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**It's important for us to have diverse thoughts\***

OMFIF Sustainable Policy Institute Podcast

Margarita Delgado, Deputy Governor

*\*This is a transcribed and edited part of their conversation. [The full conversation is available here.](#)*

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Emma McGarthy, head of OMFIF's Sustainable Policy Institute, spoke with Margarita Delgado, deputy governor of the Banco de España, on central banks' work in gender policy, driving financial inclusion, targets and strategy.

**Emma McGarthy: There's a significant amount of evidence that increasing women's access to finance and including women in the leadership of financial institutions has positive outcomes on financial stability. Can you talk me through that and the role that central banks should be playing in driving gender inclusion and access to finance for women?**

**Margarita Delgado:** This is a very important question for central bankers. The mission of Banco de España is to support stable economic growth. Central banks in Europe and western economies pursue both price stability and financial system stability. And within our values and our vision, we try to embed our diversity and inclusion statement, encouraging equal opportunities and promoting diversity and inclusion.

It is important for us to have diverse thoughts. And in this challenging [socioeconomic] environment, we need all kinds of people around the table. Central banks need to be leaders and set an example for the financial sector. We've seen over the last 10 years, not only in society, but also internally in Banco de España, a clear trend where women are predominant in staff numbers. In the composition of our workforce since 2019, women make up the majority, above 50%. We are really proud of that.

But we need to go deeper into what this number means, and go by subject matter: economics, macroeconomics, finance, markets, supervision or administrative and supporting functions, because the differences are important in terms of managerial roles as well. There is still a lot of work to be done. Women cover less than 40% of the managerial positions and in some parts of the bank, it is below this figure. So it is a priority for us to balance the number of managerial positions in terms of gender.

**EM: Could you talk me through these principles and the work the Banco de España is doing to drive stronger equality? What initiatives and policies are the bank working on to help bridge that gap and move that percentage more positively towards women?**

**MD:** We have already taken different initiatives. Let me just group them into four blocks.

First, we have data scientists and researchers in our research department analysing the situation. The first outcome that appears is that fewer women tend to apply to management positions. Now, we need to really understand the root causes of that. We have also set some key performance indicators for managers and surveys related to gender equality to try to understand better why fewer women within the bank apply to managerial and upper managerial positions.

Second, we have implemented work-life balance measures that might encourage women to apply for managerial positions. We are aware that this is usually one of the key elements that women consider when applying. I can say proudly the actions taken by Banco de España have gone beyond what the government sets. We have seen also men applying for certain work-life tools and this is very good, because we need to involve men in all these aspects. Additionally, we have implemented recruiting panels and use inclusive language in our vacancy notices. We have just recently implemented an equality plan with 23 specific measures. These measures cover different aspects: communication, training, data gathering and these new work-life balance measures. So I think this is a major step forward.

Third, we have raised awareness about gender diversity within the organisation. We have implemented a group of diversity ambassadors among managers of a set of departments of the bank. These include men as well. This kind of accountability on all senior managers is really important in all organisations and especially in big organisations like this one.

And finally, we have launched a leadership programme to coach and track the progress of high-potential women. This is the second year of the programme. I'm a sponsor, and the feedback we have received is really, really positive.

**EM: What impact do you think all of this can have on the wider financial sector in terms of their diversity initiatives and driving stronger gender equality practices within their own organisations?**

**MD:** Maybe we can distinguish two dimensions. First, the broader question: what does parity or diversity bring to decision-making? From the more organisational point of view I think more diversity in central banks is key for the success of its mission. I think this is also key for a better communication with the financial system by making sure policy-makers reflect the diversity of the population we serve, but it's also important for our role of regulation and supervision of the financial sector. This gives us more credibility, more trust. We must reflect what we expect for the society and the financial sector. It is important that not only public institutions but also the main financial institutions serve as leaders of this change in society.

From a more global and more general point of view, having different views, different perspectives, a diverse framework provides us with more tools to be successful. There is research that proves teams and companies that are more diverse in terms of composition

are 70% more likely to capture a new market than firms that are not diverse. So clearly, it fosters creativity, innovation. And I think both are key elements in this complex environment.

**EM: How will bringing in stronger gender diversity drive better returns for investors?**

**MD:** It's not only a question of innovation, creativity, but also problem solving. I think we need diverse governance of financial institutions and governance of big corporations. We will need a diverse board with a wide range of expertise, not only gender, but different backgrounds, experiences and perspectives. So gender parity and gender diversity is another input to reach those needs. This ultimately will produce better results for investors. I think everything is related. And we supervisors always require banks to have diverse workforces, not only in terms of gender, but even more precisely in terms of backgrounds, experience and knowledge.

**EM: How can having women in leadership positions drive stronger financial stability, which is a core mandate of a central bank?**

**MD:** Diverse teams lead to better decisions, because of the variety and the widespread points of view. And this is the cornerstone for a sound and robust financial sector. Proper balances within the board drill down into the different layers of the organisation. So, as supervisors and regulators, this is crucial for the financial sector and for financial stability more broadly.

I really believe that financial institutions need to assess whether their business model is sustainable, not only in terms of ESG but also sustainable from an economic point of view for the future. We are now witnessing changes in technology, consumer preferences, new commerce, new competitors and different ways of interacting with the clients. This will require a deep analysis of the strategies, and the different factors that converge in this complex financial landscape.

In my view, diverse leaders are better prepared to assess the context to lead organisations and ensure a more stable financial sector and provide a stable growth for the economy. So, I think this is crucial in terms of the diverse points of view women bring into this discussion. I think they can bring a lot of common sense and a different perspective.