

ECONOMIA
ITALIANA

Fondata da Mario Arcelli

Gender gaps in Italy and the role of public policy 2019/3

 LUISS

CASMEF Centro Arcelli
per gli Studi Monetari e Finanziari

UNIVERSITÀ CATTOLICA del Sacro Cuore
CESPEM

Centro Studi di Politica economica
e monetaria "Mario Arcelli"

Economia Italiana

Fondata da Mario Arcelli

COMITATO SCIENTIFICO

(Editorial board)

CO-EDITORS

GIUSEPPE DE ARCANGELIS - Sapienza, Università di Roma

ALBERTO PETRUCCI - LUISS Guido Carli

PAOLA PROFETA - Università Bocconi

MEMBRI DEL COMITATO *(Associate Editors)*

LORENZO CODOGNO

London School of Economics and Political Science

GIUSEPPE DI TARANTO,

LUISS Guido Carli

STEFANO FANTACONE

Centro Europa Ricerche

GIOVANNI FARESE

Università Europea di Roma

PAOLO GIORDANI

LUISS Guido Carli

ENRICO GIOVANNINI

Università di Roma "Tor Vergata"

MARCO MAZZOLI

Università degli Studi di Genova

ANDREA MONTANINO

Confindustria

SALVATORE NISTICÒ

Sapienza, Università di Roma

FRANCESCO NUCCI

Sapienza, Università di Roma

ANTONIO ORTOLANI

AIDC

ALESSANDRO PANDIMIGLIO

Università degli Studi "Gabriele d'Annunzio" Chieti - Pescara

PIETRO REICHLIN

LUISS Guido Carli

FABIANO SCHIVARDI

LUISS Guido Carli

MARCO SPALLONE

Università degli Studi "Gabriele d'Annunzio" Chieti - Pescara

FRANCESCO TIMPANO

UNIVERSITA' CATTOLICA del Sacro Cuore

GIOVANNA VALLANTI

LUISS Guido Carli

DIRETTORE RESPONSABILE: GIOVANNI PARRILLO

ADVISORY BOARD

PRESIDENTE

PAOLO GUERRIERI - SAPIENZA, UNIVERSITÀ DI ROMA

CONSIGLIO

FEDERICO ARCELLI, Center for International Governance Innovation

RICCARDO BARBIERI, Tesoro

CARLO COTTARELLI, Università Cattolica del Sacro Cuore

SERGIO DE NARDIS, Sep-LUISS

GIORGIO DI GIORGIO, Editrice Minerva Bancaria

ANDREA FERRARI, AIDC

EUGENIO GAIOTTI, Banca d'Italia

LUCA GENTILE, British American Tobacco Italia

VLADIMIRO GIACCHÈ, Centro Europa Ricerche

MAURO MICILLO, Banca IMI

STEFANO MICOSI, Assonime

ROBERTO MONDUCCI, ISTAT

LUCA PETRONI, DELOITTE

BENIAMINO QUINTIERI, SACE

CLAUDIO TORCELLAN, Oliver Wyman

ALBERTO TOSTI, Sara Assicurazioni

Economia italiana

Fondata da Mario Arcelli



numero 3/2019

Pubblicazione quadrimestrale

Roma

ECONOMIA ITALIANA

Rivista quadrimestrale fondata nel 1979 da Mario Arcelli

DIRETTORE RESPONSABILE

Giovanni Parrillo, Editrice Minerva Bancaria

COMITATO DI REDAZIONE

Simona D'Amico (*coordinamento editoriale*),

Natasha Rovo,

Guido Traficante,

Ugo Zannini.

(*Pubblicità inferiore al 70%*)

Autorizzazione Tribunale di Roma n. 43/1991

ISSN: 0392-775X

Gli articoli firmati o siglati rispecchiano soltanto il pensiero dell'Autore e non impegnano la Direzione della Rivista.

I *saggi* della parte monografica sono a invito o pervengono a seguito di call for papers e sono valutati dall'editor del numero.

I *contributi* vengono valutati anonimamente da due referee individuati dagli editor o dai membri del Comitato Scientifico.

Le *rubriche* sono sottoposte al vaglio della direzione/redazione.

Finito di stampare nel mese di ottobre 2019 presso Press Up, Roma.

www.economiaitaliana.org

Editrice Minerva Bancaria srl

DIREZIONE E REDAZIONE Largo Luigi Antonelli, 27 – 00145 Roma
redazione@economiaitaliana.org

AMMINISTRAZIONE EDITRICE MINERVA BANCARIA S.r.l.
presso P&B Gestioni Srl, Viale di Villa
Massimo, 29 - 00161 - Roma -
Fax +39 06 83700502
amministratore@editriceminervabancaria.it

Segui Editrice Minerva Bancaria su: 

Sommario

Gender gaps in Italy and the role of public policy

EDITORIALE

- 5 Gender gaps in the Italian economy and the role of public policy
Paola Profeta

SAGGI

- 11 Early Education and Gender Differences
Daniela Del Boca, Elena Claudia Meroni, Enrica Martino,
Daniela Piazzalunga
- 37 Female labour supply in Italy:
the role of parental leave and child care policies
Francesca Carta
- 63 The gender gap in informal child care:
theory and some evidence from Italy
Francesca Barigozzi, Helmuth Cremer, Chiara Monfardini
- 99 Labour Courts and Firing Costs in Italy:
The Labour Market Gender Effects of Trial Delays
Giuseppina Gianfreda, Giovanna Vallanti
- 139 Board gender quotas and the composition of the board:
evidence from a sample of Italian listed companies
Annarita Macchioni Giaquinto

INTERVENTI

- 165 Le donne italiane tra lavoro e genitorialità: qualche riflessione
Alessandra Perrazzelli

RUBRICHE

- 173 L'attenzione alla diversità e all'innovazione come vantaggio
competitivo
Roberta Palazzetti
- 179 Il Gender gap rallenta le strategie di successo aziendale!
Pamela Minelli, Alberto Navarra
- 187 Sfidare il presente per costruire un futuro tecnologico a misura di
donna
Valeria Manieri

Board gender quotas and the composition of the board: evidence from a sample of Italian listed companies

Annarita Macchioni Giaquinto *

Abstract

Law 120/2011, also known as Golfo-Mosca, introduced board gender quotas in Italian listed and state-owned companies, after the pioneer experience of Norway, which introduced board gender quotas back in 2004. This paper presents evidence of the implementation and results of the law in listed Italian companies, with particular reference to companies based in Lombardy. It shows how board gender quotas have been effective at breaking the so-called “glass ceiling”, creating a gender balance leadership and supporting women’s empowerment in the Italian context.

* Università Ca’ Foscari di Venezia, July 2019, annarita.macchioni@unive.it

Sintesi - Quote di genere e composizione degli organi di amministrazione e controllo: evidenza empirica da un campione di società quotate italiane

La legge 120/2011, conosciuta anche come legge “Golfo-Mosca”, introduce in Italia le quote di genere nelle società controllate dalle pubbliche amministrazioni e nelle società quotate nei mercati regolamentati, subito dopo la Norvegia, pioniera nell’applicare le quote già nel 2004. Questo lavoro presenta l’evidenza empirica sull’implementazione e sui risultati della legge nelle aziende quotate italiane con particolare riferimento alle aziende lombarde. Dal quadro complessivo emerge come le quote di genere siano state efficaci nell’infrangere il così detto “tetto di cristallo”, nel creare una leadership più bilanciata e, infine, supportare l’empowerment delle donne nel contesto italiano.

JEL Classification: J20, J48, J78.

