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Protecting Fundamental Freedoms and Promoting Gender Equality: The Case for Binding Quotas on Macedonian Corporate Boards

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Abstract

This paper analyzes gender balance on the boards of companies listed on the Macedonian Stock Exchange (MSE). Despite formal equality, statistics reveal persistent vertical segregation in top management. A comparative assessment places North Macedonia favorably within the Western Balkans and the European Union; however, further progress is still needed. Adopting a legal gender quota, as outlined in Directive (EU) 2022/238, would help close the gap, fulfill obligations under CEDAW, and reinforce the country's commitment to the United Nations' fifth Sustainable Development Goal on gender equality, ensuring that fundamental freedoms, gender balance, and equal remuneration are upheld in practice rather than merely acknowledged.

Keywords

Gender Balance; Corporate Boards; North Macedonia; Macedonian Stock Exchange; Gender Quota; CEDAW; Sustainable Development Goal 5

INTRODUCTION

Women and men are born equal, but women, unfortunately, are faced with discrimination in everyday life. In contemporary environments, despite progress and commitment to establishing a common standard for equality among all people, gender inequality remains a global challenge. Women continue to face discrimination, distinction, exclusion or preference made based on sex, which has the effect of nullifying or impairing equality of opportunity or treatment in employment. They are faced with violence, unequal remuneration for work of equal value, limited access to leadership at all levels of decision-making in political, economic and public life, etc. Achieving gender equality is not only a matter of women's empowerment or a question of justice and human rights; it is also a fundamental driver of social and economic development in prosperous and inclusive societies.

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted by the United Nations General Assembly in 1979, is the most significant international legal instrument that focuses specifically on gender equality and the elimination of discrimination against women.



The basis of gender equality can be found in Article 23 of the Universal Declaration of Human Rights (1948), which declares that everyone has the right to work, to free choice of employment, to just and favorable working conditions, and to protection against unemployment. The International Labour Organization (ILO) has established several fundamental conventions dedicated to promoting human and labour rights. Among these conventions, particularly in relation to gender equality, are Convention No. 111 on Discrimination (Employment and Occupation) (1958) and Convention No. 100 on Equal Remuneration (1951).

The Beijing Declaration and Platform for Action of 1995, a visionary agenda for the empowerment of women, remains the most comprehensive global policy framework and blueprint for action, serving as a current source of guidance and inspiration for realizing gender equality and the human rights of women and girls (United Nations 2014).

The growing demands for improved transparency and inclusivity contributed to significant attention for greater gender equality. For the last three decades, the topic of women's representation on corporate boards has been a primary focus in developed countries.

Nowadays, gender balance is a critical component of the United Nations (UN) Sustainable Development Goals (SDGs) and one of the most important issues in Europe. According to SDG target 5.5, every country should ensure women's full and effective participation, as well as equal opportunities for leadership, at all levels of decision-making in political, economic, and public life.

Numerous studies have emphasized that gender equality is a key driver of economic growth and enterprise development. Progress towards gender equality is a core contributor to more economically prosperous and socially cohesive societies. Studies show that the loss in human capital wealth due to gender inequality exceeds \$160 trillion (Wodon and De la Brière 2018). Women's participation in the economy contributes to economic growth and productivity.

Conversely, restricting women's opportunities can hinder economic growth, resulting in slower or lower economic growth. Statistics show that even in 2023, women earn less than men, and women in traditional occupations often hold low-value jobs under poor and vulnerable conditions. Across the OECD (2023), the gender wage gap in 2023 averages 11%. This means that, on average, a woman working full-time earns around 89 cents for every dollar or euro a full-time working man earns (OECD 2023). Traditionally, women were preferred for service, clerical, and housework or caregiving jobs (Chowdhury et al. 2018), while men were generally preferred for jobs requiring more experience, sales-related positions, and access to higher-paying and more stable careers. Segregation can be horizontal, with women and men concentrating in different sectors, industries, occupations, types of products, and business sizes, and vertical, with gender disparities in positions of different statuses, managerial responsibilities, or potential for promotion (Carranza et al. 2019).

Although there was intense public debate and some voluntary initiatives at both the national and European levels, the situation regarding vertical segregation has not changed significantly. Between 2003 and 2012, the average annual increase in the number of women on boards was only 0.6 percentage points (European Commission 2012). Research by d'Hoop-Azar et al. (2017) shows a significant global disparity, with the proportion of female directors ranging from as low as 5–6% in large economies such as Japan and Brazil to 30% or higher in several Nordic countries.



According to Articles 23(1) and 23(2) of the Charter of Fundamental Rights of the European Union (2000/C 364/01), equality between men and women must be ensured in all areas, including employment, work, and pay. The principle of equality shall not prevent the maintenance or adoption of measures providing for specific advantages in favour of the under-represented sex.

On 14 November 2012, the European Commission proposed legislation aimed at achieving a 40% objective for the underrepresented sex in non-executive board member positions in publicly listed companies, except for small and medium-sized enterprises. A significant step forward in gender equality on the territory of the European Union was made in 2022, when 10 years after the European Commission proposal, the Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures was adopted.

According to Article 5 of the Directive, EU Member States must ensure that listed companies achieve the following objectives: at least 40% of non-executive director positions are held by the underrepresented sex, and at least 33% of all director positions, including both executive and non-executive, are held by the underrepresented sex. Gender quotas in corporate boards were not a novelty in worldwide legislation. In 2017, nine countries had gender quotas for corporate boards (World Bank 2017).

Statistics in the Republic of North Macedonia shows that in the most cases women have low-valued jobs, and in 2019, in time when average monthly net wage paid per employee was 26 836 denars (State Statistical Office 2020), structure of employees that earns more than 40.000,00 denars monthly net wage, consisted 77.6% men and 22,4% women (Assembly of Republic of North Macedonia 2022). An opposite trend is evident in the higher education sector, where the share of female graduates reached 64.8% in 2023 (State Statistical Office 2024). Unfortunately, the Republic of North Macedonia has not yet introduced gender quotas for corporate boards into its legislation.

