion of this topic.

As far as individual women (business leaders) are concerned, an analysis of their position as expressed to the media shows that most of them are opposed to quotas and tend to favor the rhetoric of meritocracy (Kelan and Wratil 2014). This is also the most common position to be found among the representatives of Employers' Associations and of the former Euronext CEO.[8] Some exceptions have been noted—this is the case, for instance, with the current Lisbon Euronext CEO (more details below), the CEO of L'Oréal Portugal (the only female CEO in the L'Oréal Group), and some leaders of the Portuguese Association of Women Entrepreneurs. However, despite their open public statements in media interviews, conferences and other public events, it is not possible to conclude that they have actively been pushing for a more progressive regulatory framework in Portugal.

PpDM is the Portuguese Platform for Women's Rights. It is therepresentative for Portugal in the European Women's Lobby (EWL) and in the Association of Women of Southern Europe (AFEM). The organization is very active in Portugal and played a key-lobbying role in pushing for the previously mentioned Parity Law. Various initiatives and projects have been developed in order to foster young women's participation in public life and to strengthen their motivation for leadership roles. Full support is given to future legislation aimed at attaining the minimum parity threshold of 40 percent of the underrepresented sex in business/corporate fields. Binding initiatives are seen as the necessary mechanisms to advance equality between women and men, but, in order to be effective, these should be integrated into a set of coherent policies aimed at challenging and transforming the main causes of vertical and other forms of segregation and inequality on the grounds of gender.

Adopting a more progressive regulatory framework is seen as an issue of women's rights, social justice and full democracy. PpDM has worked intensively on the dissemination of the concept of *parity democracy*. In this debate, feminist actors have rejected the term "quota" in favor of the concept of "parity", arguing that the first is a strategy that applies to specific groups of the population, whereas women are not a specific category or a special social group—they represent half of humanity. This is why the concept of parity has embedded in it the goal of a new social organization in which men and women equally share the same rights and responsibilities, and participate equally in all domains of social life.

PWN is the Professional Women's Network—an international women's network located in Lisbon, although it has not adopted any formal public stance on the issue in question. Despite the interest that they expressed in collaborating in the research, they did not provide us with any answer in the allotted time. Analyzing their members' narratives in media interviews, conferences and other events, it seems that different (and even conflicting) views are endorsed, both in favor of and against quotas (in this latter case, the meritocratic narrative was also adopted). Most of the initiatives in place are motivated by a liberal and individualistic perspective—a "fix-the-women" approach (Ely and Meyerson 2000). Support has therefore been given to women through coaching and training schemes. Some members have also endorsed the "celebrate the differences" approach, focusing on women's distinctive ways of thinking and acting.

Interestingly, a couple of interest groups have recently emerged in the social media, either drawing systematic attention to the lack of women in public events—TV debates and other media events, academic conferences, political events—or publishing critical opinion "posts" on the lack of public visibility among women, or attempting to shed light on successful women and their inspirational careers.

Business Actors

Employers' confederations have not publicly debated the issue and, at some events, their leaders have openly expressed their reluctance toward any legislative initiative targeting the private business sector. The government presented the proposal in May 2016; according to the information provided by the Secretary of State during her interview, the social partners' comments are being received and analyzed at the moment (July 2016). There are two major trade union confederations: CGTP-IN (General Confederation of Portuguese Workers) and UGT (General Workers' Union), and both have close connections with political parties—particularly the Communist Party and the Socialist Party (respectively, in each of these two cases). The Women's Departments of both organizations were contacted under the scope of our research, but only the second one (UGT) replied and expressed its full support for the legislative initiative proposed by the new government. Regarding CGTP-IN, the same interpretation may be inferred for the Communist Party (in State Actors): the agenda is focused on the most vulnerable groups of workers and not on a small class-privileged group of managers. It is worth noting, however, that both workers' and employers' associations are characterized by gender-imbalanced management bodies, with women underrepresented in the high-profile positions.

There is no official position expressed by Euronext Lisbon, but the CEO, a woman, Maria João Carioca, who has been in charge since March 2016, is in favor of quotas as a temporary binding measure to accelerate change and achieve gender balance on boards. Her male predecessor, Luís Laginha de Sousa, was publicly opposed to this. She states, however, that the most convenient trajectory would be the one in which companies set their own objectives and then strive to attain them. And once the legislative route is being pursued, realistic quotas should be set for the specific business sectors. The Portuguese Institute of Corporate Governance (IPCG) was also asked for its opinion, and, in its answer, we were reminded of the recommendation on gender diversity in the management bodies of corporate societies that was incorporated into the Corporate Governance Code.