Parole chiave: genere, istruzione, tetto di cristallo, economia del lavoro

Keywords: gender, education, glass ceiling, labour economics

1. Introduction

According to the Global Gender Gap Index 2018 developed by the World Economic Forum, the gender gap has almost closed in health and education, while it is still substantial in the economic and political dimension. Italy ranks 118th out of 149 countries in the economic participation and opportunity dimension (World Economic Forum 2018). In 2018, the Italian female labour force participation was only 55%, while for men it was 74%. Among legislators, senior officials and managers only 27,5% were women, against the 72,5 % of men (World Economic Forum, 2018).

The absence of women from decision-making positions and top positions in business is called the glass ceiling, that is there exist invisible barriers that women face in achieving top level jobs. This phenomenon is particularly accentuated in countries such as Italy. Why? It can be argued that the reason behind this lack of women in leadership positions is a lack of competent women, which however does not find any supporting evidence in educational attainments data. In fact, in Italy the share of women aged 15-64 with tertiary education is 19,7 % and the corresponding share of men is only 14,5 % (Eurostat, 2018). Other factors, such as culture, stereotypes and discriminating social norms play a relevant role.

The World Economic Forum estimates that, in absence of strong interventions we will need more than 60 years to reach gender parity in EU countries. Since the loss of competence and talent seems particularly harmful for societies and economies, active policies such as gender quotas have been introduced in the last decade in several European countries. These policies aim at achieving a better balance in the economic opportunities dimension and, in particular, in leadership roles, while empowering women.

Italy introduced board gender quotas in 2011. Law 120/2011, also known as Golfo-Mosca, impose to Italian listed and state-owned companies, to have a representation of at least 20% of each gender among the board members at the first board election after August 2012, then increased up to 33% for the next two elections.

This paper presents evidence of the implementation and results of the law with particular reference to companies based in Lombardy, where the majority of Italian listed companies is based. It shows how board gender quotas

have been effective at breaking the “glass ceiling”, creating a gender balance leadership and supporting women’s empowerment in the Italian context.

This paper proceeds as follows: section 2 presents the relevant literature and the theoretical discussion covering the arguments in favor and against gender quotas. Section 3 provides an overview of the European situation, Section 4 introduces the Law, its own features (gradual, temporary and mandatory) which allow to differentiate the Italian experience with respect to other European ones, while providing a description of the current situation in our country. Section 5 concludes with the main stylized facts in a sample of companies from 2007 to 2015, while discussing the main implications of the findings.

2. The debate about gender quotas

Gender quotas have been implemented in different countries and in different leadership environments, in particular in business and politics, with the main goal of reducing gender gaps in crucial dimensions (Profeta et al., 2014 provides a comprehensive review on the topic). However gender quotas are a controversial measure. This section critically examines the arguments against and in favor of gender quotas.

One of the main arguments in favor of quotas is that they are an effective policy instrument to equalize opportunities between women and men where inequalities are systematic (Holzer and Neumark, 2000). Despite the equality concern, if women are as well educated as men and have the same level of skills and competences, there is also an efficiency motivation for the implementation of active policy tools that are able to reduce the mismatch between competences and labour market opportunities (Pande e Ford, 2011; Conde Ruiz et al., 2015). Not making use of skills, competences and human capital accumulated by women because they are not allowed to be allocated to a proper job is a waste of resources which harms potential economic growth. In fact, the whole society can benefit from a reallocation of jobs accordingly to competences and which ignores stereotypes and other discriminating mechanisms.

Encouraging a redistribution of leadership positions via quotas in the short run can benefit women’s human capital investments, can reduce statistical

discrimination and taste discrimination (Becker, 1957), while in the long run, it can lead to a change in social and cultural norms (Pande e Ford, 2011).

On the other hand, Coate and Loury, 1993, argue that women might end up in investing less in human capital due to a facilitating mechanism of selection and in career progressions.

Having more women in leadership positions may produce better outcomes also in terms of business' performances, as women and men have different preferences and consequently different policy preferences (Bertrand, 2011, Duflo 2012, Chattopadhyay and Duflo 2004).

In the business context, diversity management studies highlight how having different skills and different abilities is able to increase performances (Van der Walt and Ingley, 2003; Rose, 2007, Hoogendoorn et al. 2013, Dhir, 2015). Those studies suffer from a potential endogeneity, that is: are women that increase performance? Or are the better performing companies that hire women? The main challenge faced by many researchers is to establish causality between women's leadership and economic performance; the exogenous variation induced by quotas offers a unique opportunity to face this research question properly. A review of this literature is provided by Profeta et al. 2016, that also provides empirical investigations on the effect of quotas in private listed companies in the Italian context. The authors conclude that, contrary to the other countries' experiences (in the context of Norway Ahern and Dittmar, 2012 conclude that the policy caused negative market reactions, while Matsa and Miller, 2013 find the there is a negative impacts in short-term profits and an increase in relative labor costs) in Italy gender quotas have not been so far associated to a significant impact on firms' performance, while they have been related to better returns on the stock market.

Among opponents of quotas, the most popular argument is that gender quotas are against meritocracy: an exogenous imposition of some individuals that might not have enough human capital can lead to worse members. However, as confirmed by research in the political sphere, if the initial status quo suffers from a scarce presence of women, quotas are associated with better trained politicians (Besley et al., 2017; Baltrunaite et al., 2014). Results are also confirmed in the business environment, where quotas are associated to more educated and younger directors, too (Profeta et al. 2016, EUPOLIS 2017).

Additional critics to quotas are that the lack of women in top level jobs is due to preferences, in particular with respect to maternity and fertility choices, hence quotas are not effective in empowering women. With this respect, section 3 shows the main achievements in terms of women's share in leadership positions in large listed companies in Europe and how this positive trend has been driven by countries where quotas are implemented.

Another important argument is that gender quotas are not able to produce positive spillover effects on women's empowerment in managerial positions, i.e. the benefits remain among the board (see Bertrand et al., 2014). In a recent work Maida and Weber, 2019 find that the Law 120/2011 cannot be associated with spillover effects on the representation of women in top executive or top earnings positions, at least in the short run. However gender quotas enhanced gender balance in CEOs and presidents, despite the policy did not directly address them.

Other considerations regard equality with respect to other categories: quotas based on gender might cause discrimination with respect to other minorities (Pande and Ford, 2011). Finally, the study by Rudman e Fairchild, 2004 shows that female directors entered thanks to the policy can face stereotypes and be considered less competent by their own colleagues.

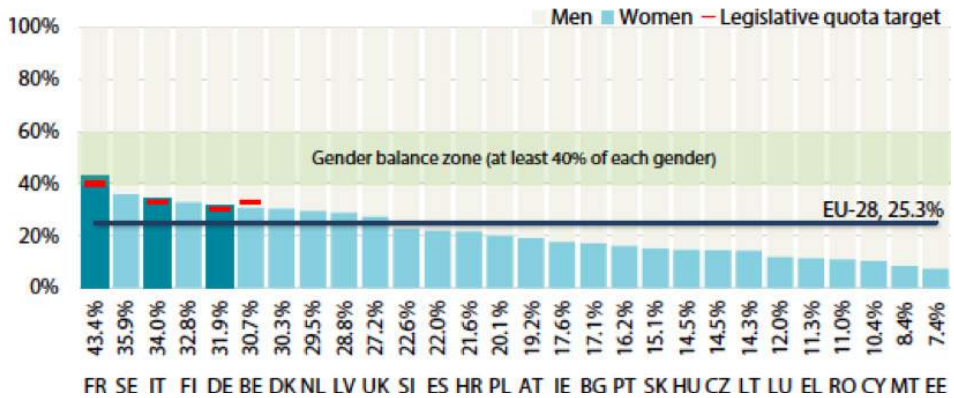
3. Gender Quotas in Europe

According to the European Commission, the average share of female presence on boards of the largest publicly listed companies registered in EU Member States was only 25,3 % in 2017 (Figure 1). After Italy, pioneered by Norway, further 10 countries have implemented so far quotas in Europe: France with a gender quota of 40%, Sweden, Denmark, Finland, United Kingdom, Germany, Belgium, Netherlands and Latvia with 25 %. Finally, since 2018 Portugal (20% for first elections; 33,3 % for further elections) and Austria (30%) have introduced binding gender quotas.

