

Gender Equality in Italian Non-Listed Banks: A Step Forward, but There Is Still a Long Way to Go



Saverio Bellocchio

Abstract The underrepresentation of women in power positions means they are not part of shaping the decisions that affect the future of their lives. In the corporate governance sector, gender discrimination still seems far from being eliminated, despite the numerous regulatory interventions that have been recorded in recent years.

In 2021, Banca d'Italia updated the circular n. 285/2013 concerning the corporate governance of banks, introducing the prescription of a minimum gender quota both in the boards of directors and in the boards of statutory auditors also for non-listed banks.

How do these innovations fit with the existing Italian regulatory framework? And what could be the likely effects that these rules will have on the corporate governance of Italian banks?

This research seeks to answer these questions, trying to contextualize the results achieved in comparison with the most relevant issues the literature has found on the relationship between gender equality and corporate governance.

As we will see, even if the Banca d'Italia's regulatory intervention seems to be able to produce positive results, it could be not enough to eliminate the unjustified disparities between men and women in corporate governance of Italian non-listed banks.

Keywords Corporate governance · Finance sector · Women · Inclusive leadership · Gender studies

S. Bellocchio (✉)

Department of Business Studies, Roma Tre University, Rome, RM, Italy

e-mail: saverio.bellocchio@uniroma3.it

1 Introduction

Gender equality and corporate governance have become a hot topic in literature since, worldwide, over the last few years, there have been several regulatory interventions to fight the underrepresentation of women in power positions. Among the reasons why we have witnessed this regulatory production aimed at eliminating gender disparities in corporate governance, there are at least two that seem to be unanimously shared.

The first is based on the fact that the presence of women on the boards of companies, if significant, improves the quality of management's decision-making processes.

The second relies on a need for social and legal justice, which becomes a fundamental principle shared by nations and international organizations¹: to eliminate unjustified obstacles to gender equality between men and women.

In such context, in Italy in 2011, Golfo–Mosca Law introduced specific mandatory provisions in terms of gender equality in corporate governance of listed companies and companies under public control (Calvosa and Rossi 2013; Desana 2015; Capone 2020).

Ten years later, Banca d'Italia updated the circular n. 285/2013 concerning the corporate governance of banks, introducing the prescription of a minimum gender quota both in the boards of directors and of statutory auditors also for non-listed banks.

This is a regulatory novelty of absolute interest in the Italian legal system, resulting in an extension of Italian companies that will be called upon to comply with rules on gender equality.

The purpose of this paper is to (RQ1) analyze the aforementioned recent innovations Banca d'Italia introduced in the corporate governance of Italian non-listed banks. To fully understand the scope, we will try to contextualize the provisions contained in circular n. 285/2013 within the existing Italian regulatory context.

Under another profile (RQ2), we will also try to explain what effects these innovations could be able to produce on the corporate governance of unlisted banks, trying to find possible correlations between these outcomes and the most relevant issues the literature has identified on gender equality in corporate governance.

As far as it is known, the paper represents one of the first attempts to analyze the innovations introduced by Banca d'Italia hypothesizing also the possible future consequences of their application.

The major implication of the paper is to advance knowledge in the area of gender equality in corporate governance by focusing on both theoretical and empirical results.

¹See for example Goal n. 5 of the 2030 Agenda for Sustainable Development adopted by the United Nations in 2015.

Relevant evidence of the paper is related to a better understanding of the most important issues that in the future will probably have to be addressed to eliminate gender disparities in corporate governance sector.

The paper is structured as follows. After a brief description of the methodology in Sects. 2 and 3 illustrates the most pertinent results that the literature has so far produced regarding the topics covered by the research. Section 4 is dedicated to an in-depth analysis of the Italian regulatory framework, while Sect. 5 contains a structured analysis of the innovations introduced by Banca d'Italia. Finally, Sect. 6 identifies the future implications that these innovations could produce and in Sect. 7, the conclusions to which this research has led are illustrated.

2 Methodology

To answer the research questions, a study on three different levels was conducted:

1. literature review about gender equality in corporate governance
2. analysis of the Italian regulatory framework on gender diversity in corporate governance
3. analysis of the new Banca d'Italia circular n. 285/2013 innovative provisions about gender equality in corporate governance of non-listed banks.