State Actors

The former Secretary of State for Parliamentary Affairs and Gender Equality (2011–2015) showed a strong commitment to revising the normative framework (as detailed above—see *National Public Policy Regarding Women on Boards*); moreover, intensive and extensive conversations were held with business leaders in order to persuade them to voluntarily promote gender balance on their corporate boards. (We shall return to this topic in the next section *Critical Reflection on the Case.*) Both the current Deputy Minister, who is also in charge of Gender Equality issues, and the Secretary of State for Citizenship and Equality, are strongly committed to implementing the first legal measures in the country for the highest decision-making positions in the business sector (as well as in other sectors, as detailed above). However, it is not clear whether all government members endorse a similar view, as suggested by the recent controversy surrounding the lack of women in the nominations recently made for the board of directors of the public bank (*Caixa Geral de Depósitos*, CGD).[9]

All the political parties represented in the national parliament were contacted and invited to participate in the research undertaken for this study. None of them had previously expressed their official stance in regard to this matter. Five political parties occupy the 230 seats of the national parliament. The *Socialist Party* (PS) (now in government) occupies 86 seats. Support was expressed in relation to the government's declared aim of coming up with legislation, arguing that all the efforts to encourage companies' self-regulatory practices have proved to be unsatisfactory. The current government was formed under a prior governance agreement with the left-leaning parties: *Bloco de Esquerda* (BE, The Left Block Party) and CDU (an alliance between the Communist Party and the Green/Ecologist Party), which occupy 19 and 17 seats, respectively. Only the first of these replied to our call and expressed its total support for future legislation designed to tackle the patriarchal legacies in Portuguese society and to contribute to gender parity in decision-making in all domains of public life. BE has been very active in bringing to the fore labor discrimination issues (sexual harassment; discrimination on the grounds of parental duties and rights; women's greater economic vulnerability; and the gender pay gap). Despite the absence of any reply by CDU, our analysis of its narrative as a political party leads us to conclude that the little importance that is given to the topics derives from the fact that the targeted segment of women is seen as a privileged class group; attention is given in particular to those issues that affect the most vulnerable groups (workers with temporary jobs; low-wage jobs; unemployment; labor discrimination in general, current positions against discrimination on the grounds of pregnancy, breast-feeding and maternity).

The *Social-Democratic Party* (PSD) is a center-right party and has 89 seats in parliament. After they had expressed an initial interest in collaborating in our study, the interview was only scheduled to take place well after the allotted time. Relying on official positions expressed in the public arena, it is, however, possible to observe the existence of an internal division with regard to possible legal measures. In general, preference is given to incentives for self-regulation. The *Christian-Democratic/Popular Party* (CDS-PP) is a right-wing conservative political group with 18 parliamentary seats. No reply was received to our contact. Observing the party's public narrative, we can see that the objective of "attaining gender equality" is not questioned, but there is some doubt about what is seen as the "artificial" (wrong) method; the official position, since the debate on the quotas for political parties, has been openly opposed to such a measure. Arguments were raised to suggest that binding legal measures would be unconstitutional. The *Animals/Nature-Friendly Party* (PAN) was elected for the first time and has one parliamentary seat. No official position was made known in relation to the debate, but, in the context of our contact, total support was expressed with regard to future temporary legislative measure geared to the promotion of gender equality in the highest decision-making bodies.

CIG and CITE are the official mechanisms in charge of the promotion of gender equality. Together they have given the "Equality is Quality" award to companies that distinguish themselves in the promotion of gender equality in the workplace. Most companies have been given awards for their good reconciliation of professional, private and family life practices, but not so much for initiatives designed to promote women to decision-making positions. As a tripartite body composed of representatives of the government, trade unions and employers' associations, CITE was the promoter of the first intervention project in the business sector—*Social Dialogue and Equality in Companies* (2005–2008), under the EQUAL Initiative Program. The project was conducted in partnership with universities, research centers, social partners and nine private companies. The first tools were designed and disseminated to support companies in this area: a self-assessment guide; a promotional video on good practices; and a practical solution guide (Perista et al. 2008). Awareness-raising activities were developed, aimed at companies and organizations, and gender equality was integrated as a core dimension of corporate social responsibility (Guerreiro and Pereira 2006). In 2013, at a time when the political context was actively pushing for self-regulatory initiatives, CITE established the Forum known as Companies for Gender Equality, which consisted of 21 companies committed to the promotion of gender equality (39 companies had joined the I-GEN in July 2016). The impact of these initiatives on the representation of women in the highest decision-making bodies is still to be monitored.

