

Active Ageing
through Social Partnership
and Industrial Relations in Europe.
National Report
for Italy

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ASPIRE 
Active ageing through Social Partnership
and Industrial Relations in Europe

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

Non-technical country report

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1. Introduction

This report is the result of a desk research on active ageing and industrial relations in Italy. It aims to provide background information in order 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 the representatives of four social partners and content analysis from a sample of collective agreements. Although the report has no scientific purposes, it serves as a preliminary point of reference to drive the empirical research throughout the project Aspire – Active Ageing for Social Partnership.

The structure of the report is as follows. Section 2 provides an overview on the country's characteristics. Section 2.1. focuses on the country's model of welfare, capitalism and industrial relations. In Section 2.2, I briefly report how demographic trends in Italy are challenging the traditional welfare model, also showing how the issue of an ageing population is crucial and how this explains recent reforms of the pension system. In the next section, I review all the normative and economic policies directly or indirectly concerned with active ageing, while in Section 4 I focus on the views of social partners and policies concerned with the management of an ageing workforce.

2. Country overview

2.1. The country model

To understand how industrial relations shape active ageing policies, it is important to underline that Italy has a multilevel channel of labour market and regulation of working conditions: statutory legislation, collective bargaining, bilateral institutions set by social partners and human resources management (HRM). The intersection between these sources is crucial to understanding the country's strategies towards an ageing workforce and their (in)effectiveness. Those sources are complementary and coordinated in principle; most of the time, statutory legislation is expected to be implemented or complemented by collective bargaining provisions. Similarly, collective bargaining standards and other bilateral policies negotiated at sectoral level are expected to be applied via firm-level bargaining or HRM. Coordination between different sources of regulation is based on



vertical and horizontal subsidiarity. However, provisions set at central level are not mandatory, thus 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 that are potentially useful to manage an ageing workforce are not implemented then. Disconnect between horizontal coordination policies and their implementation is a characteristic of the Italian model of capitalism, welfare and industrial relations.

Literature on the varieties of capitalism places Italy among the so-called mixed market economies². Strong centralised institutions regulate the economy and the labour markets in Italy. In addition to public institution and statutory norms of regulation, robust industrial relations and bilateral institutions guarantee a good level of horizontal coordination in the country, across sectors. In 2001, Thelen observed that the trajectory of change in the Italian model of capitalism in the 1990s seemed to parallel developments in the coordinated market economies (CMEs)³. However, the country still diverges from pure, coordinated market economies because horizontal coordination is barely effective. This is due to a weak vertical integration of central level actors and those operating at local level. Recent research confirms the traditional status of the Italian industrial relations system within the VoCs' literature: it continues to be somewhere in the middle between liberal market economies (LMEs) and CMEs, with a mix between high degree of horizontal coordination, and low degree of vertical coordination.

The same mixed position emerges when it comes to the country's welfare model. Esping-Andersen placed Italy within the so-called conservative welfare regime, characterised by medium levels of decommodification and preservation of traditional hierarchies. Key features of this model of welfare are: subsidiarity principle (decisions taken at the lowest possible level); support to the traditional family ("Beamter"); relatively high levels of support, but often paternalistic; not universalist; different groups receive different levels of benefits (Beamters receive higher pensions, married families receive more money than couples living together or divorced, etc.). Some commentators assert that when the Latin rim countries of the European Union (Spain, Portugal, Greece) are added into the analysis,

² O. Molina, M. Rhodes, *The Political Economy of Adjustment in Mixed Market Economies: A Study of Spain and Italy*, in B. Hancké, M. Rhodes, M. Thatcher (eds.), *Beyond Varieties of Capitalism: Conflict, Contradictions, and Complementarities in the European Economy*, Oxford: Oxford University Press, 2007.

³ K. Thelen, *Varieties of Labor Politics in the Developed Democracies*, in P. A. Hall, D. Soskice (eds.), *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*, Oxford, Oxford University Press, 2001.



a fourth “Southern” world of welfare emerges into which Italy can also be placed⁴. The Southern welfare states are described as “rudimentary” because they are characterised by their fragmented system of welfare provision, which consists of diverse income maintenance schemes, ranging from the meagre to the generous, and a healthcare system that provides only limited and partial coverage⁵. Reliance on the family and voluntary sector is a prominent feature as well.

