Actively ageing:
Italian policy perspectives in light of the new programming period of ESF

Pietro Checcucci
Active ageing research group, ISFOL

Enhancing employment for the next 20 years:
where investments count
2013 Demography Forum - Charlemagne Building - 6 and 7 May 2013
Summary

• How Italian policies and interventions influenced the strategies of organizations in relation to age management
• The specific role played by ESF during the last two Programming periods
• The strategy envisaged for the programming period 2014-2020
• Concluding remarks
How Italian policies and interventions influenced the strategies of organizations in relation to age management
## Available strategies

<table>
<thead>
<tr>
<th>Type of solution chosen</th>
<th>Approach principle</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accept limited employability</strong></td>
<td><strong>Remedy limited employability</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Financial measures</strong></td>
<td><strong>Replacement strategy</strong></td>
<td><strong>Blocking strategy</strong></td>
</tr>
<tr>
<td><strong>Short term realisation</strong></td>
<td>(replace older workers partly by younger employees)</td>
<td>(activate employability by limited use of early retirement funds)</td>
</tr>
<tr>
<td><strong>Guiding measures</strong></td>
<td><strong>Support strategy</strong></td>
<td><strong>Development strategy</strong></td>
</tr>
<tr>
<td><strong>Long-term realisation</strong></td>
<td>(stagnation requires measures aimed at suitable employment)</td>
<td>(older workers and their managers must learn to improve employability)</td>
</tr>
</tbody>
</table>

Source: Thijssen, Rocco, 2010
The Italian case
First period: prevalence of replacement strategies

(Contini, Rapiti, 1999)

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 over 50 workers remained substantially stable

(Contini, Rapiti, 1999)
The second half of 1990s

Employees by age class and gender

<table>
<thead>
<tr>
<th></th>
<th>15-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Men</strong></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>15-24</td>
<td>10.0</td>
<td>15.0</td>
<td>20.0</td>
<td>25.0</td>
<td>30.0</td>
</tr>
<tr>
<td>25-34</td>
<td>15.0</td>
<td>20.0</td>
<td>25.0</td>
<td>30.0</td>
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<tr>
<td>35-44</td>
<td>20.0</td>
<td>25.0</td>
<td>30.0</td>
<td>35.0</td>
<td>40.0</td>
</tr>
<tr>
<td>45-54</td>
<td>25.0</td>
<td>30.0</td>
<td>35.0</td>
<td>40.0</td>
<td>45.0</td>
</tr>
<tr>
<td>55-64</td>
<td>30.0</td>
<td>35.0</td>
<td>40.0</td>
<td>45.0</td>
<td>50.0</td>
</tr>
</tbody>
</table>

| **Women** |       |       |       |       |       |
| 15-24 | 10.0  | 15.0  | 20.0  | 25.0  | 30.0  |
| 25-34 | 15.0  | 20.0  | 25.0  | 30.0  | 35.0  |
| 35-44 | 20.0  | 25.0  | 30.0  | 35.0  | 40.0  |
| 45-54 | 25.0  | 30.0  | 35.0  | 40.0  | 45.0  |
| 55-64 | 30.0  | 35.0  | 40.0  | 45.0  | 50.0  |

Source: ISFOL elaboration on ISTAT data

Employment rate 55-64, by gender

- **55-64 Men**
- **55-64 Women**

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>15.4</td>
<td>15.0</td>
<td>15.0</td>
<td>15.4</td>
<td>15.5</td>
<td>15.8</td>
<td>16.1</td>
<td>16.4</td>
</tr>
<tr>
<td>Women</td>
<td>45.5</td>
<td>43.9</td>
<td>42.4</td>
<td>41.8</td>
<td>40.4</td>
<td>40.1</td>
<td>40.0</td>
<td>39.5</td>
</tr>
</tbody>
</table>
The second period: prevalence of blocking strategies

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

2001 - 2013
- Growing flexibility on the labor market
- Gradual introduction of blocking strategy under pressure of social protection sustainability

Greater concern with the introduction of development strategies with ESF support
Main policy drivers before the crisis

Management assets available as age management tools

- Pension reforms (1992-2007)
- Continuous training
- Health and safety at the Workplace (2008)
- Job protection measures

- Introduction of Notional Defined Contribution method
- Progressive increasing of retirement age
- Limiting of early retirement schemes
- Possible priority on over 45 private employees
- Longer duration for older workers
- Welfare to work programmes
- Pathways out schemes still available

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
Conflicting effects on the labor market (1)

Employment rate 55-64, by gender

Source: ISFOL elaboration on ISTAT data
Contrasting views of the labor market (2)