France led the positive growing trend from 2010 to 2017(+ 31 %) , followed by Italy (+ 29,4%), Belgium (+ 20,2%); Germany (+ 19,3), Netherlands (+ 14,6 %) and UK (+ 13,9 %), well above the EU28's average increase of + 13,4 %. As highlighted by the "2018 Report on equality between women

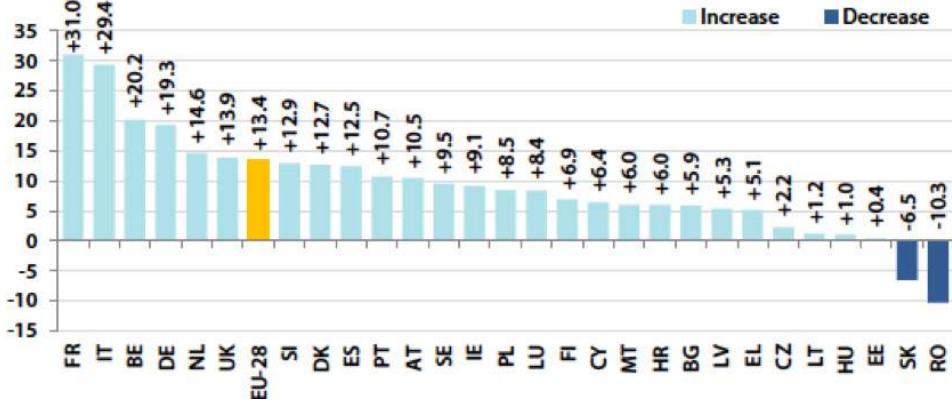
and men in the EU” (European Commission, 2018) and as can be observed in Figure 2, positive progresses have been done in countries where quotas applied. The described trends support the argument that quotas have been an effective tool in empowering women, while creating a better gender balanced leadership.

Figure 1 Representation of women and men on the boards of the largest listed companies in the EU, October 2017



Source: 2018 Report on equality between women and men in the EU, p.31 based on European Institute for Gender Equality, Gender Statistics Database

Figure 2 Change in the share of women on the boards of the largest listed companies in the EU, October 2010 — October 2017



Source: 2018 Report on equality between women and men in the EU, p.33 based on European Institute for Gender Equality, Gender Statistics Database

4. The 120/2011 Law: gender quotas in Italy

Law 120/2011 applies both to Italian publicly listed companies and State-owned companies. In Italy, publicly listed companies can have three type of board structures:

- i. Traditional model, composed by a board of directors (Consiglio di Amministrazione or Amministratore Unico) and a board of statutory auditors (Collegio Sindacale).
- ii. Two-tier (dualistico), with a supervisory board (Consiglio di Sorveglianza) and a management board appointed by the supervisory board (Consiglio di Gestione)
- iii. One-tier (monistico), composed by a board of directors and a management committee that has the control function.

In 2015, there were 234 companies listed on the Italian Stock market exchange, among which 228 adopted a traditional model. The average size of boards of director was 9,9 in 2016, while it was 6,6 for supervisory boards.

For a full description about boards' activities and how companies are regulated, see Profeta et al. (2014).

Law 120/2011, also known as the “Golfo-Mosca” law from the names of the two members of the Parliament who proposed the law (Lella Golfo and Alessia Mosca) was approved by the Italian Parliament on 12nd June 2011, by an overwhelming majority, but it became binding one year after, that is on the 12nd August 2012. Differently from other European experiences, the Law establishes a **gradual, temporary and mandatory** gender quota in publicly listed companies. Since February 2013 the law has been applied to state-owned companies with immediate effect.

As mentioned, the Italian law is **gradual** and **temporary**.

In particular, it has two phases: the first phase occurred at the first election after that the law became effective with a requirement of the 20% of either gender, both in the boards of directors and statutory auditors; the second phase started at the second and third elections (**gradual**) with a requirement of 33%.

Elections always occur every 3 years. After three consecutive board elections the quota is no more mandatory: boards are subject to the Law for 9 years overall (**temporary**). CONSOB which is the regulatory body of the Italian stock exchange has the role to monitor the implementation of the Law. If companies do not apply quotas, then there is a system of warning that includes a fine, ranging from 100.000 EUR to 1.000.000 EUR, and it can lead to invalidate boards' elections (**mandatory**).

According to CONSOB data women's share in boards of directors has been constantly increased over time from 6% in 2008, to 31,3% in 2016. By the end of June 2017 women achieved the 33,6%. The 2019 CONSOB's study “Report on corporate governance of Italian listed companies”, highlights how women at the end of June 2018 peaked the 36% in board of directors and 38% in supervisory boards,

As can be seen in Figure 3, the majority of companies reached the one third share imposed by the second phase of the law by the end of June 2018.

Most of all of the 180 companies which encountered the second and third term showed a women's share of more than 36%. Interestingly, by the end of June 2018, 31 out of 228 listed companies were still in their first term: quotas' requirement for this subgroup of firms was still the 20%, even though women peaked the 35%.

Figure 3 Female representation on boards of directors of Italian listed companies by term of application of Law 120/2011

	no. of companies	% market cap ¹	average no. of female directors	average weight of female directors
first term	31	12.0	3.5	35.0
second term	156	80.8	3.7	36.5
third term	24	4.9	3.1	36.0
not applicable ²	17	2.2	2.9	32.9
<i>total</i>	<i>228</i>	<i>100.0</i>	<i>3.6</i>	<i>36.0</i>

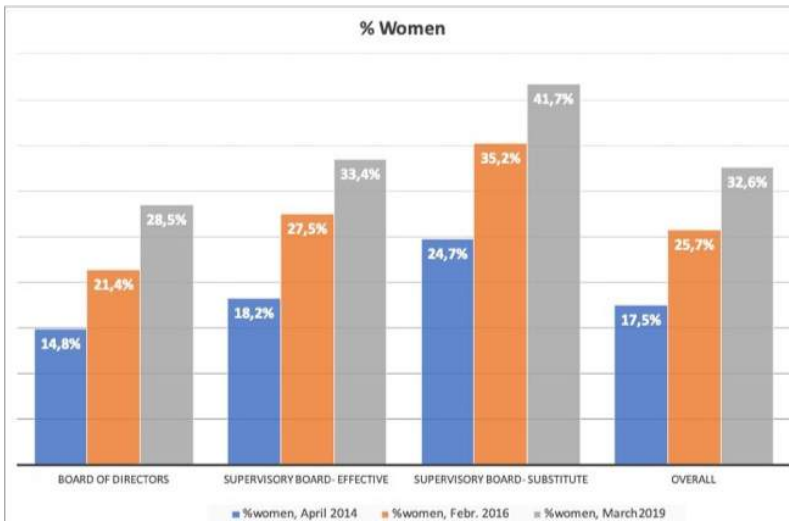
Source: Consob. Data on corporate boards of Italian companies with ordinary shares listed on Borsa Italiana spa

Regarding State-owned companies, the 120/2011 Law is the first positive policy with respect to the achievement of gender equality in that context. The DPR 251/2013 (Decree by the President of the Republic) have introduced, starting from February 2013, gender quotas in Italian State-owned companies. The Legislative Decree n.175 providing the “Testo unico in materia di società a partecipazione pubblica” required that also in that context, it was necessary to have at least one third of both genders. Profeta et al. 2016, estimated 4.000 state-owned companies where gender quotas may apply. Aggregate data are only available on the Department of Equal Opportunities of the Italian Presidency of Council of Ministries, based on CERVED data, suggesting a positive trend. However, to the best of my knowledge no studies focus on state-owned companies in Italy due to the lack of comprehensive available data.