To answer RQ1, Qualitative Legal Research was done (McConville 2017; Berring 1987) and more precisely a Doctrinal Research (Hutchinson and Duncan 2012), whose aim is to examine a body of law, not only through textual analysis but by trying also to contextualize it in the legal and social system.

RQ2, on the other hand, has required a deductive process: starting from empirical evidence the research tries to formulate hypothesis on future events, not completely predictable by now, linked to the application of a set of rules. This Method, known also as Empirical Legal Research (Epstein and King 2002), reflects a certain amount of approximation, which has to be intended as a positive value of legal research whose purpose does not tend to certainty, but to the dialogue and confrontation (Terranova 2015).

3 Literature Review

Recently scholars have broadly focused their attention on the impact of gender diversity on corporate governance. This line of research has been developed thanks to the increasingly widespread awareness of a strong disparity between men and women in terms of participation in company boards. In fact, since the end of the 90s, studies have consistently highlighted the worldwide scarce presence of female directors (Provasi and Harasheh 2021).

There have been many approaches that scholars adopted to study the relationship between corporate governance and gender equality.

The most consistent pattern seems to be the one that tries to quantify the impact of gender equality on business results. However, the extreme heterogeneity of these analyses, due to the different ways of evaluating the business results used by scholars, leads to conflicting outcomes (Capone 2020).

It seems more solid the strand according to which gender equality on boards would improve the company's decision-making processes, as well as the effectiveness of monitoring mechanisms (Adams and Ferreira 2009).

In this regard, many researchers found that the presence of women on boards produces positive effects only when it is relevant (critical mass effect) (Torchia et al. 2011). More specifically, recent research carried out on Italian listed companies identifies the critical threshold of 20% (Bruno et al. 2018).

Such results seem to be confirmed also by specific studies carried out on the banking sector.

A research conducted on 83 European banks highlighted that a minimum of 14% of gender diversity can contribute to significant improvement of social justice and positive structural change in the bank's organization (Proença et al. 2020).

Farag and Mallin (2017), using a sample of 99 European banks, found out that beyond the critical mass of 18–21% of women in directors and supervisory boards, the bank's insolvency risk decreases.

These figures seem to be corroborated also with reference to national banking sectors. Indeed, it has been pointed out that in Croatia when a critical mass over 20% of women on the board is reached, banks' performance improves (Kramaric and Miletic 2017).

In terms of legal perspective, the literature identifies two different models currently coexisting in Europe to achieve gender balance on company boards and supervisory bodies (De Cesare 2021; Garilli 2012):

- (a) Voluntary initiatives taken by the market players themselves (the so-called soft law), which can vary from the recommendations of regulatory authorities, to self-regulatory codes, as well as the adoption of best practices;
- (b) Regulatory measures (the so-called hard law), distinguished according to the nature and size of the companies to which they are addressed, the content of the objectives or obligations envisaged as well as the provision or not of a sanctioning or rewarding system and its characteristics.

In Europe, the choice between the hard- and soft-law models now seems in favor of the first solution, although there are still systems that rely on voluntary implementation, even though the recommendation model has achieved less positive results (EU Commission 2016).

Therefore, it is no coincidence that literature feels the strong need for regulatory intervention by the European Union, still firm to the proposal for a Directive presented in 2012, to harmonize the regime of measures to eliminate gender discrimination in corporate governance (Callegari 2021).

Besides this, although hard-law measures seem to be more successful, it must also be considered that these to date tend exclusively to impose a minimum quota of the less represented gender on the boards, without however providing any kind of measure regarding what can be defined as the *career glass ceiling effect*, according to which women once inside the boards would encounter invisible obstacles in reaching the apical and executive roles, still in the exclusive preserve of men (Solimene et al. 2017; De Vita and Magliocco 2018; Pastore et al. 2017; Adams and Funk 2012).

4 Analysis of the Italian Regulatory Framework

In Italy, Law n. 120/2011 “Golfo-Mosca Law” established for the first time rules that fostered the presence of women as directors and statutory auditors in listed companies and companies under public control administration boards through the imposition of mandatory gender quotas. Hard-law rules that, like the Golfo–Mosca Law, pursue the goal of ending unjustified gender discrimination are known as affirmative actions (Desana 2015).

