OLD HOPELESSLY IN

The role of public policies in supporting the extension of working life

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CONTENTS

- Public policies and organizations strategies
- The Italian case (before the crisis)
- The Italian case (after the crisis)
- Perspectives of an ageing work-force
- Conclusions and recommendations
HOW PUBLIC POLICIES INFLUENCE ORGANIZATIONS STRATEGIES

Public policies (employment, welfare etc.)

Aging and its issues are a product of the social constructions of the relationships among the three dimensions.

Guillemard 2003

Workers and society

Historical and cultural context

Organizations and market

Gender and health impacts of policies extending working life in Western countries
✓ Public policies and/or social partners negotiation favour the adoption of specific strategies to face (supposed) limited employability of older workers.

✓ Organizations adopt available strategies.
### AVAILABLE STRATEGIES

<table>
<thead>
<tr>
<th>Type of solution chosen</th>
<th>Approach principle</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accept limited employability</td>
</tr>
<tr>
<td>Financial measures</td>
<td>Replacement strategy (replace older workers partly by younger employees)</td>
</tr>
<tr>
<td>Short term realisation</td>
<td></td>
</tr>
<tr>
<td>Guiding measures</td>
<td>Support strategy (stagnation requires measures aimed at suitable employment)</td>
</tr>
<tr>
<td>Long-term realisation</td>
<td></td>
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</tbody>
</table>

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THE ITALIAN CASE

FIRST PERIOD: PREVALENCE OF REPLACEMENT STRATEGIES

1980s

- replacement of over 40 workers with young with a more solid educational background
- replacement of staff and administrators with holders of diplomas or university degree
- renewal-replacement of labour more marked in the medium to large, less in small firms
- pattern typical of sectors undergoing radical change in terms of production technologies and organisational restructuring

1990s

- a severe recession reached its peak in 1993
- incentives for flexible contracts addressed to young workers diminished
- the share of 55+ workers remained substantially stable
- employment rate of men 55+ lowered until 2000; the same rate of women remained substantially stable

THE ITALIAN CASE
THE SECOND HALF OF THE 1990s

Employment rate 55-64, by gender

Source: ISFOL elaboration on ISTAT data
THE SECOND PERIOD: PREVALENCE OF BLOCKING STRATEGIES

Before 2001
- Progressive introduction of flexible schemes for younger workers (since 1984)
- Prevalence of replacement strategy

2001 - 2016
- Growing flexibility on the labor market
- Gradual introduction of blocking strategy under pressure of pension system sustainability

Introduction of development strategies with ESF support
MAIN POLICY DRIVERS BEFORE THE CRISIS

- Management assets available as age management tools
- Pension reforms (1992-2007)
- Introduction of Notional Defined Contribution method
  Progressive increasing of retirement age
  Limiting of early retirement schemes
- Continuous training
  Possible priority on 45+ private employees
- Health and safety at the Workplace (2008)
  Longer duration for older workers
  Welfare to work programmes Pathways out schemes still available
- Job protection measures
  All economic sectors covered (public and private)
  Reorganization of control activity;
  Interventions for prevention funded;
  Administrative and penal sanctions rationalized;
  Specific training and workers involvement
  Continuous training
  Health and safety at the Workplace (2008)
  Pension reforms (1992-2007)
  Antidiscrimination legislation (2003)
The ESF Support 2007-2013: In Brief

On one side...

- All the Operational Programmes of all the Italian Regions dealt with active ageing and older workers
- In selected cases the topic was also in pluriennial programs for work and training
- Many CVET projects targeted explicitly over 45 or over 50 workers
- Economic incentives for hiring older workers and/or the central role of PES were often envisaged
- Almost 60% of the interventions dealing with active ageing was covered by ESF

...on the other side

- Generic identification of target groups
- Large prevalence of interventions addressing employability by means of training
- The spreading of the crisis urged ESF to be reoriented to support job protection measures, on the basis of specific State-Regions agreements

Specific ISFOL survey in 2009
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SOME FINDINGS FROM TWO ISFOL SURVEYS (2014)

**Ageing work force in SMEs**

Sample survey on 2,000 private SMEs (except agriculture); 10-249 employees.

**Age management in large companies**

Sample of 152 large companies, 10% of those working on industry; electricity, gas and water supply; waste management; building; telecommunications; publishing; information technology; financial services.

Gender and health impacts of policies extending working life in western countries
### IMAGE OF OLDER WORKERS AMONG SME

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is important to preserve and transmit the distinctive know-how enterprise</td>
<td>77.3%</td>
</tr>
<tr>
<td>It is able to manage crisis and emergency situations that occur in the work</td>
<td>74.3%</td>
</tr>
<tr>
<td>is a worker like the others</td>
<td>73.7%</td>
</tr>
<tr>
<td>It is a resource for the company’s competitiveness</td>
<td>71.1%</td>
</tr>
<tr>
<td>Better understands the purposes and objectives of the enterprise development</td>
<td>56.9%</td>
</tr>
<tr>
<td>It is able to learn new skills and new roles</td>
<td>48.9%</td>
</tr>
<tr>
<td>most affected by the pace and workload</td>
<td>25.6%</td>
</tr>
<tr>
<td>It finds it difficult to manage the work-life balance</td>
<td>9.3%</td>
</tr>
<tr>
<td>negative impact on the company’s balance sheet</td>
<td>9.1%</td>
</tr>
<tr>
<td>easily absent for health reasons</td>
<td>6.9%</td>
</tr>
<tr>
<td>Little or strongly disagree</td>
<td>13.6%</td>
</tr>
<tr>
<td>Somewhat agree</td>
<td>79.4%</td>
</tr>
<tr>
<td>Very or totally agree</td>
<td>74.3%</td>
</tr>
</tbody>
</table>