In 2019 in Italy, 1789 state-own companies with a board of directors and 1551 with Sole administrator have been registered. In the latter, women represented only the 12,3%. As can be observed in Figure 4, the share of women in board of directors increased from 14,8% in 2014 to 21,4% in 2016. Women in supervisory boards increased from 18,2% (2014) to 27,5% (2016). In 2019, women in board of directors have reached the 28,5%, while in supervisory boards the 33,4%. Overall, the share of women increased from 17,5% in 2014, to 25,7 % in 2016 and, finally in 2019 it has achieved the 32,6%.

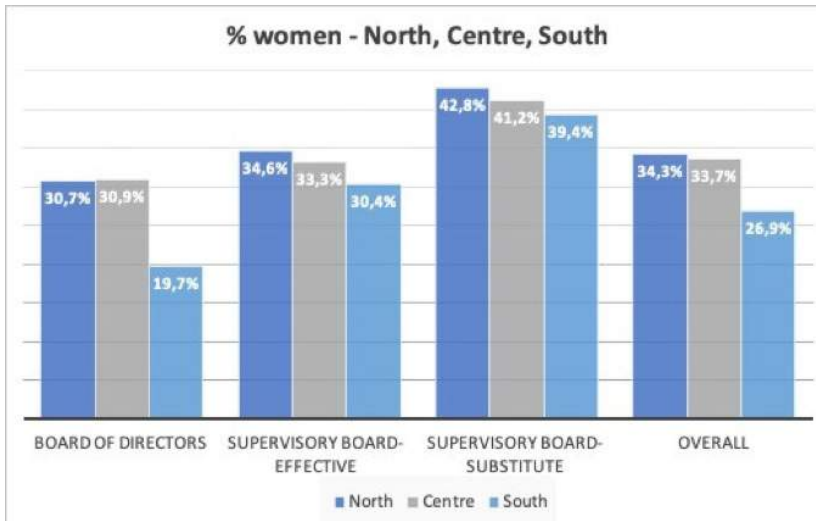
Nevertheless, performances in Italy have been different across regions, as shown in Figure 5. North and Centre have performed similarly, with South falling behind. The percentage of women in all boards of directors in 2019 has been the 34,3% in the North region, the 33,7% in the Centre and the 26,9% in the South, with a difference of 7,4 % points.

Figure 4 Percentage of women in state-own companies-2014, 2016, 2019



Source: own construction based on the Department of Equal Opportunities of the Italian Presidency of Council of Ministries on CERVED data

Figure 5 Percentage of women in State-own companies - 2019



Source: own construction based on the Department of Equal Opportunities of the Italian Presidency of Council of Ministries on CERVED data

5 An empirical evaluation of the change of boards

5.1 Data

The data used for the analysis were collected by the DONDENA research center on social dynamics and public policy at Bocconi University, and are integrated with information from CONSOB.

They concern detailed information on 95 listed companies on the Italian Stock Market, Borsa Italiana, for which the Company name has been registered in the Lombardia region (Italy). This challenging work resulted in an exclusive dataset from 2007 to 2015. The choice of this sample should be understood in the fact that the majority of listed companies are concentrated in the Lombardia region and due to the wide effort required to collect the data, I focused on single area in the sake of efficiency. In fact, the 95 companies registered in the Lombardia region represented almost the 41 % of total listed companies in Italy in 2015.

The year 2015 is an important one, as the first phase of the Law 120/2011, requiring one fifth of either gender, ended for all companies.

By 2015, all the companies should have at least one fifth, namely 20 %, of women in their governance boards and all boards' elections held after 2015 should comply with the second phase of the law requiring the 33% quota.

The DONDENA dataset includes:

- i. Individuals' level data: for every member I collected name, surname, age, gender, country and city of birth, board (board of directors, board of statutory auditors, management board, supervisory board), role (president, vice-president, CEO, administrator/advisor, auditor), education (diploma, bachelor's degree, graduate degree), university, field of education and potential parental relationship with other members.
- ii. Firm's level data: for every company I collected name, province of registered office, number of employees, production, profits, short-term and long-term debts, ROA, Tobin's Q, assets.

For every company, I collected the information on elections' timing available on the "Relazioni di Corporate Governance" or on the "Relazione sul governo societario e gli assetti proprietari" on company's websites, being

aware that companies need to elect their boards every three years.

The yearly board's compositions were available on CONSOB website and provided name, surnames and role of all members belonging to each board for each year. When this information was not available, as well as for the performance's information, Orbis-AIDA, (Bureau van Dijk), Borsa Italiana and Datastream have been examined. I recorded all the relevant information in a precise moment in time, namely by the 30th of June of every year, from 2007 to 2015. Building a comprehensive dataset on the composition and on personal individual characteristics of board's components was a challenging task as information was not available in an organized manner. All the member's CVs, available on CONSOB as binding requirement were screened and all the selected information on the variables of interest was manually recorded.

I merged the individual characteristics with firms' performance data, resulting in a panel dataset of a sample of 95 companies from 2007 to 2015 with elections' timing, members' data and firms' outcomes.

5.2 Methodology

In order to better understand the trend associated to quotas, it is necessary to understand elections' timing.

Given that boards are elected every 3 years, the 2007's elections were repeated in 2010, the 2008's one in 2011, the 2009 in 2012, the 2010 in 2013, the 2011 in 2014 and finally the 2012 in 2015.

To be subject to the Law 120/2011 board's elections had to be in 2013, 2014 or 2015.

In defining the before and after groups, I used the approach implemented by Profeta e al. 2016. The sample, composed by two groups of companies, included:

- i. Before quotas: companies in which elections took place in the period 2007-2011, when gender quotas were not approved neither implemented
- ii. After quotas: same companies of the "before group", but elections took place from 2013 to 2015, when gender quotas have been implemented and binding

This choice comes from elections' timing which are typically between April

and June and from the fact that the Law has become binding since August 2012. By comparing companies' elections but with different rules of selections (namely not under or under the "Golfo Mosca" Law) and by exploiting before-after policy changes for the same firms, some major correlations trends can be highlighted.

5.3 Results

All the companies in the Lombardia region reached the share of one fifth (20%) of either gender required in their governance boards by the end of June 2015, hence all the companies complied with the first phase of the Law 120/2011 (EUPOLIS, 2017).

Changing the selection process via gender quotas appeared to be able to break masculine monopolistic hegemony which was persistent in Italy in listed companies. Changing the rules led to a radical review of boards, in terms of women's presence, in terms of individual's characteristics and outcomes, since before the law directors and advisors were "*not necessarily populated by the most competent and most qualified people for the job*", (Profeta et al. 2016, p.10), confirmed by Bianco et al.,2015. Apparently before the quota, the prevailing mechanism in selecting directors and supervisory boards relied on family connections and acquaintances.

A conclusive set of trends in firms' performance were not reached as most of the time, correlations were negligible or results very contrasting. These latter conclusions needed to be understood in a time of important business cycle fluctuations; hence it was difficult to identify clear paths. Moreover, the considered period consisted in a limited time span, offering a short-term prospective in terms of performances.

5.3.1 Women's Empowerment

One of the main concerns about quotas as explained in section 2 relies in their effectiveness in empowering the less represented gender, i.e. women.