Hybridism and dualism have historically characterised the evolution of the Italian industrial relations system, which is marked by a double tension⁶ between the official positions of the actors at the centre of the system and the actions undertaken by them in the periphery, and between the voluntarism and limited formalization of relations between the labour market organizations and their high institutional involvement in the de facto administration of social policies. A seminal book by Richard Locke explained the first tension in terms of localism and particularism, showing that the Italian model of capitalism is based on local socio-political networks and different cultural environments which have a strong and direct influence on industrial relations and collective bargaining⁷: even some important provisions of the Workers’ Statute (Law n. 300/1970), including those related to individual dismissals, are applied in a nonhomogeneous manner, with different judicial solutions here and there in the country. In legal terms, Caruso describes the second tension in reference to the asymmetry between an excess of functions that the law entrusts to collective bargaining and the lack of statutory regulation of trade unions representativeness, coupled with the lack of collective bargaining erga omnes power⁸.

The Italian industrial relations system, indeed, is currently based on the tripartite framework agreement – signed at the inter-professional level in January 2014 by Confindustria, Cgil, Cisl and Uil – and on other similar pacts signed outside the industrial sectors. These agreements have created a voluntary, comprehensive multiemployer bargaining model, with the national sectoral collective agreement regarded as the basis of

⁴ J. Bonoli, *Classifying welfare states: a two-dimension approach*, in *Journal of Social Policy* 199726351–372; M. Ferrera, *The southern model of welfare in social Europe*, in *Journal of European Social Policy*, 1996617–37.

⁵ S. Leibfreid, *Towards a European welfare state*, in: Z. Ferge, J.E. Kolberg (eds.), *Social policy in a changing Europe*, Frankfurt: Campus-Verlag, 1992245–279.

⁶ I. Regalia, M. Regini, *Between voluntarism and institutionalization: Industrial relations and human resources practices in Italy*, in Locke R, Kochan T, Piore M (eds) *Employment Relations in a Changing World Economy*, 1998, Cambridge, MA: MIT Press, pp. 131–163.

⁷ R. M. Locke, *Remaking the Italian Economy*, Ithaca, Cornell University Press, New York, 1995.

⁸ S.B. Caruso, *Democrazia sindacale e rappresentatività - Verso un insolito (evitabile?) destino: la postdemocrazia sindacale*, in *Quaderni di rassegna sindacale*, 2005, 1, 75 ss.; B. Caruso, *Rappresentanza sindacale e contrattazione collettiva sulla flessibilità*, in M. D’Antona (ed.), *Politiche di flessibilità e mutamenti del diritto del lavoro. Italia e Spagna*, ESI, 1990, p. 170.



the system. The multi-employer bargaining model is articulated thus: peak level associations of employers and workers define rules governing the relationships between the bargaining levels, including the following principles: a) *ne bis in idem*, i.e. decentralized bargaining cannot deal with matters already covered by national sectoral collective agreements; b) the scope of decentralized bargaining is defined by national sectoral collective agreements; c) opening clauses entitle decentralized bargaining to deviate from the standards set by national sectoral collective agreements under certain circumstances. These rules, however, are contractual in nature; they are self-regulated and only apply for as long as enterprises voluntarily choose to stay within the multiemployer bargaining structure. Case law on the structures of collective bargaining allows employers to choose between multi-employer and single-employer bargaining. Inter-professional and sectoral collective agreements do not have erga omnes effect, i.e. they are binding on the parties and on the rank and file. However, although not legally binding, voluntary extension mechanisms and case law have increased coverage, now concerning up to 80-90% of the workforce.

In 2009, a process of decentralization started to be prompted through legislative measures. Every year since then, governments have passed exemptions on the income tax and social security contributions for additional wage linked to productivity, such as incentive pay and flexible working time arrangements. Aimed at incentivizing decentralized bargaining, these fiscal measures only apply to variable pay resulting from decentralized collective agreements concluded at district, company or plant level. To further promote decentralization, the government passed Article 8 of Law No. 148/2011 (the Budget Law) in August 2011. The provision allows bargaining at a lower level to derogate from sectoral agreements and national legislation, even those concerning employment protection.

