



UNIVERSITÀ DEGLI STUDI DI MILANO

DIPARTIMENTO DI  
SCIENZE SOCIALI E POLITICHE

# “Intergenerational bargaining” in Italy: a case of policy failure?

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*ILERA European Regional Congress, Milan, Italy – September 8-10, 2016*

# Outline

1. Overview
2. Recent policy developments
3. Intergenerational solidarity measures in Italy
4. Case studies: description
5. Case studies: analysis
6. Discussion

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# Overview

In Italy, there is a relatively well-developed *institutional framework* for inter-generational solidarity policies, but *practice* is still limited

- Since the mid-1980s, a number of legal provisions and measures have been introduced to support inter-generational solidarity schemes. The last one, in 2015
- However, policies mainly addressed either youth employment (e.g. apprenticeships) or senior workers' early/flexible retirement (e.g. collective dismissal procedures)
- There is little evidence of collective bargaining actions aimed at activating integrated policies for young and older workers

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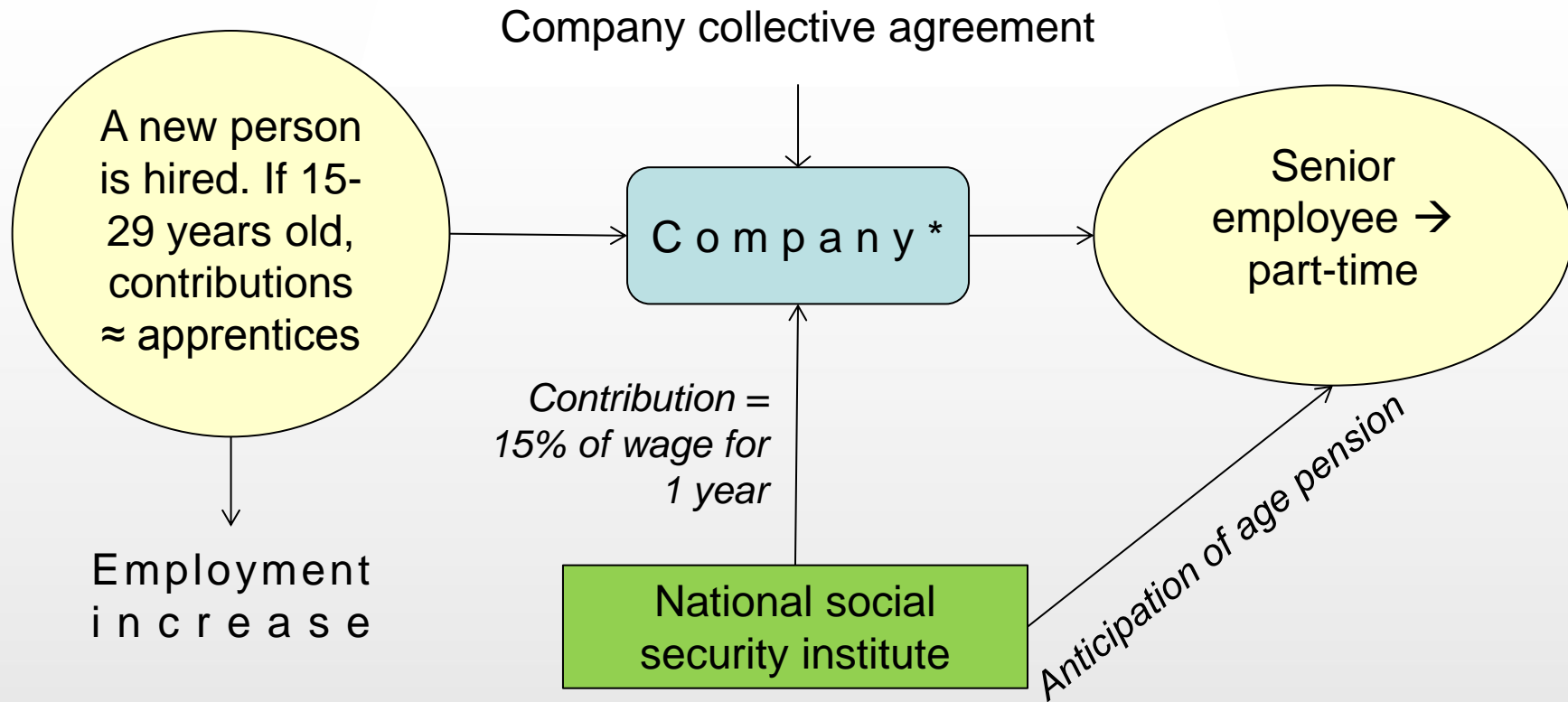
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# Recent policy development