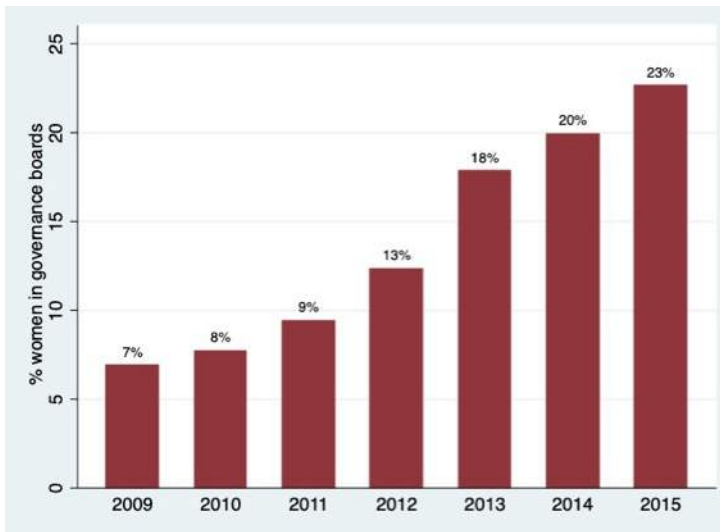
Figure 6 shows the share of women on boards over time: in 2009 women were only the 7 % of directors and advisors, starting from 2012 they have steadily increased reaching the 23 % in 2015, well above the binding share of one fifth.

Moreover, trends computed in our data in terms of female presidents and female CEOs suggested a spillover effect of gender quotas through an indirect mechanism.

Despite the policy did not address neither presidents nor CEOs, they experienced an increasing trend in female shares. Respectively female presidents were only the 4,8 % in 2009, since 2012 they have steadily increased (6,8%) and peaked the 12,5 % in 2015 (Figure 7), female CEOs followed the same path: from a percentage of 4,5% in 2009 peaked the 10,9 % in 2015 (Figure 8).

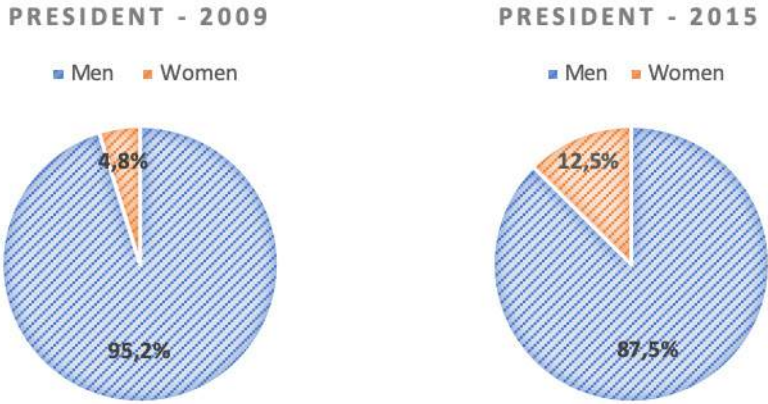
The trends described seem to suggest that the Law 120/2011 empowered women, while helping them in breaking the glass ceiling. So far, gender quotas have been an effective policy tool in achieving a better balance in leadership positions, whose benefits did not remain strictly among boards.

Figure 6 Share of women, 2009 - 2015, Lombardia region



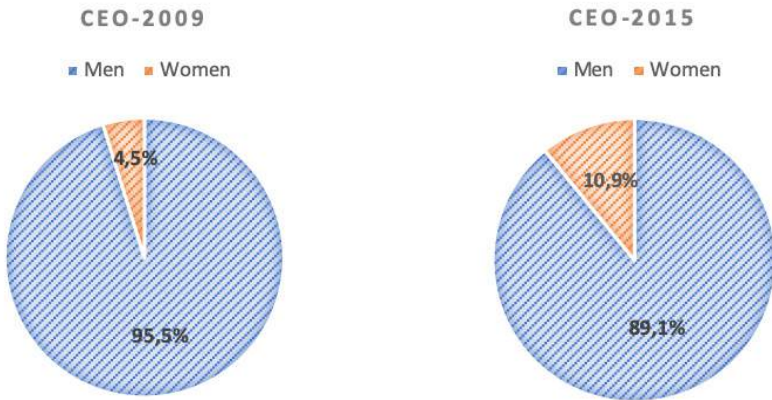
Source: own construction based on CONSOB and DONDENA data

Figure 7 **President- share of women 2009 and 2015, Lombardia region**



Source: own construction based on CONSOB and DONDENA data

Figure 8 **CEOs - share of women, 2009 and 2015, Lombardia region**



Source: own construction based on CONSOB and DONDENA data

5.3.2 Age and education

Further arguments against quotas relies on the effects on board's quality.

In line with the existing literature, the level of education and member's age are the measure of boards' quality.

Before quotas, women were younger than men, both in boards of directors and in supervisory boards: the average age for men in board of directors was 57,08, while in supervisory boards was 54,43. Women had an average age of 49,37 in case of directors and 52,69 for advisors.

Quotas have been associated with younger women (Figure 10): women after quotas were younger with respect to women before quotas; the average age for female members dropped to 49,71 in supervisory boards and to 48,92 in board of directors.

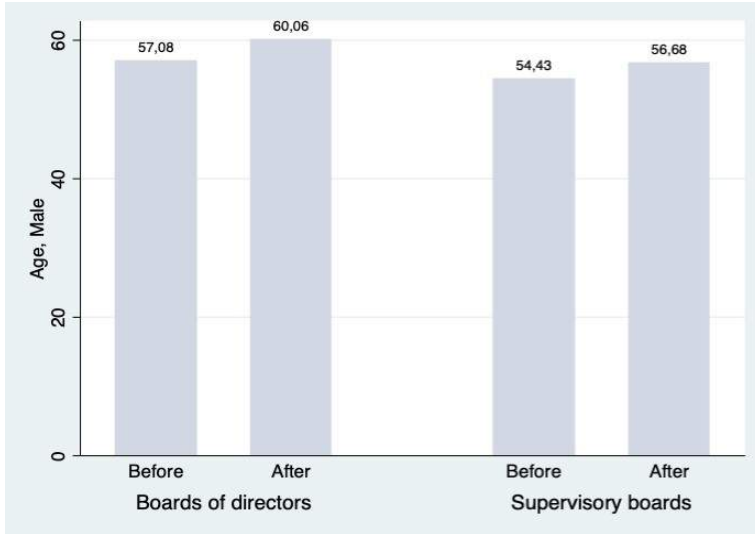
However, men were a little bit older after quotas, but the latter can reflect the aging of already existing members (Figure 9).

The trends suggested that the new mechanism reviewed the selection of directors by allowing to enter to younger candidates and possibly increased competition in appointments which found further evidence in higher director's educational achievements post-quotas.

The second index in order to evaluate members' quality is education. In our sample before the Law the 88,6% of men and the 85% of women owned a degree. After the Law, the share of graduated members peaked the 91,5 % for men and the 93 % for women (Figure 11).

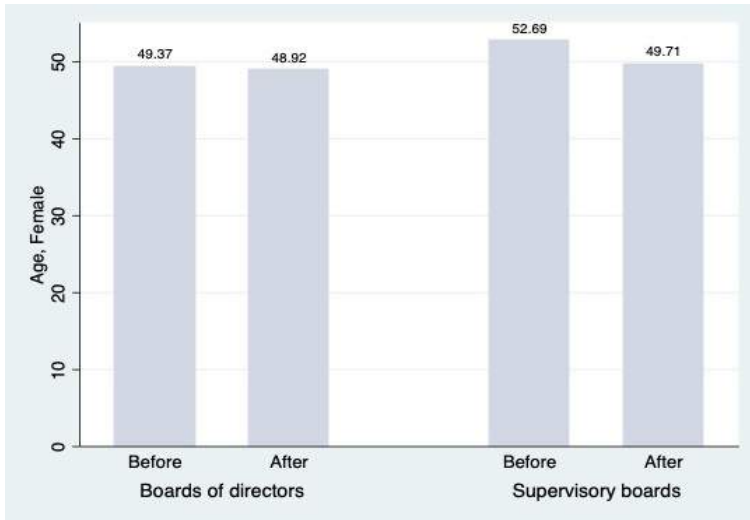
Gender quotas have been associated with more educated women and more educated men, too, hence to more human capital accumulation entering into corporate boards. From these trends, the arguments according to which introducing quotas can lower the quality of directors and advisors can be excluded. Post degree achievements confirmed our findings: women were more educated than men (both before and after quotas) and quotas considerably increased the share of postgraduate members, either males or females (Figure 12).

