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PRESS RELEASE

A CASE FOR GREATER PROSPERITY BY PROGRESSING BEYOND THE CODE BY LEGISLATING FOR A QUOTA FOR WOMEN ON BOARDS

Good corporate governance in the Maldives started moving in the right direction with a historical milestone in 2014 when the Corporate Governance Code released by the Capital Market Development Authority was amended to mandate a quota of 30 percent women on boards of listed companies by 2016.

Although not implemented fully, this mandate paved the way to achieving greater women participation catalyzed by the action group WOB of Maldives. WOB's efforts resulted in better gender balance at the board level to achieve more effective corporate governance, and was seen in action with greater number of women, trailblazing to make a real difference in the corporate world. Women on Boards and the Quota System became buzzwords, not only among the aspiring women in professions, but also at the grass root levels of society and organizations, finally reaching the law-makers who have since become aware of the impact made by this initiative.

The progressive mindset of the people of the Maldives is the greatest social asset, which contributed to economic progress and greater prosperity of our citizens. The future prospects for our nation are bright and unique as we are always willing to embrace new developments. It was a privilege for me to be the person at the helm of the Capital Market Development Authority when introducing the Corporate Governance Code for the Maldives listed companies in 2008. This was a bold step, while our more developed neighbors were reluctant to mandate a corporate governance code for listed companies. The same wisdom dictates that this is the most opportune time to propose a bill in parliament compelling public listed companies to implement the quota system with implementation milestones in order for women on boards to be more representative of our society which has an equal number of qualified women with a sense of corporate responsibility.

Fully cognizant of the pros and cons for the legislative argument, the WOB would unequivocally endorse such legislative action as it is backed by more than 4 and half years of implementing the quota system through a code. Maldives has been sailing on a voyage of good governance for more than a decade with the listed companies. We, the Women on Boards, as an NGO, also mark more than 3 and a half years of untiring effort to further the course of corporate excellence through better gender representation at the board level, while promoting leadership roles of women in organizations.



With all these positives, we still do not see the needle moving fast enough to reach the target, and it was encouraging to hear the recent presidential pledge to ensure a fifty percent women on boards of all State-Owned-Enterprises. While applauding the vision of prosperity that underlies this pledge, we would like to see the government extending the pledge to legally compel all listed companies to include a set percentage of women moving towards 50 percent (Long term target) on their boards within a definite timeline. While a legislation of this nature will pose a serious challenge, we have every confidence in the ability of our present corporate leaders to rise to the challenge and deliver excellence by using one of the greatest resources possessed by the Maldives, the vast pool of qualified and capable professionals where women count more than 50 percent.

Gender equality gets credence from our constitution, and therefore legislating women on boards in support of the right of women to contribute towards success in business does not need to be a controversial issue. It is simply more than the best way of doing business.

As the potential of the stock market is unleashed, and the financial sector expands, our system of governance with gender diversity would begin to function better, bestowing the increasing rewards of that development to the shareholders. Naturally, the shareholders will demand to have more women on boards as they understand that diversity is one of the most important factors that lead to profitability as proved by listed companies in the stock markets of developed countries.

Looking ahead, we envisage a government that would want to protect its own interests by paving the way to inclusive and sustainable development of the economy. Since public and private sector organizations are the engines of growth that can accelerate the pace of national prosperity, the GOM has a vested interest to see that the best formula is adopted by corporates to achieve a balanced boardroom to deliver excellence to all stakeholders. Therefore, legislature enabling optimum utilization of 50 percent of the human resource, which is women, also represented by more than 50% of the pool of qualified and seasoned professionals in the Maldives, would be an outcome of sound and progressive decision.

Fathimath Shafeega

Founder and President

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