The constitutional basis for affirmative actions lies in Article 3, paragraph 2, of the Italian Constitution, which justifies and encourages the promotion of actions aimed at achieving effective equality between gender. In the European context, similar principles can be deduced from Article 23 of the Charter of Fundamental Rights of the European Union, according to which equality between men and women is a priority objective in all fields, and in particular in the field of employment, work, and pay, with the specification that such principle does not preclude the adoption of measures providing for specific advantages in favor of the underrepresented gender (Amadeo 2013). In this perspective, the legitimacy of positive actions has been repeatedly stated also by the Court of Justice of the European Union, provided that they are proportionate to the objective, without counter-discriminating the other gender.²

Having the Italian Parliament taken note of the situation of chronic inequality in the representation of genders in the corporate governance boards, the purpose of the introduction of the Golfo–Mosca Law was to rebalance access in favor of women to apical position in (1) listed companies and (2) companies under public control.

The Law, therefore, limited the borders of this regulation to two categories of companies.

It was observed that the imposition only on listed companies and on companies under public control of gender-equality mandatory rules was not a limit of Golfo–Mosca Law. According to the literature, this choice would have corresponded to the

²Case C-450/93, Judgment of the Court of 17 October 1995; Case C-409-95, Judgment of the Court of 11 November 1997; Case C-158/97, Judgment of the Court of 28 March 2000; Case C-407/98, Judgment of the Court of 6 July 2000.

primary need to impact the representation of women on boards in those organizations with a wider circle of stakeholders. Moreover, it was believed that the adaptation of listed and public companies to the rules of Golfo–Mosca Law would have subsequently determined a “waterfall” effect on the entire Italian entrepreneurship, leading to a spontaneous improvement of gender equality in corporate governance (Calvosa and Rossi 2013).

However, as will be argued below, these expected effects did not occur.

Therefore, the discipline on gender balance for both listed companies and those under public control has the same origin, the Golfo–Mosca Law. However, it is necessary to underline that over time there has been a stratification of regulatory interventions that consistently diversified the rules applicable to the two categories of companies.

Below we will then reconstruct the regulatory framework for both listed companies and those under public control.

4.1 *Listed Companies*

The set of rules for listed companies is currently contained in articles 147-ter, 147-quarter, and 148 of Italian Consolidated Law on Finance ³ (hereinafter also ICLF), whose contents are the result of the innovations introduced at the time by the Golfo–Mosca Law and, more recently, by Legislative Decree 160/2019 which strengthened the measures to protect the less represented gender.

Article 147-ter ICLF imposed to listed companies, as a general principle, to adapt their statute to assure gender balance among the directors.

Then, it is also specified a minimum quota to be respected: the least represented gender must have at least two-fifths of the elected directors. ⁴ The same provisions also apply to the effective members of statutory auditors (art. 148 ICLF). If the two-tier model is adopted, the listed company is required to comply with the requirements imposed by Golfo–Mosca Law in the composition both of the management board and the supervisory board. In the case of one-tier model, an exemption is provided for the management control committee, due to the circumstance that it constitutes an internal articulation of the board of directors which already underlies to Golfo–Mosca rules (Musumeci 2015).

Regarding the sanctioning regime, a prominent role is entrusted to the Italian listed-companies supervisory Authority, Consob. Specifically, a three-levels based mechanism is fixed.

³Legislative Decree n. 58/1998.

⁴Originally, with Golfo–Mosca Law the quota reserved in listed companies’ boards for the least represented gender was one-third and it has been further strengthened to two-fifths by Legislative Decree n. 160/2019.

Firstly, if a company does not comply with the requirements imposed by the law, Consob must send a warning to the company with the order to adapt within the term of four months. Then, in the absence of spontaneous fulfillment, the Authority initiates the sanctioning procedure, which ends with the imposition of a pecuniary penalty within the limits provided for by Golfo–Mosca Law (from € 100,000 to € 1,000,000 for irregularities concerning the administrative body, from 20,000 to 200,000 for irregularities of the supervisory body), setting a further three months term to remedy the irregularity. If the company does not comply with such provisions, the third stage of the sanctioning regime imposes the forfeiture of the administrative or supervisory body within which gender equality is not respected.

