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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accept limited employability</td>
</tr>
<tr>
<td><strong>Financial measures</strong></td>
<td><strong>Replacement strategy</strong> (replace older workers partly by younger employees)</td>
</tr>
<tr>
<td><strong>Short term realisation</strong></td>
<td><strong>Support strategy</strong> (stagnation requires measures aimed at suitable employment)</td>
</tr>
<tr>
<td><strong>Guiding measures</strong></td>
<td><strong>Development strategy</strong> (older workers and their managers must learn to improve employability)</td>
</tr>
<tr>
<td><strong>Long-term realisation</strong></td>
<td><strong>Blocking strategy</strong> (activate employability by limited use of early retirement funds)</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>Age Class</th>
<th>1993</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35-44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45-54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>55-64</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Men

Women

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 - 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**
- **Labor market reform (2003)**
- **Pension reforms (1992-2007)**
- **Antidiscrimination legislation (2003)**
- **Continuous training**
- **Job protection measures**
- **Health and safety at the Workplace (2008)**

**Introduction of Notional Defined Contribution method**
- Progressive increasing of retirement age
- Limiting of early retirement schemes

**Possible priority on over 45 private employees**

**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

**Longer duration for older workers**
- Welfare to work programmes
- Pathways out schemes still available
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>EU 27 men</th>
<th>EU 27 women</th>
<th>Italy men</th>
<th>Italy women</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>37,3</td>
<td>34,7</td>
<td>31,6</td>
<td>24,2</td>
</tr>
</tbody>
</table>

Source: Eurostat, 2012

Average exit age from the labour force

<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>
</tr>
</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 national 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
Centre 34.5
North-east 34.5
South 7.9
ESF support 2007-2013: resources and beneficiaries

Share of ESF support

**Beneficiaries**

- Others
- Unemployed or under job protection measures
- Employees
- Civil servants
- Enterprises

**Other age class**

- Over 65
- Over 60
- Over 55
- Over 50
- Over 45

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

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>ESF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employability - adaptability</td>
<td>83,2%</td>
<td>83,2%</td>
</tr>
<tr>
<td>Crisis and firm restructuring</td>
<td>11,5%</td>
<td>8,4%</td>
</tr>
<tr>
<td>Demand/offer matching</td>
<td>10,3%</td>
<td>60,0%</td>
</tr>
<tr>
<td>Self employment</td>
<td>1,1%</td>
<td>0,6%</td>
</tr>
<tr>
<td>Improvement of enterprise skills</td>
<td>4,2%</td>
<td>6,3%</td>
</tr>
<tr>
<td>Information on incentives for working life prolongation</td>
<td>1,1%</td>
<td>6,1%</td>
</tr>
<tr>
<td>Incentives for flexible contracts</td>
<td>1,2%</td>
<td>6,1%</td>
</tr>
<tr>
<td>Improvement of a social environment favourable to gradual retirement</td>
<td>6,1%</td>
<td>0,0%</td>
</tr>
</tbody>
</table>

**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><strong>Total</strong></td>
<td><strong>1,566,000</strong></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

55+
45-54
30-44
25-29
< 24
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

Distribution of training needs:
- Elementary occupations
- Plant and machine operators, and assemblers
- Craft and related trades workers and skilled agricultural, forestry and fishery workers
- Service and sales workers
- Clerical support workers
- Technicians and associate professionals
- Managers and professionals

Legend:
- Small enterprises
- Medium sized enterprises
- Large enterprises
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!