Figure 9 Age, before and after quotas - Male



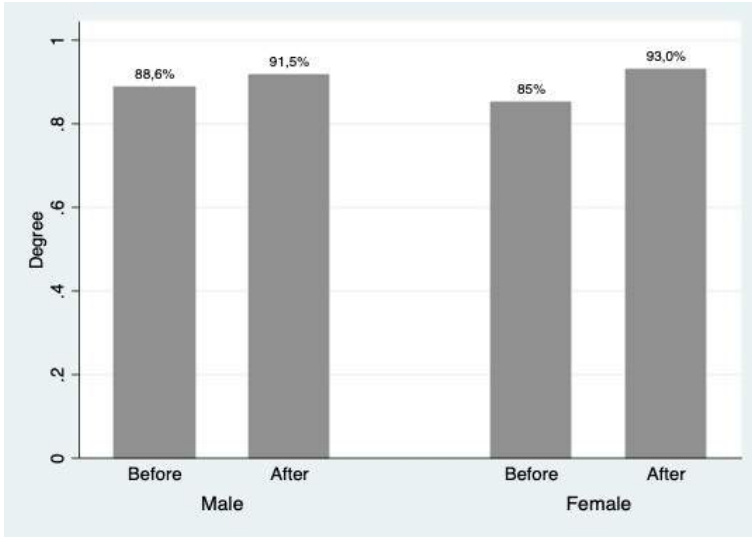
Source: own construction based on CONSOB and DONDENA data

Figure 10 Age, before and after quotas - Female



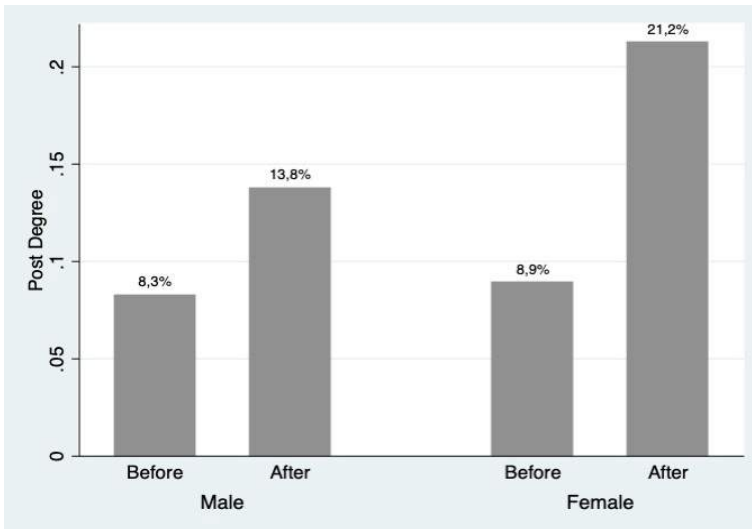
Source: own construction based on CONSOB and DONDENA data

Figure 11 Degree, all boards, before and after quotas



Source: own construction based on CONSOB and DONDENA data

Figure 12 Post degree, all boards, before and after quotas



Source: own construction based on CONSOB and DONDENA data

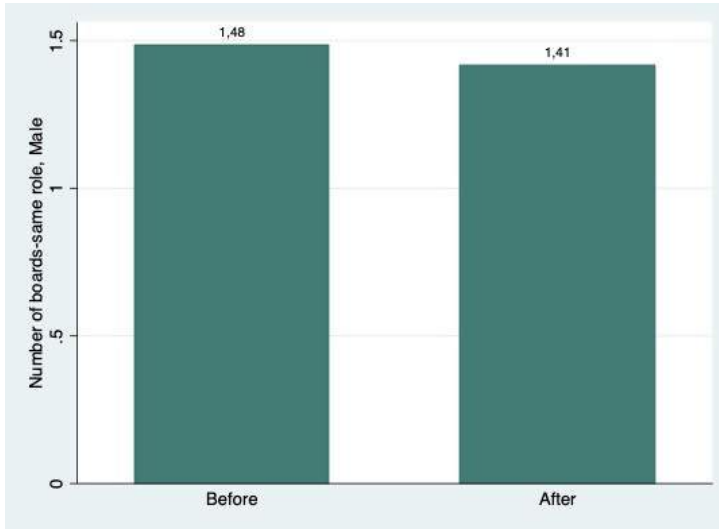
5.3.3 "Golden skirt"

In this section I analyze if quotas are associated with an increase in multiple positions held by the same individuals both for men and women, namely the golden skirt effect. Having multiple positions held by the same group of directors can challenge the effectiveness of the policy in realizing equality and in renewing corporate boards. The average number of seats owned by male and female directors are showed in Figure from 13 to 16. Respectively, Figure 13 shows the average seats held by men in the same position, before and after the Law, Figure 15 shows the average seats held by men in different roles. Quotas have been associated to a reduction of the average number of seats for male, both in the same role (from 1,48 to 1,41), both in different roles (from 1,44 to 1,35).

Figure 14 and 16 shows the average seats for female directors and advisors, respectively in the same role and in different role, before and after the Law. While for multiple positions in the same role, the average number of seats was almost stable, the average number of multiple seats in different roles decreased (from 1,37 to 1,27), suggesting a possible improvement in specialization for women.

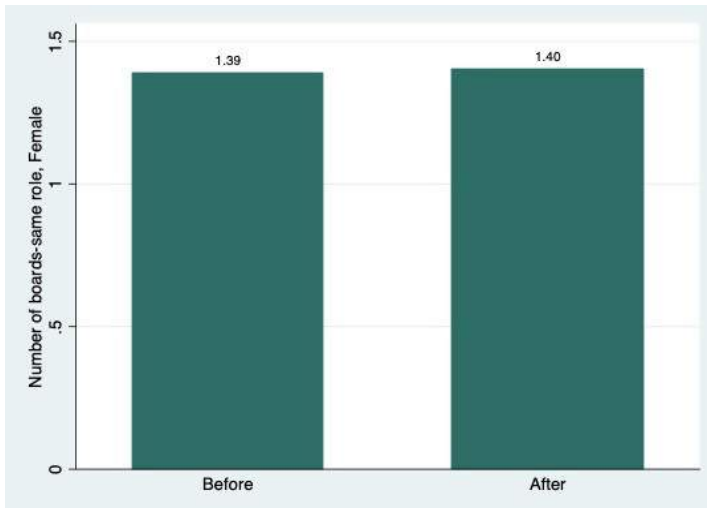
The trends presented did not find any supporting evidence of golden skirt effect, but they provide further evidence on the new selection mechanism and a general review of governance boards and appointments.