Another feature of gender-equality regulation in listed companies lies in the temporary nature of the rules introduced. Originally, Golfo–Mosca Law imposed their application only to the subsequent three renewals of the administrative and supervisory bodies of listed companies.

However, also because according to Consob in 2020, the three mandates term would have expired for about 37% of listed companies, Legislative Decree 160/2019 extended the validity of the rules introduced by Golfo–Mosca Law to six mandates.

4.2 Companies Under Public Control

Article 3 of Golfo–Mosca Law extends gender quotas also to non-listed companies controlled by public administration. To date, after the first implementing regulation by Presidential Decree n. 251/2012, gender equality in the corporate governance of companies under public control is also entrusted to Legislative Decree n. 175/2016 “Testo Unico delle Società Partecipate” (hereinafter also TUSP).

Specifically, article 11.4 of TUSP imposes on public administrations to respect the principle of gender balance, which is concretely configured in the duty to appoint at least one-third of the directors belonging to the less represented gender compared to the total appointments made during the year. Furthermore, if the company under public control appoints a board of directors rather than a sole director, the statute must provide that the choice between the directors is made in compliance with the principles expressed by the Golfo–Mosca Law, which means at least one-third of the elected directors must belong to the least represented gender.

It can be noted that in the public sector the principle of gender balance has been significantly strengthened, having to be respected not only in the composition of administrative bodies but also in the total annual number of appointments made by public administrations. On the other hand, the regulatory framework dedicated to companies under public control provides for a softer monitoring and sanctioning regime than what is expressed by the Golfo–Mosca law for listed companies.

In particular, Presidential Decree n. 251/2012 assigns the supervision for the compliance of gender-equality rules to a political organ: the Prime Minister or the Minister delegated for equal opportunities. Unlike what is provided for listed

companies where Consob, the supervisory authority is granted an active role, a mechanism focused on self-reporting is provided for those subject to public control.

The company itself has to communicate to the supervisory authority the lack of gender balance on its boards. Then, having ascertained the non-compliance with the quota system, the supervisory authority warns the company to restore gender balance within sixty days. In the event of non-compliance, a new period of sixty days must be set to comply, with the warning that, once this has also passed in vain, the components of the affected organ decay.

However, there are no coercive or sanctioning instruments if the company does not make the communication. Moreover, neither Presidential Decree n. 251/2012 nor TUSP provides the possibility of imposing pecuniary penalties on companies that do not respect gender balance, and this potentially leads to a lower degree of efficiency of both monitoring and sanctioning legal framework. A correction to such weakness could be partially found in the circumstance that the report to the supervisory authority can be made by anyone who has an interest in it, therefore also by subjects external to the company and the public entity that controls it.

Contrary to the provisions for listed companies, TUSP does not identify a temporary limit to the application of corporate governance gender-equality rules, which can reasonably be interpreted as that in the context of companies under public control the quota system has to be considered definitive (Cuccu 2019).

5 Banca d'Italia Fosters Gender Equality Also in Non-Listed Banks

In this context, Banca d'Italia, the Italian Central Bank member of the European System of Central Banks, updated circular n. 285/2013 in June 2021, introducing significant innovations in terms of inclusive corporate governance in the banking sector.

It should be noted that Banca d'Italia, as the Supervisory Authority of Italian banks, is assigned the role of issuing general provisions regarding corporate governance, administrative, accounting, and external controls of supervised entities (Mattarella 1996). Circular n. 285/2013 represents the most relevant regulatory source with which Banca d'Italia exercises its power of Regulatory Supervision—“-Vigilanza regolamentare”—over the corporate governance of banks according to art. 53 of Italian Consolidated Law on Banking (hereinafter also ICLB).⁵

Section IV of the June 2021 update contains extremely interesting provisions in the composition and appointment of corporate bodies in Italian banks. Such Section IV is divided into two parts: (1) General Principles and (2) Application Guidelines.

⁵Legislative Decree n. 385/1993.