Duration of working life. EU27 vs Italy. 2010

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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</thead>
<tbody>
<tr>
<td>EU27</td>
<td>59,9</td>
<td>60,1</td>
<td>61</td>
<td>60,5</td>
<td>61</td>
<td>61,2</td>
<td>61,2</td>
<td>61,4</td>
<td>61,4</td>
<td>61,5</td>
</tr>
<tr>
<td>Italy</td>
<td>59,8</td>
<td>59,9</td>
<td>61</td>
<td>59,7</td>
<td>60,2</td>
<td>60,4</td>
<td>60,8</td>
<td>60,1</td>
<td>60,4</td>
<td></td>
</tr>
</tbody>
</table>

Source: Eurostat, 2012
The specific role played by ESF during the last two Programming periods
Greater concern on development strategies: the ESF support

2000-2006

- A very small number of interventions (usually funded by EQUAL; Leonardo Programm etc.)
- Complex projects with strong experimental design
- Uneven definition of active ageing
- Difficult identification of target groups
- Weak political commitment
ESF support 2007-2013: facts from a 2009 ISFOL survey

2.4% of nationale ESF available resources addressed at active ageing and prolongation of working life

Large differences among Italian Regions

The survey:

128 calls for projects

165 projects and interventions

North-west 23

Central 34.5

North-east 34.5

South 7.9
ESF support 2007-2013: resources and beneficiaries

Share of ESF support

<table>
<thead>
<tr>
<th>Resources</th>
<th>Share of ESF support</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESF</td>
<td>60,0</td>
</tr>
<tr>
<td>National funds</td>
<td>10,0</td>
</tr>
<tr>
<td>Regional funds</td>
<td>20,0</td>
</tr>
<tr>
<td>Other resources</td>
<td>30,0</td>
</tr>
</tbody>
</table>

Beneficiaries

<table>
<thead>
<tr>
<th>Category</th>
<th>Share of ESF support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprises</td>
<td>0,0</td>
</tr>
<tr>
<td>Unemployed or under job protection measures</td>
<td>10,0</td>
</tr>
<tr>
<td>Employees</td>
<td>20,0</td>
</tr>
<tr>
<td>Civil servants</td>
<td>30,0</td>
</tr>
<tr>
<td>Others</td>
<td>40,0</td>
</tr>
</tbody>
</table>

Beneficiaries by age class

<table>
<thead>
<tr>
<th>Age Class</th>
<th>Share of ESF support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 45</td>
<td>10,0</td>
</tr>
<tr>
<td>Over 50</td>
<td>20,0</td>
</tr>
<tr>
<td>Over 55</td>
<td>30,0</td>
</tr>
<tr>
<td>Over 60</td>
<td>40,0</td>
</tr>
<tr>
<td>Over 65</td>
<td>50,0</td>
</tr>
</tbody>
</table>

Source: ISFOL, 2009
ESF support 2007-2013: actions

Source: ISFOL, 2009
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 programmes 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
The strategy envisaged for the programming period 2014-2020
The impact of the pension reform

**Without reform**
- Activity rate: 57-66
- 36.6% in 2020

**After reform**
- Activity rate: 57-66
- 47% in 2020

<table>
<thead>
<tr>
<th></th>
<th>variations 2011-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italian older workers 55-66</td>
<td>1,517,000</td>
</tr>
<tr>
<td>Italian workers 15-54 (demographic effect)</td>
<td>-1,284,000</td>
</tr>
<tr>
<td>Immigrant workers 15-66 (demographic effect)</td>
<td>1,334,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,566,000</td>
</tr>
</tbody>
</table>

Source: CNEL, 2012
Labour market trends

Unemployment rates

Demand expressed from employers

Source: Unioncamere – Ministry of Labour, Excelsior, 2012

Source: ISTAT
The possible involvement of 50+ in training

According to an ISFOL 2012 sample survey, 50+ represent:

- **Small enterprises**
  - 12.2% of employees
  - 7.2% of potential trainees

- **Medium sized enterprises**
  - 18.1% of employees
  - 10.5% of potential trainees

- **Large enterprises**
  - 23.6% of employees
  - 16.5% of potential trainees

Source: ISFOL, Audit on training needs, 2012
The strategy envisaged for the programming period 2014-2020

Older workers
- Incentives for hiring older workers
- Active labour market measures
- Flexible organization of work
- Flexible retirement coupled with younger workers handover and training

Others
- Measures to increase women participation
- Measures addressed to long-term unemployment
- Interventions on firm crisis
- Measures against irregular work
- Improvement of PES
Concluding remarks
In conclusion

- Long lasting dual dimension of Italian labour market
- Young in – old out pattern (until the 1990s) gradually shifted towards a blocking strategy pattern
- Until 2008-2009 attention paid by ESF to active ageing and development strategies seemed meaningful
- After the spreading of the crisis the target of the European social fund shifted towards the support to job protection measures
- Present policy drivers: specific incentives to hire older workers and longer coverage of job protection
- Current debate on ESF: room for some kind of support to development strategies and flexible working environments
Thank you for your attention!