Aspire – Active Ageing Through Social Partnership and Industrial Relations in Europe. The Italian Case

Non-technical country report

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**Executive summary**

This report is the result of a desk research on active ageing and industrial relations in Italy. Its aim is to provide a set of background information to understand processes through which social partners develop, pilot and implement active ageing interventions (including collective agreements) and reorient away from a collusion toward early retirement. Desk research was also integrated with information extrapolated from interviews conducted with four social partners’ representatives and content analysis of a sample of collective agreements. Although the report has not scientific purposes, it serves as a preliminary point of reference to drive the empirical research throughout the project Aspire – Active Ageing for Social Partnership.

Statistics and secondary sources collected in the report indicates that Italy performs well in few measures of well-being in the OECD’s Better Life Index. The country ranks above the average in work-life balance, social connections and health status, but below average in civic engagement, housing, subjective well-being, environmental quality, jobs and earnings, and education and skills. Aging adults in Italy are generally happy with their lives, and many see upsides to getting older.

Italian population is ageing. Life expectancy in Italy was 80.1 years for men and 84.7 years for women. Previsions show that in 2056 young population in Italy (under 14 years old) will account for 12.5%, the population in the working age (15-64) for 54.3% and the population over 65 for 33.2%. Italy has currently one of the highest old-age dependency ratio of EU-27. In consideration of low fertility rates and high life expectancy – that are expected to persist – the old-age dependency ratio could rise to almost two-thirds (2 persons aged 65 or over out of 3 persons in their working age). Therefore, there is significant scope for enhancing labour force participation of disadvantaged groups, and in particular of older workers whose proportion in the workforce is projected to become the highest in 2030, as amounting to almost 25%.

Several statutory and contractual measures are provided to promote active ageing. The main legislative measure that Italy has used to promote late retirement has been the rise of retirement age, the reduction of the incentives for early retirement and the introduction of some specific contracts as on-call contract or casual work that can be concluded with employees over 50. There are also economic incentives for those employers that hire an employee over 50 with fixed-term contract as the reduction of 50% in employer contributions during 12 months. Contractual agreements foresee different measures to promote active ageing, including the following: transforming permanent full-time job into part-time, facilitating working hours reduction or gradual retirement in order to generate new job opportunities for young people.

The report shows that normative provisions aimed at promoting active ageing are barely effective in terms of collective bargaining and HRM outcomes. Effectiveness also depends on the sectors, regions and types of companies. Labour and employment relations reached unprecedented level of complexity in Italy. Varieties of models continue to emerge *within* the country; the common notion of “country model” downplays the diversity across regions, sectors, and businesses. Within sectors, alternative systems are arising too.

Although the promotion of active ageing is not among the priorities of social partners in Italy, they agree that sustainability is the keyword to approach the issue: this means to keep older workers productive and to allow them to respond to the increasing work-life balance demands. In this connection, the industrial relations approach is perceived as a better way to reconcile sustainability with productivity.

When it comes to collective bargaining, active ageing measures are not very common. Nation-wide collective agreements have spontaneously begun to set down provisions that reflect an increasing attention for older workers. In other cases, they implemented measures in response to legislation pressures or incentives. However, when it comes to implement such measures, there is a divide between bigger and smaller companies. Big companies tend to address the problem of an ageing workforce as a priority but they generally unilaterally. SMEs are less attentive on this issue.

Most of the reviewed “active-ageing-related measures” are concerned with cross-generation solidarity. Most of the reviewed measure established at sectoral level, require further firm-level agreements to be implemented. Such firm-level agreements haven’t seen much diffusion, apart from few positive experiences in big/MNEs companies. Some examples of active ageing measures are the Intergenerational Solidarity Pact, the transformation of the permanent full-time job into part-time, working time flexibility and job classification. Collective bargaining is also fundamental when it comes to implement some normative provisions to promote active ageing or intergenerational relay schemes. However, both companies and workers’ representatives are rather sceptical on this issue, as it implicates an added cost for companies or a reduced net income for workers.

Beyond collective bargaining, bilateral bodies are also mentioned as a source of regulation and financing of active ageing policies. Training, income support in case of working time reduction or any kind of welfare measure directed to older workers can be potentially covered by bilateral bodies. However, in most cases such opportunities are unknown.

Overall, the report shows that labour market and policy coordination between different sources of regulation is based on vertical and horizontal subsidiarity. Since provisions set at central level are not mandatory, companies can choose to apply them or not. This explains why, except for mandatory legislation and some collective bargaining measures, most of the normative or economic provisions potentially useful to manage an ageing workforce are not implemented then.