Figure 13 **Multiple positions in the same role, all boards, before and after quotas – Male**



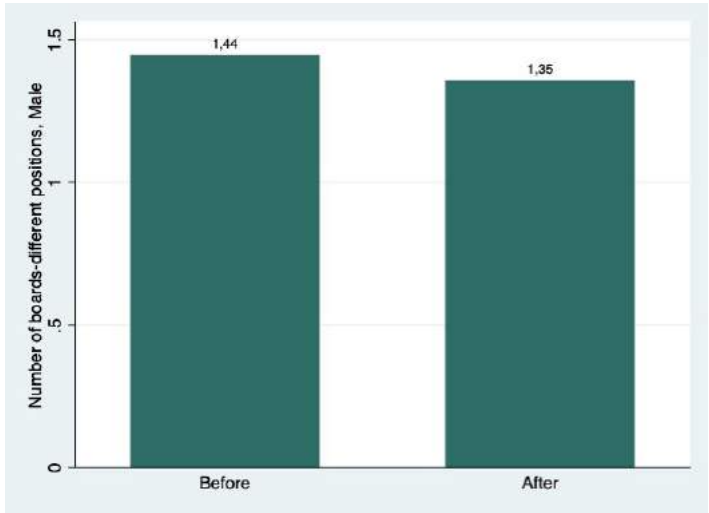
Source: own construction based on CONSOB and DONDENA data

Figure 14 **Multiple positions in the same role, all boards, before and after quotas – Female**



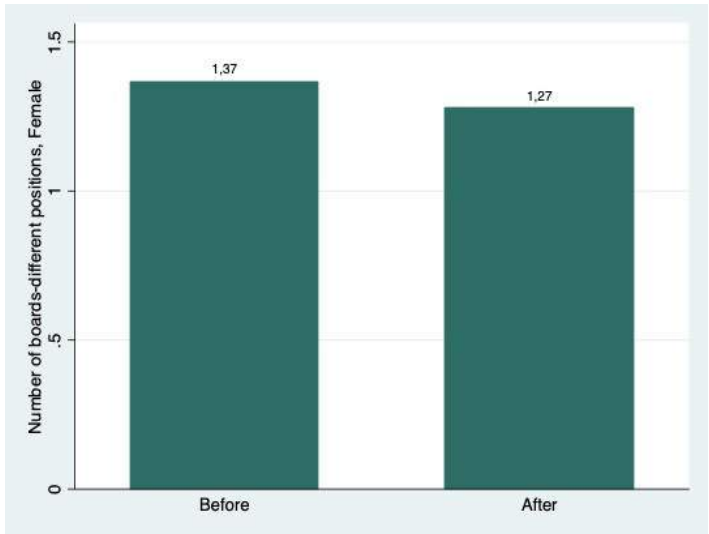
Source: own construction based on CONSOB and DONDENA data

Figure 15 **Multiple positions in different roles, all boards, before and after quotas – Male**



Source: own construction based on CONSOB and DONDENA data

Figure 16 **Multiple positions in different roles, all boards, before and after quotas - Female**



Source: own construction based on CONSOB and DONDENA data

Conclusions

In this paper I attempted to provide an overview of the main trends associated to the Law 120/2011 introducing a temporary, gradual and mandatory gender quota in Italian listed and state-owned companies.

By analyzing 95 companies in the Lombardia region from 2007 to 2015, gender quotas seem to be associated to an increase in women in leadership positions via direct and indirect mechanisms often above the mandatory share required by the Law. The policy is positively correlated to younger and more trained women, as well as a higher level of human capital accumulation also for men, thanks to a possible increase in competition for appointments and to a general renovation in selection mechanisms. The latter is confirmed by ruling out a possible golden skirt effect, measured by the average seats held by board's members. Trends are consistent with the relevant literature at the national level detecting further empirical evidence on the topic, both in business and in politics (Profeta et al., 2014; Besley et al., 2013; Baltrunaite et al., 2014). Taken together, presented evidence suggests that board gender quotas are an effective policy tool in empowering women, breaking the glass ceiling, achieving a better balance between men and women in leadership positions, while improving governance boards and decision-making processes.

References

- [1] Ahern, K. R., & Dittmar, A. K. (2012). The changing of the boards: The impact on firm valuation of mandated female board representation. *The Quarterly Journal of Economics*, 127(1), 137-197.
- [2] Amore, M. D., Garofalo, O., & Minichilli, A. (2014). Gender interactions within the family firm. *Management Science*, 60(5), 1083-1097.
- [3] Baltrunaite, A., Bello, P., Casarico, A., & Profeta, P. (2014). Gender quotas and the quality of politicians. *Journal of Public Economics*, 118, 62-74.
- [4] Beaman, L., Chattopadhyay, R., Duflo, E., Pande, R., & Topalova, P. (2009). Powerful women: does exposure reduce bias? *The Quarterly journal of economics*, 124(4), 1497-1540.
- [5] Becker, G. S. (1957). *The economics of discrimination*
- [6] Bertrand, M. (2011) *New Perspectives on Gender*, in Card D. and Ashenfelter O. (eds.) *Handbook*
- [7] Bertrand M., Black S. E., Jensen S. and Lleras-Muney A. (2014), *Breaking the glass ceiling? The effect of board quotas on female labor market outcomes in Norway*. NBER Working Paper No. 20256.
- [8] Besley, T., Folke, O., Persson, T., & Rickne, J. (2017). Gender quotas and the crisis of the mediocre man: Theory and evidence from Sweden. *American economic review*, 107(8), 2204-42.
- [9] Bianco, M., Ciavarella, A., & Signoretti, R. (2015). *Women on Corporate Boards in Italy: The Role*
- [10] *of Family Connections*. *Corporate Governance: An International Review*, 23(2), 129-144
- [11] Bruno, G. S., Ciavarella, A., & Linciano, N. (2018). *Boardroom gender diversity and performance of listed companies in Italy*.
- [12] Camera dei Deputati, 2019, *Legislazione e politiche di genere*, n.62, 16th April 2019
- [13] Camera dei Deputati, 2019, *Servizio studi; Società a partecipazione pubblica*, 22nd May 2019
- [14] Decreto legislativo, 19 agosto 2016, n. 175. *Testo unico in materia di società a partecipazione pubblica*, G.U. 8 settembre 2016, n. 210
- [15] Chattopadhyay, R., & Duflo, E. (2004). *Women as policy makers: Ev-*

- idence from a randomized policy experiment in India. *Econometrica*, 72(5), 1409-1443.
- [16] Coate, S., & Loury, G. C. (1993). Will affirmative-action policies eliminate negative stereotypes? *The American Economic Review*, 1220-1240.
- [17] Conde-Ruiz, J. I., & Hoya, C. (2015). "Gender (in) Equality Act" and large Spanish Corporations (No. 2015-03). FEDEA.
- [18] Consob (2018), Report on corporate governance of Italian listed companies
- [19] Dhir, A. A. (2015). *Challenging boardroom homogeneity: Corporate law, governance, and diversity*. Cambridge University Press.
- [20] Duflo, E. (2012). Women empowerment and economic development. *Journal of Economic literature*, 50(4), 1051-79.
- [21] EUPOLIS (2017), *La leadership femminile nelle aziende lombarde: rapporto finale*
- [22] European Union, 2018, 2018 Report on equality between women and men in the EU, 2018
- [23] Eurostat (2018), <https://ec.europa.eu/eurostat/>
- [24] Ferrari, G., Ferraro, V., Profeta, P., & Pronzato, C. (2016). Gender quotas: challenging the boards, performance, and the stock market.
- [25] Flabbi, L., Macis, M., Moro, A., & Schivardi, F. (2014). Do Female Executives Make a Difference. *The Impact of Female Leadership on Gender Gaps and Firm Performance*, CEPR DP10228.
- [26] Gagliarducci, S., & Paserman, M. D. (2014). Gender interactions in firm hierarchies: Evidence from linked employer-employee data. Unpublished Manuscript, March.
- [27] Gamba, M., & Goldstein, A. (2009). The gender dimension of business elites: Italian women directors since 1934. *Journal of Modern Italian Studies*, 14(2), 199-225.
- [28] Holzer, H., & Neumark, D. (2000). Assessing affirmative action. *Journal of Economic literature*, 38(3), 483-568.
- [29] Hoogendoorn, S., Oosterbeek, H., & Van Praag, M. (2013). The impact of gender diversity on the performance of business teams: Evidence from a field experiment. *Management Science*, 59(7), 1514-1528.
- [30] Maida, A., & Weber, A. (2019). Female Leadership and Gender Gap within Firms: Evidence from an Italian Board Reform.