More in detail, among the General Principles, Banca d'Italia specifies that under a qualitative perspective the correct performance of the functions of the bank's supervisory, management, and control bodies requires the presence of members with appropriately diversified skills. According to Banca d'Italia, this diversification helps to ensure effective risk governance in all areas of the bank.

The concept of diversification is further explored by the Authority, specifying that “an adequate degree of diversification, also in terms of age, gender, and geographical origin, favors the plurality of approaches and perspectives in the analysis of problems and in the decision-making, avoiding the risk of behaviors of mere alignment with prevailing positions, inside or outside the bank” (Banca d'Italia 2021).

In the Application Guidelines, Banca d'Italia takes care to indicate the minimum objectives that must be pursued by the banks.

Indeed, article 2.1 letter b. specifies that, concerning gender diversity, in the board of directors, as well as in the board of statutory auditors, the number of members of the least represented gender is at least one-third.

Banca d'Italia considered that introducing the 40% threshold currently in force for listed companies would have not met the principles of proportionality.

The choice seems undoubtedly acceptable, considering that in 2019, the percentage of women directors in unlisted banks was 15.1%. Therefore, the introduction of the 33% threshold is a more reasonable objective for the near future. This approach must also be shared because it is fully consistent with the principles expressed by the Court of Justice of the European Union on affirmative actions, which are legitimate as long as they tend to gradually eliminate gender discrimination and without imposing disproportionate limits to the autonomy of entrepreneurial management.

As provided also for companies listed by Golfo–Mosca Law, if the bank adopts a dual-tier model it is specified that the quota system has to be fulfilled in the composition both of the management board and the supervisory board, while in the case of a one-tier model adoption reference is made to the board of directors as a whole, without considering the management control committee, that constitutes an internal articulation of the first.

The quota system is mandatory only regarding the composition of the bodies of the banks that exercise the function of strategic supervision or control.

This means that bodies with operative functions, such as the CEO, are excluded.

However, with specific regard to this last aspect, circular n. 285/2013 provides three general rules of best practice, therefore not binding for banks:

1. In all endo-board committees there should be at least a member of the least represented gender
2. The positions of chairman of the administrative body, of the supervisory body, the role of chief executive officer, and general manager should not be held by persons of the same gender
3. For banks adopting a one-tier model, also the composition of the management control committee should respect the quota system.

To allow banks sufficient time to adapt their bodies to the new rules, Banca d'Italia has provided that the gender quota must be reached on the first full renewal of the body, and in any case by 30 June 2024.

The rules for smaller banks are partially different.⁶

In this case, the adjustment must be ensured gradually to the extent of at least 20% of the members of the body no later than the first full renewal, and in any case by 30 June 2024; for subsequent renewals, and in any case, no later than 30 June 2027, the 33% quota also applies to smaller banks.

During the preliminary public consultation, Assopopolari (National Association of “Banche popolari”) had expressed strong disagreement regarding the extension of the mandatory quota also for smaller banks, arguing that such institutions have a stronger territorial vocation. Therefore, the effectiveness of the administrative body depends almost exclusively on whether the director knows the local economy.⁷

These considerations cannot be shared from a legal point of view.

The introduction of the gender quota responds to a precise need of constitutional relevance, which is to eliminate gender discrimination, that cannot succumb to the needs of appointing directors with deep knowledge of the territory.

The composition of an administrative body with specific knowledge of the economic background in which the bank operates can perfectly coexist with the introduction of the compulsory quota system.

Indeed, its introduction could significantly favor diversification within the bodies of banks “with a territorial vocation,” traditionally more reluctant to implement renewal processes. And besides, this type of criticism still shows a strong reluctance of Italian entrepreneurs to accept a management model oriented toward pluralism in corporate boards.

Circular n. 285/2013 does not mention any sanctioning instruments if banks do not comply with the rules on gender equality. It is undoubtful that sanctions in this field constitute a serious deterrent for conduct contrary to gender-equality rules and it has been seen that in Italy for listed companies the sanctioning regime is also quite severe, providing for the imposition of a monetary penalty and also the possible forfeiture of the body within which the gender quota is not respected.