The main objective of this research is to analyze women's representation in the management bodies of joint-stock companies listed on the Macedonian Stock Exchange, with a focus on gender equality in the management bodies of the ten largest listed companies included in the MBI10 stock market index. This is compared with selected Western Balkan countries and EU Member States.

The remainder of the paper is organized as follows: it begins with a review of previous research on gender balance in businesses, followed by an examination of the legal framework related to gender equality in corporate boards. Next, the paper describes the data and methodology used in the study, and then presents and discusses the results of the analysis. The paper concludes with a summary of the findings and offers recommendations.

LITERATURE REVIEW

In the 21st century, women still account for a small percentage of corporate boards of directors, which remain predominantly male in most countries worldwide. The lack of gender balance in corporate governance has sparked a global debate, prompting policymakers and governments to recognize gender equity in corporate boards as a crucial objective. As it

becomes an increasingly important issue, countries around the world are taking steps to improve and enhance gender diversity in corporate boards (Marzullo 2020).

Over the last decade, a noticeable trend has emerged in several countries worldwide, increasing the representation of women on boards, as evidenced by the fact that corporations with female executives tend to make better decisions for shareholders (Huang and Kisgen 2013). Although European countries were the leading parties in promoting women's rights in the workplace, countries worldwide followed the trend of achieving gender balance in corporate boards.

Over the last decade, increasing research attention has been focused on the issues of gender diversity on corporate boards and its impact on company performance. Many research reports have indicated a positive correlation between having women on corporate boards and the performance of companies, as women bring different views, a set of skills and experiences to the board decision-making process.

According to Torchia et al. (2011), women can bring unique perspectives, experiences, working styles, and wisdom, as well as a good atmosphere in the boardroom. They are also found to have different values and are more sensitive to women's issues. Similarly, Martínez and Rambaud (2019) in their research found that the increasing number of women on boards is positively related to higher financial performance. Moreover, as expected, the law on mandatory gender representation boosts the female proportion on boards of directors. Consequently, there are valid business and ethical arguments to support mandatory gender legislation.

On the other hand, Simionescu et al. (2021) found evidence of a positive effect of women on corporate boards on both measures of company performance, except for the percentage of female executives, in the case of return on assets (ROA). Terjesen et al. (2016) found that firms with more female directors have higher firm performance, as measured by market (Tobin's Q) and accounting (return on assets) metrics. The results also suggest that external independent directors do not contribute to firm performance unless the board is gender diversified. Overall, the findings suggest that female directors contribute to the effectiveness of boards.

Despite numerous studies confirming the positive relationship between gender equality and a company's financial performance, many studies have found a negative or no significant relationship. Therefore, Chebri and Bahoussa (2020) investigate the impact of board diversity on the financial performance of banks, and their results reveal that gender diversity has a negative and significant effect on the financial performance of listed Moroccan banks.

Additionally, the study's results indicate a relatively average level of female representation (11%) on the boards of directors of Moroccan banks, compared to a strong presence of foreign directors, estimated at 39%. Despite the contributions of this study, its main limitation is methodological, so the validity of the results depends on the relevance of the combination of instrument variables used. Singh et al. (2019) analyzed whether the presence of women on boards affects firms' financial performance and concluded that the proportion of women on boards is insignificant and does not impact financial performance. Neither has it caused any adverse impact on the performance of these firms. This study has several limitations, as it considered only Initial Public Offering (IPO) firms for a limited period of three financial years and analyzed only the gender aspect of board diversity, excluding aspects such as education levels, the experience of women directors, and directors from family firms. Shehata et al. (2017) examine the relationship between board diversity and firm performance in small and medium-

sized enterprises (SMEs) in the United Kingdom. In particular, they examine gender and age as two dimensions of diversity, and their results reveal a significant negative association between both gender diversity and age diversity and firm performance. This study makes a unique contribution to the relevant literature by focusing on small- and medium-sized enterprises (SMEs), providing insights for entrepreneurs on how to enhance performance and for governments and policymakers on developing regulations that promote better outcomes in the SME sector.

IFC (2024) analyzed women's representation in corporate leadership across the capital markets of G20 countries. On average, women hold 23% of board seats, 8% of board chair positions, 5% of CEO roles, and 12% of CFO positions across G20 markets. In the European Union, women held 26.7% of board seats in the largest publicly listed companies in 2018. They comprised 6.7% of board chairs that year, more than double the 3.3% recorded in 2012 (European Commission, 2019).

The situation in the United States is similar. Boards of S&P 500 and Fortune 500 companies are gradually diversifying their membership. More than one-quarter (26%) of S&P 500 board directors are women, marking a record high. There are no all-male boards in the S&P 500; every company has at least one female director. Despite these milestones, women's overall representation on S&P 500 boards remains relatively low.

Gender equality is a key priority and a core commitment of the Republic of North Macedonia, as it aspires to EU membership. Establishing an adequate legal and institutional framework to promote gender equality is an essential part of the EU integration process and a fundamental value of the Union. In this regard, significant steps have been taken to improve coordination among institutions, strengthen institutional capacities, and establish mechanisms for continuous monitoring of progress toward achieving gender equality goals.

In 2006, the first Law on Equal Opportunities for Women and Men was adopted. To further promote equal opportunities and treatment for women and men, a revised and updated version of the law was adopted in 2012. The law promotes equal opportunities in all areas of public life, including political, economic, social, educational, and other spheres of activity. It prohibits any form of gender discrimination in both the public and private sectors. To facilitate the enforcement of this law, a Committee on Equal Opportunities for Women and Men was established as a permanent working body within the Macedonian Assembly. Its main task is to promote the improvement of women's status and create equal opportunities for women and men at both the national and local levels. Despite these institutional efforts, the European Commission has assessed that the country has made no progress in advancing gender equality, with no significant developments in its national policy framework for integrating gender equality or aligning with the EU *acquis*. The implementation of the National Strategy for Gender Equality (2022–2027) is also rated as poor (European Commission 2024).

