

# Old hopelessly in

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

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At macro level – Labour market level - Public policies and/or Negotiation among social partners favour the adoption of specific strategies to face (supposed) limited employability of older workers. At meso level, organizations adopt strategies made available by public policies and/or negotiation, while at micro level groups and or /individual workers are affected by these strategies.

Strategies for age management made available can be classified and described in various ways. One possible way refers to Thijssen and Rocco, in their contribution to a CEDEFOP publication in 2010, *Working and Ageing. Emerging theories and empirical perspectives*. This contribution, like many others, represent an ideal model which can give a good insight to understand the real behavior of employers. In the words of the Authors: *“Replacement and blocking strategies require short-term measures, with emphasis on funding early retirement to a widespread or limited extent. A replacement strategy stimulates collective early retirement by means of favourable financial conditions. [...] A blocking strategy implies a restriction of collective early retirement facilities and limits early retirement conditions particularly by selective application. [...] On the other side, support and development strategies try to make it easier for older workers to continue working, focusing on maintenance measures. [...] A support strategy is aimed at older workers who are unable to do another job, or even their current job properly, it relies on services from experts on redesigning jobs and adaptive systems and management’s willingness to take employability restrictions into consideration. A development strategy focuses on improving the employability of older workers. This strategy requires management performance evaluations and career development support which includes suitable formal and/or informal learning facilities for older workers.”*

Coming to the Italian case, in order to better understand the current period it can be useful to sketch the characteristics of the previous phase, as concerns the attitude of employers in relation to age management. We can roughly distinguish two periods: a first period going from the 1980s to 2000, in which, according to literature, replacement strategies prevailed; a second period, after 2000, characterized by a gradual shift towards the adoption of blocking strategies, especially under the pressure of the social protection system sustainability.

According to the work of Contini and Rapiti (1999), the characteristics of the first period can be summarized in the prevalence of replacement strategies, or the young in – old out pattern. After the progressive introduction of flexible schemes for younger workers (since 1984) the Italian labour market witnessed:

- The replacement of over 40 workers with young with a more solid educational background
- The replacement of staff and administrators with holders of diplomas or university degree
- The renewal-replacement of labour more marked in the medium to large, less in small firms

The pattern was typical of sectors undergoing radical change in terms of production technologies and organizational restructuring.

During the 1990s the pattern greatly diminished after a severe recession which reached its peak in 1993 incentives for flexible contracts addressed to young workers becoming less attractive. So in this time the share of over 50 workers remained substantially stable. Despite this slow down, the employment rate of 55-64 age class continuously dropped among men until 2000, while it gained only 1 point among women of the same group.

The XXI century probably gradually introduced a shift towards a pattern more similar to the adoption of blocking strategies, especially under the pressure of the social protection system sustainability. Following the pension reforms, which were already started since the first half of the 1990s, and the introduction of a growing flexibility on the labor market since 1996, these years were very rich in different (may be sometimes conflicting) policy drivers.

#### Pension reforms (1992-2007)

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

#### Labor market reform (2003)

Management assets available as age management tools

#### Introduction of an antidiscrimination legislation (2003), following the European Directive

#### Continuous training (Law 236/1993)

Possible priority on over 45 private employees (since 2003)

#### Health and safety at the workplace (2008)

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

#### Job protection measures

Longer duration for older workers  
Welfare to work programs  
Pathways out schemes still available

In this period the employment rate of both men and women 55-64 grow up continuously. As concerns women this trend mirrored that of the total female population.

In the same period, we observed a growing involvement of the European social fund (ESF) in supporting age management strategies and innovation. During the previous programming period (2000 – 2006) we had witnessed a very small number of interventions (usually funded by EQUAL; Leonardo Programme etc.), represented by complex projects with strong experimental design, uneven definition of active ageing, unclear identification of target groups and a weak political commitment.

During the 2007-2013 programming period all the Operational Programs of all the Italian Regions dealt with active ageing and older workers. In selected cases the topic was also mentioned in multi-year programs for work and training, while many CVET projects targeted explicitly 45+ or 50+ workers. Economic incentives for hiring older workers and/or the central role of PES were often envisaged and almost 60% of the regional interventions was covered by ESF.