Art. 41 legislative decree n. 148/2015 redefined the rules of expansive solidarity contracts



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# Intergenerational solidarity measures

	Public funding	Private funding
Legal rules	<ul style="list-style-type: none"> <li>• Expansive solidarity contracts (1984, 2015)</li> <li>• Collective dismissal procedures (1991)</li> <li>• Incentives for employment creation / working time reduction (1996/7)</li> <li>• National plan Welfare to Work (2012)</li> <li>• Trento and Bolzano Provinces' support to generational relay schemes (2013)</li> </ul>	<ul style="list-style-type: none"> <li>• Additional benefits and unilateral initiatives (but usually involve collective agreements)</li> </ul>
Contract rules	<ul style="list-style-type: none"> <li>• Company and sectoral agreements to implement public generational relay schemes, e.g. Sandoz (2013/4)</li> <li>• Generational solidarity agreements, 2006</li> </ul>	<ul style="list-style-type: none"> <li>• Parental recruiting practices in public utilities e.g. Poste ('80s-'90s)</li> <li>• Additional company bonuses, e.g. Sandoz (2014)</li> <li>• Company initiatives for early retirement, e.g. Enel (2012)</li> </ul>

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# Case studies: description

**Generational relay schemes:** older workers voluntary apply to reduce their working time, typically by max 50%, for max 36 months and the employer commits to hire a young person, with a net positive impact on staffing levels. The public authority provides financial support to cover senior workers' voluntary contributions.

## **NB: SUCH EXPERIENCES HAD LIMITED SUCCESS**

	Public sector	Private sector
<b>National level</b>		1. "Welfare to work re-employment policies 2012-2014"
<b>Local level</b>	3. Bolzano Province schemes 4. Trento Province schemes	2. Lombardy "generational bridge"

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# Case studies: analysis

## *(Potential) Success factors*

- Generous financial support
- Social partners' involvement
- The possibility to involve private pension funds to speed up procedures and define more flexible arrangements
- The adaptability of schemes, which can address various issues which are relevant at local levels, such as the transformation of existing fixed-term contracts into permanent ones

## *Common obstacles*

- Absence of the necessary agreements between the region/province and Inps.
- Uncertainty due to the instability of the legal framework and political turbulence
- Workers' reluctance to lose part of the salary in times of economic crisis
- Rigid schemes, e.g. workers cannot return to full-time employment after the scheme
- Alternative and often 'more attractive' tools to manage older workers' retirement (e.g. collective dismissal procedures)

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# Discussion (1/2)

- In Italy, legal regulations and collective bargaining only rarely included a clear and explicit link between policies directed towards younger and older workers
- Main examples: generational relay schemes
- Despite many policy initiatives in this field, limited results could be achieved
- Moreover, these seem to heavily depend on public resources, but sometimes they are not enough!
- Personal and regulatory uncertainty seem to reduce the effectiveness of the schemes
- Positive experiences seem to depend on a particularly favourable combination of factors at company level (managerial approach and demographics) and on an external supportive framework

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# Discussion (2/2)

- Did the new legal provisions (2015) introduce elements that could make the intergenerational solidarity schemes more effective? Or it is just about generational turnover? How to make them effective?
- Critical issues:
  - To activate company level bargaining (especially in SMEs)?
  - Workers willing to give up to part of their salary?
  - Companies meeting the requirements? (12 months without using extraordinary wages guarantee fund)
  - Waiting for the implementation of ALMPs reform to set up the inspectorates at local level
  - The use of apprenticeships for young people might be indirectly non-incentivised

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