The National Gender Equality Index was developed by the Ministry of Labour and Social Policy and the State Statistical Office of the Republic of North Macedonia, in cooperation with the European Institute for Gender Equality (EIGE). The Gender Equality Index measures progress in gender equality across EU countries and EU candidate countries in seven core domains: health, violence, knowledge, work, money, time, and power. The sub-domain of gender balance in economic decision-making, part of the power domain, is assessed by the proportion of

women and men on corporate boards of the largest nationally registered companies listed on stock exchanges and national central banks (EIGE).

For 2022, North Macedonia's Gender Equality Index score is 64.5 out of 100, representing a 2.5-point increase since 2019. If progress continues at this pace (2.5 points every four years), the country would need approximately 57 years to achieve gender equality across all domains (Bashevska 2023).

In the country's largest companies, the ratio of women to men is as follows: 30:70 (with three women serving as chairpersons), 20:80 (12 women serving as board members), 26:74 (11 women serving as CEOs), and 10:90 (three women serving as CGDs) (European Institute for Gender Equality, 2018). Few studies on gender equality in North Macedonia have addressed general issues (Gjurovska 2015; Stojanoska 2008), women's political representation (Nacevska & Lokar 2017), gender equality in the labor market and progress toward Sustainable Development Goal 5 (Mazllami et al. 2016; Jonoski & Veljanovska 2024), or work-life balance (Todorova & Radulovikj 2020). However, specialized research on contemporary gender balance in corporate boards in North Macedonia remains limited.

To address this gap, our study analyzes gender representation in the management bodies of listed companies in North Macedonia from 2020 to 2024. It compares these findings with gender representation in the management bodies of MBI10 companies in North Macedonia and selected countries in the Western Balkans and the European Union.

LEGAL FRAMEWORK FOR GENDER EQUALITY ON CORPORATE BOARDS

Establishing gender equality in any area of social life is a focus of many international organizations, as well as of both international and domestic legal instruments. Gender equality on corporate boards is promoted in various ways across countries. In some cases, soft law measures such as recommendations or "comply or explain" policies are employed. In others, strict regulations establish precise quotas for women on boards. In some countries, no policies addressing this issue are in place.

De Acutis, Weber, and Wurm (2024) in their study concluded that soft policies, which do not impose sanctions for non-compliance, appear to be less effective and less likely to generate significant effects than hard quota policies. The gender balance on corporate boards has been addressed over the past twenty years, either as a component of relevant laws or as a specific topic in national guidelines for good corporate governance.

Even before the adoption of Directive (EU) 2022/2381, ten European countries had introduced binding gender quotas for boards of directors (Smith and Von Essen 2025). Norway was the pioneer in introducing gender quotas in law, adopting an amendment to the Public Limited Companies Act regarding gender balance on corporate boards in 2003 (Huse and Seierstad 2013). Spain followed this trend in 2007, when the Effective Equality Act stipulated that large companies should strive to include a sufficient number of women on their boards of directors to achieve a balanced representation of men and women (Palá-Laguna and Esteban-Salvador 2016), and by Italy in 2011, when Law No. 120/2011 (known as the Golfo-Mosca Law) required that, starting in 2012, women should comprise at least one-fifth of board members, increasing to one-third from 2015 onward (Solimene et al. 2017). The list of countries that have adopted coercive systems has gradually expanded, including, among others, Belgium, Finland,

France, Germany, Iceland, Israel, India, and Kenya (Fornasari 2022). Norway has taken a further step forward: beginning 1 January 2024, a gradual implementation of a 40% gender quota was introduced for large and mid-sized private limited liability companies (Nw. aksjeselskaper), as well as for certain partnerships, cooperatives, and foundations (Henning Øvrebø 2024).

A few years before the adoption of measures at the EU level, company boards were predominantly dominated by one gender, with 86.3% of board members being men and 13.7% being women. Meanwhile, 96.8% of chairpersons were men, and only 3.2% were women (European Commission 2012). In response, the European Commission launched the “Women on Board Pledge for Europe” in 2012, calling on listed companies to voluntarily commit to increasing women’s representation on their boards to 30% by 2015 and 40% by 2020. Although the initial response was modest, the pledge has had a greater impact when considered in conjunction with the Directive (Birkmose 2023). The pledge approach was upgraded with the Directive (EU) 2022/2381. According to Article 5 of Directive (EU) 2022/2381, EU Member States shall ensure that listed companies reach the following objectives: at least 40% of the members of non-executive directors are from underrepresented sex, and 33% of all director positions, including both executive and non-executive directors, are held by underrepresented sex. The deadline for achieving these objectives is 30 June 2026. To facilitate implementation and simplify the targets, the legislator explicitly presented the required numbers for the underrepresented sex in a table in the annex of the Directive, providing examples for boards ranging from a single position up to 30 positions. For more effective enforcement, Member States are expected to establish rules on penalties for violations of the national provisions by listed companies.

A softer approach to promoting gender equality on corporate boards involves issuing recommendations or policies through a “comply or explain” mechanism, as seen in corporate governance codes. Incorporating gender equality into these codes has given rise to the concept of “Social Gender Responsibility,” which is increasingly recognized as a framework for addressing the challenges women face in the labor market (Gallo and López 2023). Corporate governance codes, which aim to improve the practices of listed joint-stock companies on a voluntary, non-binding basis, can be relevant at the international, national, or company level.