- Older workers tend to be viewed as a resource for the "continuity" of the business and its core know-how;
- They are respected according to their reliability and experience, but they don’t seem to be perceived as really different from the other workers;
- The organizational context and the working conditions can sometimes make it difficult to exploit their full potential.
Human resources strategies for age management – SMEs (%) (ISFOL 2014)

- Organizational welfare (recreational clubs, associations of workers etc.): 1.9%
- Distance working (tele-work etc.): 3.4%
- Adaptation of the work place: 5.9%
- Work-family balance: 8.4%
- Mixed organizational settings (older-younger) and job rotation: 16.2%
- Flexible working time: 56%

Concern of 50+ issues within Trade unions negotiations in the following 3 years - SMEs (%) (ISFOL 2014)

- 50-249 employees
  - 50-249 employees: 7.7%
  - 20-49 employees: 4.4%
  - 10-19 employees: 1.9%

50+ involved as tutor or coaches within SMEs (%) (ISFOL 2014)

- Total: 36.0% Never, 14.3% Rarely, 29.4% Sometimes, 14.5% Often, 5.8% Always
- 50-249 employees: 21.1% Never, 12.2% Rarely, 38.0% Sometimes, 22.8% Often, 5.9% Always
- 20-49 employees: 32.2% Never, 14.2% Rarely, 29.7% Sometimes, 18.4% Often, 5.4% Always
- 10-19 employees: 39.9% Never, 14.7% Rarely, 27.9% Sometimes, 11.6% Often, 5.9% Always

Gender and health impacts of policies extending working life in western countries
AGE MANAGEMENT PRACTICES IN LARGE ENTERPRISES

Prevalence of interventions on:

- selection and hiring of personnel
- training
- health and safety at work
- career management
- retirement

*Age management* often concentrates on career management

Training is used as a transversal tool
AGE MANAGEMENT PRACTICES IN LARGE ENTERPRISES

16% of companies pay specific attention to hiring 50+ workers (sometimes due to public incentives or CSR of the company)

26.3% of companies provide specific training for older workers

15% formally plan intergenerational skills transfer by means of mentoring, coaching, tutorship for newly recruited staff or in case of job rotation

88% adopt management practices to enhance motivation and productivity of 50+ workers, among which:

• intergenerational dialogue
• recognitions and awards
• people caring and tasks re-design

Gender and health impacts of policies extending working life in western countries
AGE MANAGEMENT PRACTICES IN LARGE ENTERPRISES

Only a few of the companies provide the entire range of age management practices:

✓ Very large enterprises
✓ More than 30% of 50+ workers
✓ Northern part of Italy
✓ Part of larger corporates
✓ Mainly in the service sector (e.g. financial brokerage)
✓ Mission and organization not so much hit by the crisis
✓ CSR culture
✓ Innovative
✓ Skills oriented (training is considered strategic)
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CURRENT CHANGES IN THE LABOUR MARKET

(CNEL REPORT 2014)

The current growth in participation rate of older workers is probably due to a slowing down in exit for retirement.

In 2008, 8% of workers in specific age classes resulted retired. In 2012 and 2013 this share resulted 4.9 and 6.2 respectively.

During last 3 years the share of 60+ persons who declared to be inactive, mainly due to retirement, lowered by 11%.
In 7 years, the employment rate of 55+ increased by 12% points, compared to a decreasing trend reported for all the other age classes.

The increase is largely due to the growth in the employment rate of women (from 23 to 36.6, +13.6%) 

Also the absolute number of 45+ workers increased in the same period.
- Relevant growth in the number of unemployed older workers
- Unemployment is already critical for 45+ workers
- Among job seekers, age is considered a critical factor by more than half of the 45+.
Gender and health impacts of policies extending working life in western countries

Mean age of total population
2014: 44.2
2025: 46.1

Shrinking of the labour force (%)

Source: ISTAT

Source: OECD
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**CONCLUSION:**

**ACTIVE AGEING AND/OR POSITIVE AGEING?**

<table>
<thead>
<tr>
<th>Awareness raising</th>
<th>Measures for local labour markets</th>
<th>Work-related resources availability</th>
<th>Gradual retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific national and local negotiation among social partners</td>
<td>Tailored active labour market policies</td>
<td>Recruitment</td>
<td>Organizational flexibility</td>
</tr>
<tr>
<td>Company welfare mix</td>
<td>Increase women participation</td>
<td>Health and safety at the workplace</td>
<td>Intergenerational transfer of knowledge</td>
</tr>
<tr>
<td>Support SMEs</td>
<td>Address long-term unemployment</td>
<td>Career development</td>
<td>Private pension schemes</td>
</tr>
<tr>
<td></td>
<td>Interventions on firm crisis</td>
<td>Training</td>
<td>sustainability</td>
</tr>
<tr>
<td></td>
<td>Fight against irregular work</td>
<td></td>
<td>Work after retirement</td>
</tr>
<tr>
<td></td>
<td>Improvement of PES</td>
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</tbody>
</table>

Move from a blocking strategy towards a development approach

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