As already mentioned, CIG is the official body responsible for implementing public policies designed to promote gender equality in Portugal and is also in charge of coordinating the National Action Plans mentioned above. The first publication in Portugal to be concerned with the importance of gender equality at companies was produced by CIG in the mid-1990s (Romão 1995). Some activities have been undertaken in the education sector and are particularly related with the topic under study, although these are part of a long-term investment in gender equality, aimed at tackling gender stereotypes, and encouraging equal attitudes toward leadership among female and male students. Since 2014, CIG has worked as the program operator for the EEA Grants (European Economic Area Financial Mechanism), and a specific call has been launched to develop methods and tools to advance gender equality in the business sector, under the sub-program PT07: Mainstreaming Gender Equality and Promoting a Work-Life Balance. Two projects were approved: *Break Even—Promoting Gender Equality in Business*, coordinated by the author of this chapter, and specifically oriented toward the promotion of gender-balanced managerial boards in state-owned and private (listed and non-listed) companies. The other project—*Working Generation*—was developed in the north of Portugal and concentrated on the design and provision of training. The first one involved seven well-known companies and attracted interest from the media. Comprehensive gender audits were carried out and action plans were designed according to the specific challenges of each organizational setting. As support tools for self-regulatory initiatives, a documentary was produced and disseminated, as well as a Guide to Promote Gender Equality, which includes an assessment tool to carry out a gender audit; a Guide on how to draw up an Action Plan; and a Training Guide (a training reference tool) (Casaca et al. 2016). Prior to this intermediary role played by CIG, a large amount of financial resources were channeled toward the implementation of GEAPs—a topic to be developed in the next section.

Reflections on the Role of an Actor

CIG at the Crossroad of Policy Innovations and the Limited Impact of Investment in Action Plans for Gender Equality

CIG is the official, government-based body responsible for the implementation of public policies designed to promote gender equality and for the coordination of the National Action Plans mentioned above. As reported earlier, under the 17th Constitutional Government, the Secretary of State of the Presidency (2005–2009) managed to achieve a significantly larger budget for the promotion of gender equality policies, for the period 2007–2013. During that period, CIG was the intermediate mechanism in charge of managing Priority Axis 7—POPH on gender equality, including the typology 7.2 aimed at supporting the implementation of GEAPs at companies and organizations, private and public institutions (central and local public administration bodies), private and state-owned companies, business associations, local agencies and organizations in general. The first open call for applications took place in February–April 2008 and the last one in September–October 2012. The beneficiaries receive funding to cover the necessary support of consultants/experts, training activities and the design of the project and of the gender equality plans, as well as to monitor and assess all of the project's activities. Training guides on gender equality are available at the CIG website. The training provision may be carried out either by members of the beneficiary entity or by national experts in the field. Guides for the design of the action plans (and the gender audit/diagnosis) are also available on the website. Some beneficiary entities have contracted external consultants/experts in the field to support their activities. The maximum duration of each project is 24 months. A total of 184 projects were funded, representing about 254 GEAPs. This represented an investment of €9,640,000.00.

It is true that, for the first time, public funding was allocated to the promotion of gender equality plans. This was expected to have a significant impact on the dismantling of the organizational barriers (re)producing gender-based vertical segregation, which (together with the gender pay gap) is one of the most persistent features of gender inequalities. Many associations, companies, public institutions and local agencies had the opportunity to become acquainted with reference material in gender equality and the main tools available for designing, implementing and monitoring action plans, as well as to benefit from technical support. However, funding was concentrated in certain regions of the country (the so-called convergence areas, North, Centre and the Alentejo). Moreover, the impact of the projects was not monitored and most of them lacked the qualified technical support necessary for their effective implementation. The projects should have been closely monitored from a technical point of view, in order to ensure that gender equality competence was embedded throughout all of their various phases. The lack of supervision of the technical quality of the projects and the action plans carried out compromised the real capacity to change the culture of organizations. Important changes were required, such as the formal establishment of a network of experts in organizational change and in developing and assessing gender equality plans; the provision of intensive training to the main agents (players) in the process, in central gender equality issues; the availability of a larger pool of human resources to closely support all the beneficiary entities, ensure the delivery of the expected outcomes, and monitor the impact even after the conclusion of the project.

Concluding Notes: Critical Reflection on the Case

As far as the promotion of gender balance on corporate boards is concerned, the progress of the regulatory context in Portugal has been slow and policies have relied on a combination of awareness-raising initiatives and soft measures—particularly policy recommendations and incentives for self-regulation. As a matter of fact, only now, 10 years after a parity law for the composition of electoral political lists, has the current government presented the social partners with the legislative proposal to increase women's representation (as the underrepresented sex) in the highest decision-making positions of the private and public business sector, with differentiated targets (as previously detailed). Following an institutionalist perspective and in keeping with the argument put forward by Terjesen et al. (2015), it would be possible to suggest that Portugal has the institutional conditions favorable to the adoption of a gender quota for boards of directors in the business sector: (1) a relatively high female employment rate and, despite the financial weaknesses of a semi-peripheral economy, a welfare state whose policies are steeped in the principle of gender equality; (2) a left-leaning government coalition; (3) and a legacy of path-dependent gender equality initiatives in the public policy area.