At the international level, the OECD and the International Corporate Governance Network (ICGN) play a crucial role in helping policymakers assess and enhance the legal, regulatory, and institutional framework for corporate governance. The OECD Principles of Corporate Governance, in Section V.E.4, recommend that boards evaluate their performance and maintain an appropriate composition, which includes respect for gender diversity, without prescribing any quotas (OECD 2023). In contrast, the ICGN Global Governance Principles advocate a more specific approach, stating that boards should strive to achieve appropriate gender diversity, preferably with at least one-third of board positions held by women (ICGN 2021).

National corporate governance codes in EU Member States vary in their approach to addressing gender balance. Some establish precise quotas, while others do not set numerical targets, offering instead general and often vague recommendations (Kirsch 2021).

The Republic of North Macedonia has not established a legal quota for the equitable representation of women on corporate boards. Article 10(5) of the Law on Equal Opportunities for Women and Men stipulates that the government shall promote equal opportunities for

women and men when appointing members to commissions, bodies, delegations, and representatives on the boards of public enterprises and institutions. However, the legislation does not explicitly recognize women's right to equal opportunities in corporate board elections.

Gender representation in top management bodies of corporations is first addressed in the Macedonian Corporate Governance Code. Companies required to comply with the code must disclose in their annual reports the activities undertaken to achieve gender representation on Supervisory and Management Boards or Boards of Directors. The code sets a target of 30% female membership on supervisory and management boards by 2025, but it does not impose sanctions for non-compliance under this "comply or explain" provision.

Consequently, North Macedonia can be classified among countries that rely on a soft-law mechanism to promote gender balance, with only partial application, since not all listed joint-stock companies are obliged to comply with the code. Out of 86 listed joint-stock companies, only 26 are required to follow the code (MSE 2023).

METHODOLOGY

The paper employs a quantitative methodology based on the analysis of secondary data, with a particular focus on gender balance indicators. The data were organized and statistically processed using Microsoft Excel, applying descriptive statistics to assess the gender composition of management bodies in listed companies on the MSE. The figures generated in Excel provide clear visualizations of trends and results, enhancing both the precision and transparency of the research.

The study consists of four analyses. The first examines gender representation across the management bodies of all listed companies on the MSE. The second focuses specifically on gender representation in companies included in the MBI10 index. The third analysis involves a comparative assessment of gender balance in selected Western Balkan countries. Finally, the fourth part evaluates corporate gender balance in EU Member States and compares it with the situation in North Macedonia.

All data used in this research were obtained exclusively from secondary sources. Information on gender balance in the management bodies of all listed companies in North Macedonia was collected from the Macedonian Stock Exchange website. For the analysis of gender representation in the management bodies of companies included in the MBI10 index, data were gathered from both the Macedonian Stock Exchange website and the companies' own websites. Data for the selected Western Balkan countries and EU Member States were sourced from the European Institute for Gender Equality (EIGE) database. The EIGE data are compiled from official sources, including company and stock exchange websites, as well as contact persons in relevant organizations.

While secondary data offer advantages such as time efficiency, cost-effectiveness, and the obligation of information providers to ensure reliability and accuracy, a key limitation is the lack of control over data collection. Differences in corporate governance systems across EU countries, coupled with small sample sizes (in some countries, fewer than ten listed companies) and the disproportionate size of the country compared to the analyzed sample, may introduce measurement bias and affect the reliability and interpretation of the research findings.

RESULTS AND DISCUSSION

Gender in the Management of Listed Companies in North Macedonia

The number of listed companies on the official market of the Macedonian Stock Exchange, together with the total number of management board members for the analyzed period, is shown in the figures below.

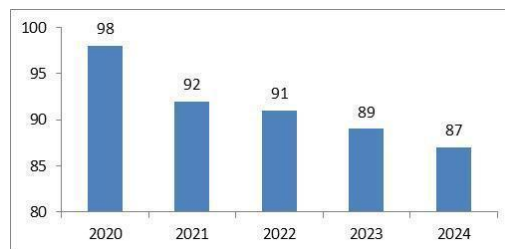


Figure 1: Number of Listed Companies on the Macedonian Stock Exchange
(Source: Macedonian Stock Exchange 2020-2024)

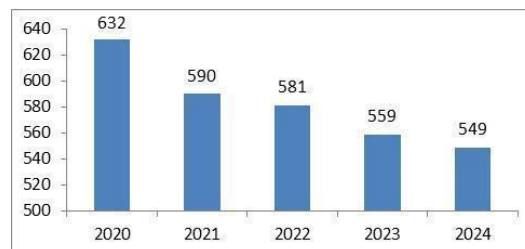


Figure 2: Total Members of Governing Bodies in Listed Companies
(Source: Macedonian Stock Exchange 2020-2024)

The data in the figures show a downward trend in the number of listed companies on the official market of the MSE, decreasing from 98 companies in 2020 to 87 companies in 2024, a decline of 11.22%. Correspondingly, as shown in Figure 2, the number of members in management bodies also declined, from 632 members in 2020 to 549 members in 2024.

The following figures present the percentage of men and women participating in management bodies, as well as the percentage of men and women serving as executive directors or chairpersons of the boards of listed joint-stock companies.