ISFOL surveyed 128 calls for projects and 165 projects and interventions already funded. Their geographical distribution showed a clear prevalence of the northern and central part of Italy in comparison to the south. The type of beneficiaries clearly showed a concentration on unemployed persons or workers under job protection measures. The intervention on employees or enterprises had a very limited extent. If we compare the typologies of action, we found a greater concentration of ESF on actions addressed to

employability and/or adaptability. Moreover, the large majority of ESF interventions addressing employability were represented by training.

Still we found a generic identification of target groups. A large prevalence of interventions addressing employability by means of training and, last but not least, the spreading of the crisis urged ESF to be reoriented to support job protection measures, on the basis of specific State-Regions agreements.

Policies and measures enforced after the spreading of the crisis in 2008 apparently didn't create more space for age management practices within organizations (e.g. specific training and/or age-friendly organizational assets). Some interesting results come from two recent ISFOL surveys:

- a sample survey on 2.000 private SMEs (except agriculture); 10-249 employees.
- a qualitative survey on 152 large companies, more or less 10% of those working on industry; electricity, gas and water supply; waste management; building; telecommunications, publishing, information technology; financial services.

Within SMEs 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. Context and working conditions can sometimes make it difficult to exploit their full potential.

56% of SMEs adopt flexible working time as the main age management tool, while other types of measures, such as intergenerational groups, job rotation or adaptation of the workplace are much less provided. In many cases 50+ are involved in the intergenerational transmission of knowledge as tutor or coaches, but this possibility markedly decreases with the lowering of the company dimension. Finally, in very few cases age management issues has been debated among social partners and also this propensity clearly decreases in smaller enterprises.

Within large companies the survey found a prevalence of interventions on selection and hiring of personnel, training, health and safety at work, career management and retirement. Age management interventions often concentrate on career management while training is used as a transversal tool.

In particular 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.

Only a few of the companies provide the entire range of age management practices. They are very large enterprises which have an average of 30% of 50+ workers or more. They are located in the northern part of Italy and are part of larger corporates. They produce mainly in the service sector (e.g. financial brokerage) and their mission and organization has not been hit so much by the crisis. They often show a CSR approach, are innovative and skills oriented (training is considered strategic).

Recent forecasts predict a relevant increase in participation rate of older workers from now on, due also to the pension reform. 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%.

Between 2007 and 2014, 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, resulting in +13,6%). In parallel, also the absolute number of 45+ workers increased. In the same period also a relevant growth in the number of unemployed older workers occurred. While unemployment is currently critical among 45 + workers, job seekers identify age as critical factor in view of eventual hiring (more than a half of 45+ reported this opinion, according to the PLUS ISFOL survey).

Population projections envisage a progressive shrinking of the total working age population and a growing share of 50+ in relationship to this latter (e.g. 30% in 2013 and 37% in 2028). This trend will go hand in hand with the growing of the age dependency ratio (-15 & +65 vs 15-64), which will exceed 60% after 2027.

In order to appropriately face a growing pressure on the productivity of 50+ workers, jointly with their possible weakening of their competitiveness on the labour market, specific attention must be paid to the individual and organizational resources which can be useful to older workers to face the (forced) extension of their working life.

This imply for instance to:

- move from a blocking strategy towards a development approach, aiming at awareness raising of stakeholders and providing tailored active labour market policies, specific national and local negotiation among social partners and measures to support SMEs in developing age management actions and tools;
- provide measures for local labour markets, including measures to increase women participation, measures addressed to long-term unemployment, interventions on firm crisis, measures against irregular work and the improvement of PES;
- make available work-related resources, by means of planning recruitment, health and safety at the workplace, career development/guidance and training in order to meet the specific needs and characteristics of older workers;
- providing gradual retirement, by means of organizational flexibility, intergenerational transfer of knowledge, private pension schemes sustainability, and monitoring quality and regularity of work after retirement.