## Good practice: Intergenerational Solidarity Pacts

Collective bargaining plays an important role in regulating Intergenerational Solidarity Pacts, which have been signed in several sectors. This scheme is also promoted by the legislator and, in some sectors, is supported by bilateral funds established by social partners at sectoral level.

In Italy, the main purpose of Intergenerational Solidarity Pacts is to raise youth employment by facilitating early retirement of reduction of working time of older workers. However, they also promote the involvement of older people, by creating a link between different generations, in terms of skill transfer and creation of job opportunities. Pursuant to such agreements, workers who are about to retire can convert their employment relationship into a part-time one and act as tutors for their newly employed younger colleagues. However, these agreements necessitate to be implemented via firm-level bargaining or HRM programmes, and few (big) companies in Italy have done so.

In chronological order, mention should be made of the renewal of the national collective agreement in the chemical industry which took place on 22 September 2012. A range of innovative elements have been laid down, particularly in relation to the Intergenerational Solidarity Pact, also known as *Progetto Ponte*[[1]](#footnote-1). This project has been included in Chapter III on employability and draws on “the willingness of the employers to recruit and invest in young people, provided that older workers who approach retirement accede to convert their full-time employment contract into a part-time one”. The main purpose is that of raising youth employment, and concurrently, promoting the involvement of older people by creating a link between different generations, with the wealth of skills to be transferred from older to younger workers. For the project to be implemented effectively, the legislator has been encouraged to make changes to relevant legislation, particularly to remove certain limitations in the use of “working-time account”. The section that discusses organizational flexibility is also of interest, for it empowers company-level collective bargaining to derogate from national collective agreements in order to favour the recruitment of young people which cannot be hired through apprenticeship – e.g. due to age limits (Art. 25).

Reference should also be made to the collective agreement in the transport sector, which was renewed on 3 December 2012. This new collective agreement puts forth that managers who are about to retire can convert their employment relationship into a part-time one and act as tutors for their younger colleagues or middle managers. This provision is intended to favour youth employment, and above all, generational renewal – through the mutual exchange of knowledge – especially if one considers new legislation on retirement, which allows for workers over 60 years old to stay on at work.

In a similar vein, the collective agreement concluded on 5 December 2012 between Federmeccanica, Assistal, Fim-Cisl, and Uilm-Uil concerning the metalworking industry encourages the recourse to part-time work as a useful instrument for employee turnover and the transfer of skills. In this case, their practical implementation should be accompanied by a review of the relevant legal framework as well[[2]](#footnote-2).

On the same issue, the collective agreement conclusion on 22 January 2013 in the energy sector deserves a mention, for it represents an attempt on the part of social partners to review the organization of work in order to raise productivity and competitiveness in the global market. This is done in an acknowledgement of changes arising from the postponement of the retirement age that occur in the working life, though the actual impact is far from clear. Spending more time at work calls for alternative forms of employment which account for the new retirement criteria in order to promote the wealth of skills gained by older workers, who should be seen as a resource for society as a whole, and not only within the company. To this end, the previous agreement in the energy sector draws on the idea of “intergenerational exchange” discussed earlier, wherein young workers can be hired through apprenticeships, provided that their older peers convert their employment relationship into part-time work. As already pointed out, the effective implementation of this project hinges on the support of public entities, which should bear the social security contributions arising from the conversion of the employment contract, which would be paid by the workers otherwise. Regarding this point, in the sectors where they exist, bilateral bodies and funds are very useful as they can bear the social security contributions. Acknowledging this aspect, the social partners stressed the need for an investigation on the age levels at a sectoral level – to be carried forward by experts in the field – in order to gain a better understanding of the solutions and the issues related to the longer working life and the increased average age of workers.

Intergenerational Solidarity Pacts are the main measure used by social partners to respond to workers ageing. Main Intergenerational Solidarity Pacts are focused in promoting early retirement as this is still the main channel to deal with an ageing workforce in Italy. However, in other countries the main objective of Intergenerational Solidarity Pacts is to increase the employment rate of elderly people.

Intergenerational Solidarity Pacts can create a tension with the high road to active ageing, which is continuous training and retraining to fill the technological skills gap: the two processes – i.e. early retirement and working time reduction on the one hand, and requalification on the other – are often seen as alternative and in fact they are so. In this case, the real challenge is to make selective choices that fit on the needs of the single worker.

1. <http://www.bollettinoadapt.it/old/files/document/19096pezzo.boll.IPPO..pdf> [↑](#footnote-ref-1)
2. <http://www.federmeccanica.it/images/files/ccnl_2012.pdf> [↑](#footnote-ref-2)