In the explanatory report released by Banca d'Italia concerning the updated version of circular n. 285/2013, it is specified that failure by banks to comply with the gender quota imposed does not entail the forfeiture of the administrative or control body (Banca d'Italia 2021).

However, it is also stated that the gender quota is a provision that must be respected and its violation may therefore result in the imposition of administrative sanctions provided for by the ICLB.

⁶Defined by circular n. 285/2013 as those banks with the average amount of assets in the previous four years equal to or less than 5 billion euros.

⁷See Assopopolari “Osservazioni al documento di consultazione della Banca d'Italia”, February 2021 at the following link <https://www.bancaditalia.it/compiti/vigilanza/normativa/consultazioni/2020/cons-rev-pol-gov/ASSOPOPOLARI.pdf>.

On this point, it can therefore be assumed that in case of violation of the rules protecting gender equality, art. 144 of the ICLB could apply, providing that in case of non-compliance with the provisions issued on Regulatory Supervision, such as circular n. 285/2013, a pecuniary administrative penalty from € 30,000 up to 10% of turnover is foreseen for the banks.

6 Future Implications

In light of the analysis conducted on the innovations recently introduced by Banca d'Italia, it can be said that circular n. 285/2013 contains both hard-law tools, based essentially on the introduction of a mandatory gender quota, and soft-law recommendations for the banks to pursue a more inclusive corporate governance.

Based on such consideration, it cannot be argued that the rules introduced by Banca d'Italia are consistent with the regulatory framework already introduced for listed companies and those under public control since Golfo–Mosca Law.

This, therefore, allows questioning what outcomes the new circular n. 285/2013 could produce on the governance of non-listed banks, with particular reference to two main issues that at the moment the literature identifies in the field of gender equality in corporate governance:

- (a) Only beyond a threshold the presence of women on boards increases the quality of governance (critical mass effect)
- (b) Once on boards, women still encounter serious difficulties in assuming executive roles (ceiling glass effect).

To try to provide hypotheses, it has been analyzed the quantitative impact of the gender quota introduced by Golfo–Mosca Law in the period from 2014 to 2019 on the composition of the boards of directors of listed companies and companies under public control, also extrapolating the evidence emerging from the banking sector (Fig. 1), which in fact before the new circular n. 285/2013 was divided between (1) listed banks, which had to complain to Golfo–Mosca Law, and (2) non-listed banks, which had no legal constraints on gender equality matters.

It emerges that the mandatory provision of a gender quota significantly increases the percentage of women on boards of directors of listed companies, companies under public control, and listed banks (from $\approx 7\%$ to almost 37%).

On the other hand, in non-listed banks the percentage improved much more slowly, due to the lack of a legally binding obligation.

This seems to show that diversity on board is not pursued by Italian banks unless they are obliged by law. In other words, the data show that the mandatory quota seems to be necessary in Italy to eliminate gender inequality on boards. Therefore, It is reasonable to expect that in the coming years there will be an increase in women on the boards of unlisted banks with a trend similar to that recorded for companies already subject to the Golfo–Mosca Law.

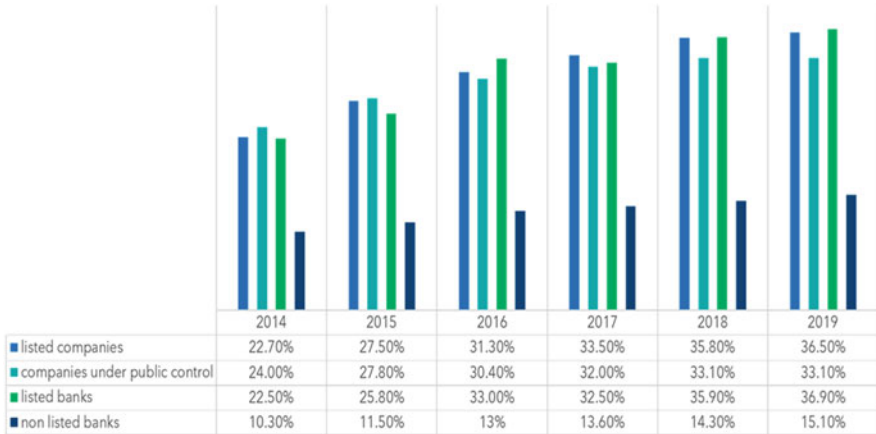


Fig. 1 Percentage of female directors. Source: Authors (This comparison has been made extrapolating the data reported by Banca d’Italia in “L’introduzione delle quote di genere nelle disposizioni sul Governo societario delle banche e dei gruppi bancari” (2020))