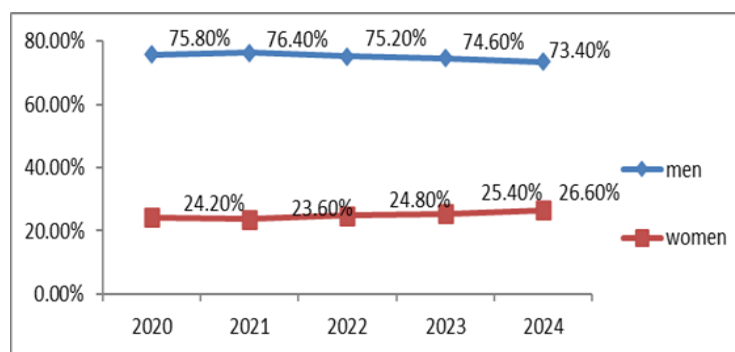


Figure 3: Gender Participation in the Governing Bodies of Listed Companies
(Source: Macedonian Stock Exchange 2020-2024)

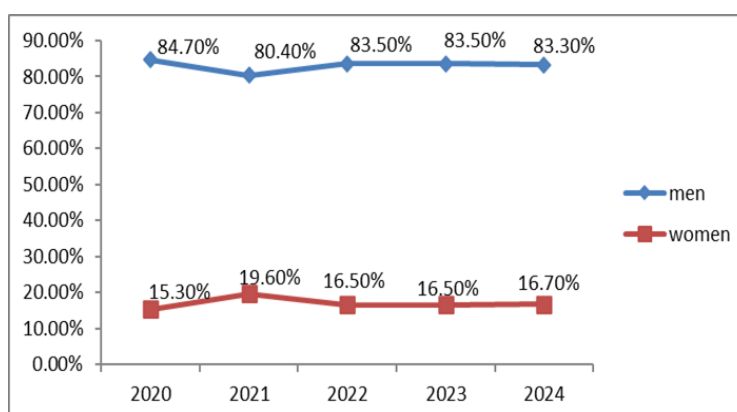


Figure 4: Participation of Men and Women as Executive Directors or Board Chairpersons in Listed Companies (%) (Source: Macedonian Stock Exchange 2020-2024)

The data in Figure 3 indicate that the percentage of men and women in the management bodies of listed companies has remained largely consistent across the analyzed years, with an average of 75% men and 25% women. Similarly, there has been little change in the proportion of men and women serving as executive directors or chairpersons of boards, with an average of 83% men and 17% women.

Considering that these data refer to 2023, listed companies on the MSE that are required to comply with the Corporate Governance Code need to increase women's participation by more than 5% to ensure at least 30% female representation in governing and supervisory bodies or boards of directors.

The following figure presents the percentage distribution of men and women in the governing bodies of listed companies by industry.

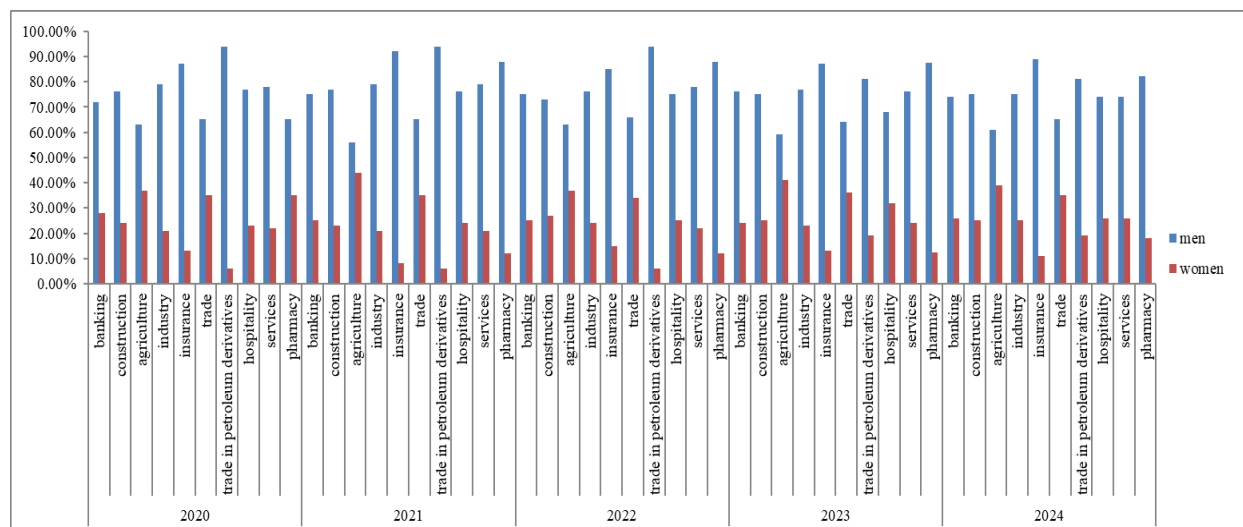


Figure 5: Participation of Men and Women in the Governing Bodies of Listed Companies
(Source: Macedonian Stock Exchange 2020-2024)

The data in Figure 5 shows that, for the analyzed period, the ratio of men to women in management bodies is fairly consistent in the banking, construction, industry, and services sectors, averaging 75% men and 25% women.

The most favorable gender ratios are observed in the agriculture sector (61% men and 39% women in 2024) and the trade sector (65% men and 35% women in 2024). In contrast, the most significant gender gaps are seen in insurance (89% men and 11% women in 2024), pharmacy (82% men and 18% women in 2024), and trade in petroleum derivatives (81% men and 19% women in 2024).

The figure also highlights trends over time. In the trade in petroleum derivatives sector, women's participation has increased from 6% in 2020 to 19% in 2024. Conversely, in the pharmaceutical sector, women's participation has declined significantly, from 35% in 2020 to 18% in 2024. Overall, the agriculture sector maintains the highest level of women's participation.

Gender Representation in Management Bodies of MBI10 Companies

The Macedonian Stock Exchange Index (MBI10) consists of ten listed companies on the official market of the MSE. Nine of these companies have a two-tier management system, while one company operates under a one-tier system. The average number of members on management boards is 4.2, the average number of members on supervisory boards is 5.11, and the board of directors in the one-tier system company has 13 members.

The following figures present the number of women and men serving as chairpersons and members of management bodies, as well as the number of men and women serving as executive and non-executive members of management bodies in MBI10 companies in 2024.