A proactive orientation was given by the former Secretary of State (2011–2015). Despite being a member of a conservative political coalition, she considered the issue of gender balance in management positions to be a political priority. She might not have had the political support to enact legally binding measures, but a clear step forward was taken in the normative framework. It should also be noted that the path followed was in line with the EU's political approach. Some progress has been noted over the last five years (Fig. 3.1), but the picture seems to show that incentives for self-regulation will not lead the country to a gender-balance scenario in the management boards of the business sector. Even in state-owned companies, for which GEAPs were made mandatory in 2012 and where clear recommendations have been issued since 2007, the progress has been rather slow and inconsistent. This may reflect the fact that the normative and regulatory approach has been top-down, resulting from the commitment of only a few people—namely a few political leaders who lack wider political support. As mentioned before, one out of four Portuguese citizens seems to be in favor of the imposition of binding legal measures to achieve a gender-balanced representation on corporate boards; however, no grass-root movements or business actors have been actively involved in initiatives aimed at promoting a change in the regulatory framework. The gender imbalance existing in the highest decision-making positions of the business sector is far from being a major topic on the agenda of trade unions. The employers' associations show reluctance to promote any kind of binding measures targeting the business sector. However, despite these situations of silence, indifference and some reluctance, it is to be expected that no major hindering forces will block a more progressive and legislative route. This seems to be the only path that is likely to accelerate changes in the boards of directors of the corporate/business sector. However, a more comprehensive, inter-sectoral and well-articulated approach is needed in order to effectively obtain the commitment of the key grass-root actors. Only such a strategy will ensure not only more satisfactory numbers as far as gender balance on boards is concerned, but also the development of a transformational organizational agenda capable of bringing gender equality to the work-places and boardrooms in particular in an effective and sustainable way.

Notes

1. http://www.cmvm.pt/pt/Legislacao/Legislacaonacional/Regulamentos/Documents/Regulamento%20CMVM%20n°%204-2013%20Governo%20das%20Sociedades.pdf (access on 4 July 2016).
2. Source: *Quadros de Pessoal* (Employment Records), 2014. Data reflect the payment differentials (presented as percentages) between men and women on a monthly basis, considering not only the basic wage, but also the overall earnings (productivity, performance-related bonuses, as well as other payments—overtime and tenure-related payments).
3. Source: Office of the Secretary of State for Parliamentary Affairs and Equality, based on 93 percent of the overall sector (number of respondent companies, September 2014). No updated information was made available by the current government.
4. Between 2003 and 2006, data referred to the total number of listed companies (ranging between 48 and 50). Since then, information has been collected among only the largest listed companies, varying between 17 and 20 companies.

5. The Parity Law was enacted in 2006 and sets the minimum representation at 33.3 percent for both sexes in eligible positions in the electoral lists for the National Parliament, European Parliament and Municipal Councils.
6. The government proposal was submitted to the Parliament in February 2017. After a consultation process and negotiations with the parliamentary groups, the final vote took place on 23 June 2017. The proposal was approved by a majority vote, although preceded by a climate of considerable uncertainty. The law now foresees the following conditions: management and supervisory bodies of state-owned companies (under the control of central government and local municipalities): 33.3 percent of the underrepresented sex by 1 January 2018; management and supervisory bodies of listed companies—20 percent from 1 January 2018 and 33.3 percent from 1 January 2020 onward. The government proposal submitted in February provided for compulsory monetary sanctions in case of noncompliance. The negotiations in place resulted in a softer version of the sanctioning framework. The proposals mentioned in the article regarding public administration and universities have been postponed, and a detailed government proposal is due by 31 December 2017.
7. Civil Society Organizations with international/transnational ties have also been included in this category. It should be noted that key selected actors have been analyzed, but not all the actors in the field.
8. Euronext is the Lisbon Stock Exchange.
9. In 2015, in accordance with the European regulatory framework (transposition of a bank directive approved in 2014) and the national framework for state-owned financial undertakings, the Bank (CGD) had set a minimum target of 30 percent of women in the highest-decision-making bodies, to be achieved by 2018. However, in 2016, for the nomination of the new Governing Bodies, the proposal made by the Portuguese Government and presented to the European Central Bank largely failed to meet such a goal. Among other critical statements, the ECB highlighted the need to revise the gender imbalance in the proposal in order to meet the strategic commitment of CGD. The government failed to meet the target again in the revised proposal, and no women were nominated to fill any of the executive or non-executive positions on the management board. Such an objective was postponed until 2018 (August 2016).

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