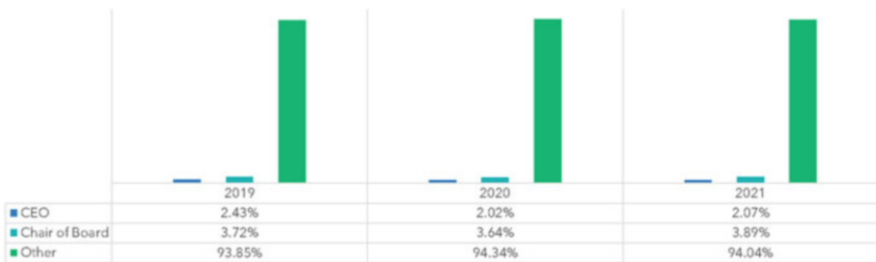


Fig. 2 Percentage of roles held by women directors in listed companies. Source: Authors (This comparison has been made extrapolating the data reported by Consob in “Report on corporate governance of Italian listed companies” (2021))

Moreover, considering that the literature believes that the critical mass to be exceeded so that the presence of the least represented gender produces positive effects is at least 20%, the 33% gender quota introduced by circular n. 285/2013 will allow even unlisted banks to overcome this threshold.

From another perspective, it is possible to question whether the regulatory innovations introduced by Banca d’Italia could produce positive effects not only “numerically” but also “qualitatively” in terms of positions held by women on the board of directors, even without imposing a specific obligation for the banks.

In this regard, the role held by women on the boards of directors of listed companies in the years 2019–2021 was analyzed (Fig. 2).

The data are rather disappointing, considering that in the three years analyzed the role of CEO has been held by less than 3% of women directors of listed companies, and the role of chairman of the board by less than 4%, showing that the introduction

of a mandatory gender quota only improves the number of women appointed to the boards.

This represents a clear example of the glass ceiling effect on the progression of women's careers on the boards and, consequently, means that in Italy the corporate governance sector does not open up to diversity and gender equality autonomously and without regulatory constraint.

Therefore, it is reasonable to believe that the innovations introduced by Banca d'Italia, providing only recommendations to banks to ensure gender diversity in top management positions, will not lead to breaking this glass ceiling and will not lead to a substantial and spontaneous improvement of the roles held by women in the board of directors.

7 Conclusions

The research aimed to analyze the innovations recently introduced by Banca d'Italia that pursue gender equality in the corporate governance of unlisted Italian banks, also trying to contextualize a) these rules in the already existing Italian regulatory context and, more generally, b) their possible impact compared to what are currently the most important issues in pursuing gender equality in corporate governance according to literature.

The innovations introduced by Banca d'Italia essentially aim at two different goals:

1. Introduction of mandatory gender quotas also in unlisted banks: at least one-third of the least represented gender has to sit on the board
2. Introduction, as a general principle, of the purpose of inclusive corporate governance to enhance diversification in the administrative and control bodies of banks.

The ten-year application of the Golfo–Mosca Law suggests that inclusive leadership is far from being rooted in Italy, especially if there is no regulatory obligation.

For this reason, it is likely believed that thanks to the novelties introduced by circular n. 285/2013, there will be an increase in the number of women on the boards of both directors and statutory auditors of unlisted banks in the coming years.

In this respect, it is certainly positive that the one-third gender quota introduced by Banca d'Italia will allow the presence of the least represented gender beyond the threshold of the critical mass recognized by the literature.

On the other hand, it is more challenging to hypothesize that Banca d'Italia's intervention would significantly improve the roles held by women on the boards of directors, where a stringent regulatory constraint is probably necessary to finally break the still resistant glass ceiling, and this will undoubtedly be the most complex future challenge that policymakers will have to face shortly.

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