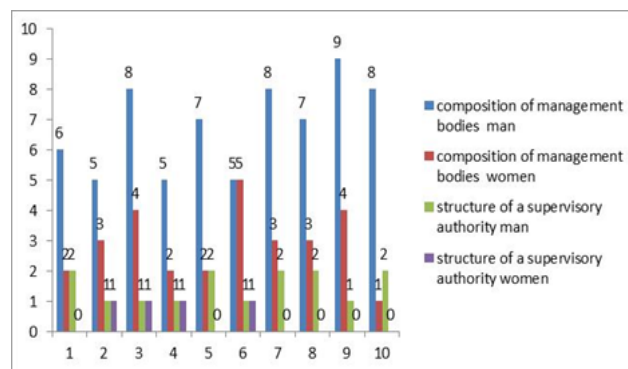


Figure 6: Number of Women and Men as Presidents and Members of Management Bodies in MBI10 Companies (Source: Authors' calculation)

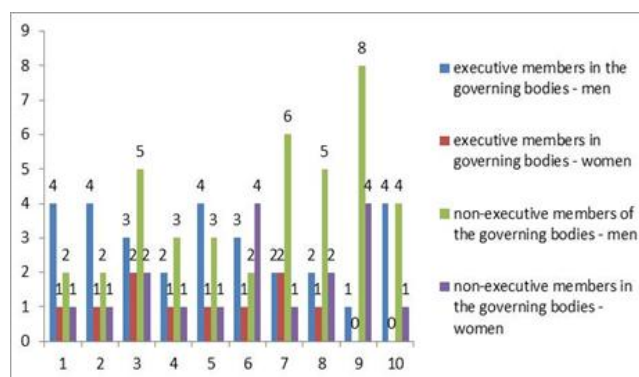


Figure 7: Number of Men and Women as Executive and Non-Executive Members of Management Bodies in MBI10 Companies (Source: Authors' calculation)

In 4 out of the 10 companies listed on the MBI10 index, at least one president of the management or supervisory board/board of directors is a woman. In comparison, in the remaining 6 companies, there is no female president on these boards. Among the 10 MBI10 companies, only one has 50% female representation on its management and supervisory boards. In 4 companies, the proportion of female members ranges from 30% to 37.5%. In 4 other companies, the range is from 22.2% to 28.6%, and in one company, it is 11.1%.

Additionally, two of the 10 companies have no female executive members on their management bodies. Only one company has 66.7% of its non-executive members as women, while in the remaining companies, the proportion of female non-executive members is below 35%.

By the end of 2024, women will account for 29.9% of all members of the management and supervisory boards/boards of directors, and 21.1% of the chairpersons of these boards. This indicates that half of the MBI10 companies have already met provision 2.13 of the Corporate Governance Code in 2024, which requires at least 30% female membership on boards of directors, a requirement officially set to be fulfilled by 2025.

Considering the data, it can be concluded that 25.6% of executive members of management bodies are women, while 31% of non-executive members are women. Overall, women represent 28.9% of all members of management and supervisory boards.

This indicates that the Republic of North Macedonia has not yet met the requirements of Directive (EU) 2022/2381, which mandates that by 30 June 2026, members of the underrepresented sex must occupy at least 40% of non-executive director positions and at least 33% of all director positions, including both executive and non-executive directors.

Considering that the deadline for achieving these targets is 30 June 2026, the current level of gender balance can be considered satisfactory.

Gender Representation in Management Bodies: Largest Companies in North Macedonia and the Western Balkans

This section provides a comparative analysis of women's participation as presidents of the highest decision-making bodies, that is, the supervisory board (in two-tier governance systems) or the board of directors (in one-tier systems), of the largest listed companies in North Macedonia (MBI10), Bosnia and Herzegovina (BTAX, SASX-10, BIRS), Montenegro (MNSE10), and Serbia (BELEX15), as Western Balkan countries, based on data published by the European Institute for Gender Equality. No data are available for Albania and Kosovo for the parameters mentioned above.

The European Institute for Gender Equality collects data for all positions on a biannual basis, typically in April (B1) and October (B2). This analysis was conducted for 2023, as no data are available for any of these countries for 2024 in the database. The analysis included data for all 10 companies comprising the national stock indices in North Macedonia, Bosnia and Herzegovina, and Montenegro, as well as data for 9 out of the 15 companies included in the Serbian stock index (BELEX15), according to the European Commission database.

The following figures present the percentage of women serving as presidents and members of supervisory boards or boards of directors in the largest listed companies in the countries under review during the analyzed period.

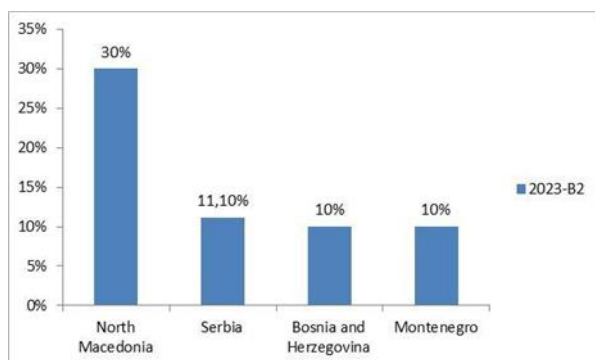


Figure 8: Percentage of Women Serving as Presidents of Supervisory Boards or Boards of Directors in the Largest Listed Companies Across Selected Western Balkan Countries
(Source: European Institute for Gender Equality 2025)

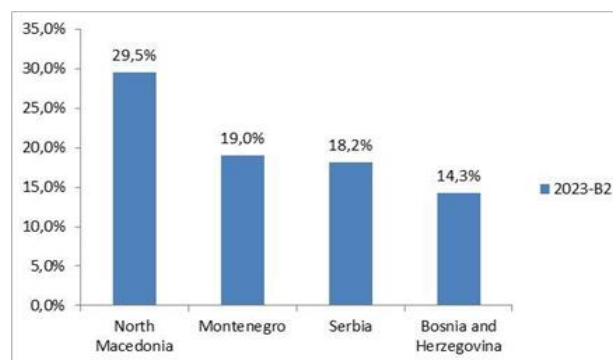


Figure 9: Percentage of Women Serving as Members of Supervisory Boards or Boards of Directors in the Largest Listed Companies in Selected Western Balkan Countries
(Source: European Institute for Gender Equality 2025)

According to the data in Figures 8 and 9, it can be concluded that the largest companies in the Republic of North Macedonia have the highest percentage of women serving as presidents and members of management and supervisory boards/boards of directors compared to the largest companies in Serbia, Bosnia and Herzegovina, and Montenegro, all of which are Western Balkan countries and EU candidate states.