- [31] Matsa, D. A., & Miller, A. R. (2013). A female style in corporate leadership? Evidence from quotas. *American Economic Journal: Applied Economics*, 5(3), 136-69.
- [32] Pande, R., & Ford, D. (2011). Gender quotas and female leadership
- [33] Presidenza del Consiglio dei Ministri, Dipartimento di Pari opportunità, 2017, Regolamento concernente la parità di accesso agli organi di amministrazione e di controllo nelle società, costituite in Italia, controllate da pubbliche amministrazioni, ai sensi dell'articolo 2359, commi primo e secondo, del codice civile, non quotate in mercati regolamentati, in attuazione dell'articolo 3, comma 2, della legge 12 luglio 2011, n. 120
- [34] Presidenza del Consiglio dei Ministri, Dipartimento di Pari opportunità, 2019, Società a partecipazione pubblica
- [35] Profeta P., Amidani Alberti L., Casarico A., D'Amico M. and Puccio A., (2014) *Women Directors - The Italian Way and Beyond*. Palgrave Macmillan.
- [36] Rose, C. (2007). Does female board representation influence firm performance? The Danish evidence. *Corporate Governance: An International Review*, 15(2), 404-413.
- [37] Rudman, L. A., & Fairchild, K. (2004). Reactions to counterstereotypic behavior: the role of backlash in cultural stereotype maintenance. *Journal of personality and social psychology*, 87(2), 157.
- [38] Van der Walt, N., & Ingley, C. (2003). Board dynamics and the influence of professional background, gender and ethnic diversity of directors. *Corporate Governance: An International Review*, 11(3), 218-234.
- [39] World Economic Forum (2018) *The Global Gender Gap Report 2018*, World Economic Forum,

PARTNER ISTITUZIONALI



BUSINESS PARTNER



SOSTENITORI

Acquirente Unico

Assonebb

Kuwait Petroleum Italia

Mercer

Natixis IM

OASI

Oliver Wyman

Pfizer

SACE

Salini - Impregilo

Sisal

Per attivare un nuovo abbonamento
effettuare un **versamento** su:

c/c bancario n. 36725 UBI Banca
Via Vittorio Veneto 108/b - 00187 ROMA
IBAN IT 47L 03111 03233 000 0000 36725

intestato a: **Editrice Minerva Bancaria s.r.l.**

oppure inviare una **richiesta** a:

amministrazione@editriceminervabancaria.it

Condizioni di abbonamento ordinario per il 2020

	Rivista Bancaria Minerva Bancaria bimestrale	Economia Italiana quadrimestrale	Rivista Bancaria Minerva Bancaria + Economia Italiana
Canone Annuo Italia	€ 100,00 causale: MBI19	€ 60,00 causale: EII19	€ 130,00 causale: MBEII19
Canone Annuo Estero	€ 145,00 causale: MBE19	€ 80,00 causale: EIE19	€ 180,00 causale: MBEIE19
Abbonamento WEB	€ 60,00 causale: MBW19	€ 30,00 causale: EIW19	€ 75,00 causale: MBEIW19

L'abbonamento è per un anno solare e dà diritto a tutti i numeri usciti nell'anno.

L'abbonamento non disdetto con lettera raccomandata entro il 1° dicembre s'intende tacitamente rinnovato.

L'Amministrazione non risponde degli eventuali disguidi postali.

I fascicoli non pervenuti dovranno essere richiesti alla pubblicazione del fascicolo successivo.

Decorso tale termine, i fascicoli disponibili saranno inviati contro rimessa del prezzo di copertina.

Prezzo del fascicolo in corso **€ 25,00**

Prezzo di un fascicolo arretrato **€ 40,00**

Publicità

1 pagina **€ 1.000,00** - 1/2 pagina **€ 600,00**

Editrice Minerva Bancaria
COMITATO EDITORIALE STRATEGICO

PRESIDENTE

GIORGIO DI GIORGIO, Luiss Guido Carli

COMITATO

CLAUDIO CHIACCHIERINI, Università degli Studi di Milano Bicocca

MARIO COMANA, Luiss Guido Carli

ADRIANO DE MAIO, Università Link Campus

RAFFAELE LENER, Università degli Studi di Roma Tor Vergata

MARCELLO MARTINEZ, Università della Campania

GIOVANNI PARRILLO, Editrice Minerva Bancaria

MARCO TOFANELLI, Assoreti

Gender gaps in Italy and the role of public policy

In Italia il tema della parità di genere è di particolare urgenza. Secondo classifiche internazionali nel 2018 il Paese si attesta al 70° posto (su 149 Paesi considerati) rispetto al 41° del 2015. Ciò nonostante, di parità di genere se ne parla in modo spesso superficiale, le azioni concrete sono poche e le risorse limitate. Questo numero di Economia Italiana, **editor la prof.ssa Paola Profeta**, fa il punto sul gender gap nell'economia italiana e analizza il ruolo della politica pubblica proponendo stimolanti spunti di riflessione.

Daniela Del Boca, Enrica Martino, Elena Claudia Meroni e Daniela Piazzalunga analizzano il ruolo che le diverse forme di cura nei primi anni di vita hanno sull'influenza di bambine e bambini, per comprendere come incoraggiare il loro sviluppo cognitivo e non cognitivo specifico e ridurre i differenziali di genere nel corso della vita. **Francesca Carta** partendo dalla partecipazione femminile al mercato del lavoro in Italia si concentra sul ruolo delle politiche in materia di congedi di paternità e servizi per l'infanzia. Anche **Francesca Barigozzi, Helmuth Cremer e Chiara Monfardini** pongono l'accento sulla cura dei figli che, soprattutto in Italia, penalizza il lavoro delle madri. **Giuseppina Gianfreda e Giovanna Vallanti** affrontano il tema dei tempi di giustizia e dei costi di licenziamento e gli effetti della durata dei processi sulla parità di genere nel mercato del lavoro italiano. Focalizzandosi sulla rappresentanza delle donne ai vertici aziendali, **Anna Rita Macchioni Giaquinto** propone un approfondimento sulle conseguenze delle quote di genere introdotte dalla legge "Golfo-Mosca" del 2011. L'intervento di **Alessandra Perrazzelli** approfondisce il ruolo delle donne italiane tra lavoro e genitorialità, nodo cruciale dei differenziali di genere.

Nelle "rubriche", **Roberta Palazzetti** spiega come la diversità di genera possa costituire un impulso all'innovazione costituendo un vantaggio competitivo. **Pamela Minelli e Alberto Navarra** invitano ad una riflessione sul gender gap come fattore che rallenta le strategie di successo aziendale. **Valeria Manieri** propone la sfida di costruire un futuro tecnologico a misura di donna.

ECONOMIA ITALIANA nasce nel 1979 per approfondire e allargare il dibattito sui nodi strutturali e i problemi dell'economia italiana, anche al fine di elaborare adeguate proposte strategiche e di *policy*. L'Editrice Minerva Bancaria si impegna a riprendere questa sfida e a fare di Economia Italiana il più vivace e aperto strumento di dialogo e riflessione tra accademici, *policy makers* ed esponenti di rilievo dei diversi settori produttivi del Paese.