Gender Representation on Boards in the Largest Listed Companies in North Macedonia and the European Union

This section provides a comparative analysis of women's participation as presidents and members of the highest decision-making bodies, that is, the supervisory board (in two-tier governance systems) or the board of directors (in one-tier systems), of the largest listed companies in North Macedonia and the EU-27 average (from 2020), comparing North Macedonia with all EU Member States. These analyses are based solely on the most recent year.

The following figures present the percentage of women serving as presidents and members of supervisory boards or boards of directors in the largest listed companies in North Macedonia and the EU average in 2024.

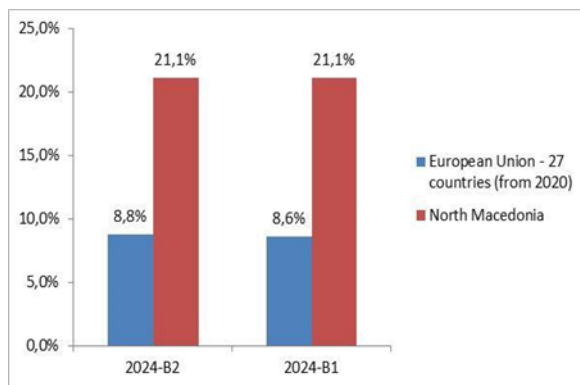


Figure 10: Participation of Women as Presidents of Supervisory Boards or Boards of Directors in the Largest Listed Companies in North Macedonia and the EU Average
(Source: European Institute for Gender Equality 2025)

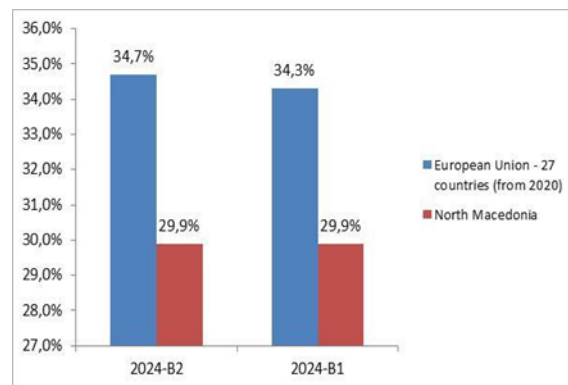


Figure 11: Participation of Women as Members of Supervisory Boards or Boards of Directors in the Largest Listed Companies in North Macedonia and the EU Average
(Source: European Institute for Gender Equality 2025)

The data in the figures show that in 2024, the percentage of women serving as chairpersons of management bodies in the largest listed companies in North Macedonia is higher than the EU-27 average for the same positions (from 2020). Conversely, the percentage of women serving as members of management bodies in North Macedonia's largest listed companies is slightly lower than the EU-27 average for members of supervisory boards or boards of directors in the largest listed companies (from 2020).

The following figure shows the percentage of women serving as chairpersons of supervisory boards or boards of directors in the largest listed companies in North Macedonia and across all EU countries in 2024.

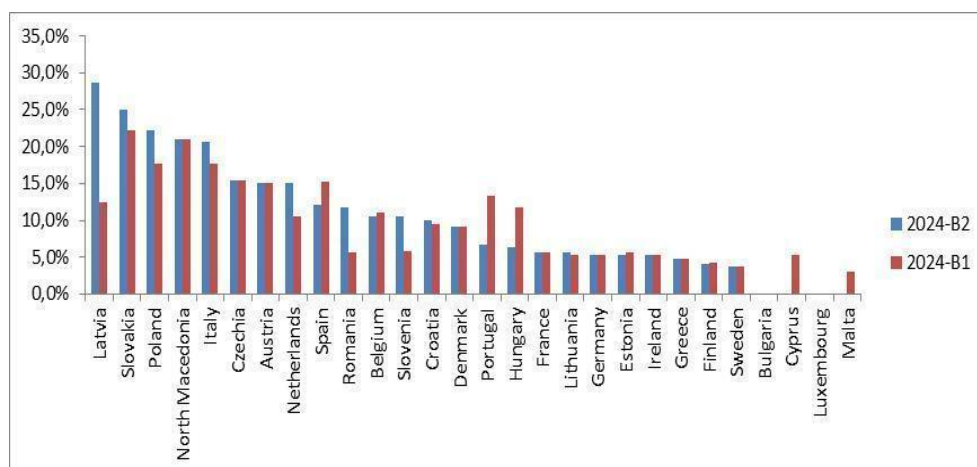


Figure 12: Participation of Women as Presidents of Supervisory Board/ Board of Directors of the Largest Listed Companies in North Macedonia and the European Union
(Source: European Institute for Gender Equality 2025)

Considering the data in Figure 12, it is evident that only three EU countries have a higher percentage of women serving as chairpersons of supervisory boards or boards of directors in the largest listed companies than North Macedonia. This means that approximately 89% of EU countries have a lower percentage of women in these positions compared to North Macedonia. Additionally, four EU countries have no women serving as chairpersons, and 15 EU Member States have less than 10% female participation in these roles.

The following graph presents the percentage of women serving as members of supervisory boards or boards of directors in the largest listed companies in North Macedonia and across all EU countries in 2024.

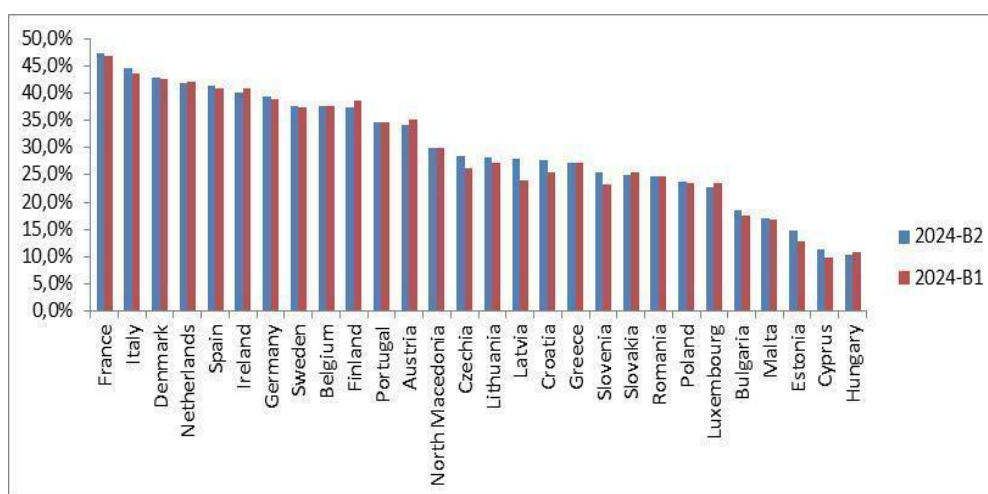


Figure 13: Participation of Women on the Supervisory Boards and Boards of Directors of the Largest Listed Companies in North Macedonia and the European Union
(Source: European Institute for Gender Equality 2025)

As illustrated in Figure 13, twelve EU Member States have a higher percentage of women serving as members of supervisory boards or boards of directors in the largest listed companies than North Macedonia. Approximately 56% of EU Member States have a lower percentage of women in these positions, meaning the same proportion of countries have less than 30% female participation as members of supervisory boards or boards of directors in the largest listed companies.

CONCLUSION

The constitutional principle of equality affirms that all citizens of the Republic of North Macedonia are equal in their freedoms and rights, regardless of gender, race, skin color, national or social origin, political or religious beliefs, property or social status. Economic and social rights further guarantee equal access to any employment position, as well as fair and equitable remuneration for all employees. These rights must be developed, strengthened, and practically implemented across all sectors, including corporate boards.

The research indicates that the participation of women in the governing bodies of listed companies has steadily increased from 24.2% in 2020 to nearly 27% in 2024. However, the representation of women as executive directors or chairpersons of boards of directors has remained stable at around 16% over the same period. These statistics suggest that Macedonian listed companies must further promote diversity in their governing and supervisory boards to achieve the target of 30% female representation.

According to 2024 data for companies in the MBI10 index, women hold 25.6% of executive roles and 31% of non-executive positions within management bodies. A comparative analysis in 2023 reveals that North Macedonia leads the Western Balkans, outperforming Serbia, Bosnia and Herzegovina, and Montenegro in terms of women's participation as presidents and members of management and supervisory boards. Moreover, in 2023, the country recorded a higher gender balance among board chairpersons than the EU average, while female representation as members of management bodies remains slightly below the EU average.

On average, listed companies in North Macedonia have not yet fully complied with Directive (EU) 2022/2381 or the Corporate Governance Code. However, compared to Serbia, Bosnia and Herzegovina, and Montenegro, Macedonian listed companies have demonstrated better gender balance. A limitation of this research is that the analysis focused solely on the largest listed companies, which may differ from those of other companies. Additionally, the forthcoming requirement for companies to report compliance with the Corporate Governance Code in 2025, as well as the EU deadline of 30 June 2026, may influence future gender balance outcomes. These factors should be considered in future research on the impact of the Corporate Governance Code and Directive (EU) 2022/2381. Given that North Macedonia has not adopted a mandatory gender quota for corporate boards and that not all listed companies are obliged to report compliance with the Corporate Governance Code, achieving gender balance requires stronger legal mechanisms. A clear legal framework mandating gender quotas for all listed companies, rather than just some, would ensure greater representation of women in top management positions.

The forthcoming Law on Trade Companies presents an opportunity for the legislator to introduce such a provision, aligned with Directive (EU) 2022/2381. Aligning domestic legislation

with EU Directives is not only a legal requirement in the context of North Macedonia's EU accession process but also a practical necessity to advance equality between women and men as a fundamental human right.

This approach would also fulfill North Macedonia's obligations under CEDAW and reinforce the country's commitment to the United Nations' 5th Sustainable Development Goal on gender equality. Such measures would ensure that guarantees of fundamental freedoms, gender balance, and equal remuneration are actively upheld in practice, rather than merely acknowledged in words.

Beyond legal obligations, government bodies, the private sector, employers' organizations, NGOs, and academic institutions should continue to implement the "Women in Power and Decision-Making" aspect of the Beijing Platform for Action (BPfA), adopted at the UN Fourth World Conference on Women in 1995. Thirty years later, this platform remains highly relevant and largely unfulfilled in North Macedonia. The fight for gender equality must continue until equal pay and equal access to all positions are fully realized.

Following the adoption of a gender quota in law, future research should assess whether mandatory quotas are more effective than soft law recommendations. Further studies could explore the impact of mandatory quotas on female representation in management boards, including potential correlations between the number of women on boards and companies' financial performance.

CRediT AUTHOR STATEMENT

Emilija Gjorgjioska: conceptualization, investigation, writing – original draft, writing – review & editing, supervision. **Margarita Janeska:** conceptualization, investigation, formal analysis, methodology, visualization, supervision. **Tatjana Spaseska:** conceptualization, resources, writing – review & editing, supervision. **Aneta Risteska-Jankuloska:** conceptualization, investigation, writing – review & editing, supervision.

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