In July 2013, the Constitutional Court provided a new and more extensive interpretation of Article 19 of Law No. 300/1970, according to which trade union workplace representative bodies can be set up by trade unions that participated in the negotiation of agreements in force, even if they did not actually sign any of them. This is a significant innovation, since before that decision, only organisations that formally signed a sectoral and/or company collective agreement in force in the workplace could run in election for employee's representatives.

Overall, labour and employment relations have reached unprecedented level of complexity in Italy. Varieties of models continue to emerge *within* the country; the common notion of a "country model" downplays the diversity across regions, sectors, and businesses. Within these sectors, alternative systems are arising, too. There is consensus that unions and collective bargaining functioned well for advancing the living standards of workers (union and non-union alike) in Italy, because they were well matched to the



traditional features of the labour market. However, increasing heterogeneity in workforce composition is challenging the effectiveness of traditional trade unions strategies. To close labour market cleavages (young workers vs. older workers; insiders vs. outsiders, immigrants vs. natives), a makeover has been undertaken, yet the process is far from being concluded. Employers' representation is being remodelled, too: mergers and fusions, as well as disaggregation processes, became common practices cross-sectorally; increased competition for representativeness within industries resulted in forms of social dumping in collective bargaining.

The economic crisis made the picture even more complex. The jobs crisis persists in the form of high rates of unemployment and underemployment. Job satisfaction declines, wages have stagnated, and income inequality has been allowed to grow. At the shop floor, falling demand determined a wave of concession bargaining, downward wage flexibility, and widespread implementation of short-time work arrangements. Alliances for competitiveness and other forms of pain-sharing made the line between cooperation and conflict more blurred.

2.2. Demographic data and trends

Italy performs strongly 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, yet below average in civic engagement, housing, subjective well-being, environmental quality, jobs and earnings, and education and skills.

A report of the Pew Research Center says that aging adults in Italy are generally happy with their lives, and many see upsides to getting older⁹. For example, more than six-inten adults age 65 and older say they are spending more time with their family and on hobbies and other interests as they get older, and about half or more also say they are experiencing less stress. But for some, aging comes with challenges. In particular, older Italians denounce physical limitations, loss of memory or other mental capabilities, and sadness or depression are currently major problems for them. They are also not very satisfied with some key aspects of life, including the quality of life in their community, the number of friends they have, their housing situations and their family lives.

Since 1950, the proportion of the Italian population over retirement age has more than doubled. Birth rates are low and life expectancy is going up. Currently, Italy has one of the highest old-age dependency ratio of EU-27. Considering the low fertility rates and

⁹ Pew Research Center, *Family support in graying societies. How Americans, German and Italians are coping with an ageing population*, 2015.

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 for every 3 persons of working age). Therefore, there is significant scope for enhancing labour force participation of disadvantaged groups, particularly of older workers whose proportion in the workforce is projected to become the highest in 2030, amounting to almost 25%.

According to ISTAT, the increase in life expectancy in Italy has marked a historic setback. In 2016, it stood at 80.1 years for men and 84.7 years for women. In Italy, between 2004 and 2015, the employment rate of people aged between 55 and 64 years has increased. Passing from 30.6% to 48.2% (59.3 males; 37.9 females), while their inactivity rate dropped from 68.1% to 48.9%.

	2001	2016
Tot. population	56.133	60.656
0-14 years old	14,3%	13,7%
15-64 years old	67,3%	39 millions = 64,3%
Over 65 years old	18,4%	13,4 millions = 22%
Life expectancy at birth	77,0 (m) 82,8 (w)	80,1 (m) 84,7 (w)
Old age dependency ratio	27,9	34,2

Istat 2011, Istat 2016, Eurostat 2014

Based on the latest projections issued by Istat¹⁰, the Italian total population for the year 2065 will be only 1 million people larger than today, due to a persistent negative trend in natural change. By 2018, the natural change is likely to report a loss of 100,000 units per year, and in the following decades the gap between births and deaths is predicted to

¹⁰ Istat, *Il futuro demografico del Paese. Previsioni regionali della popolazione residente al 2065*, 28 December 2011.



become larger. Between 2041 and 2052, natural change will probably report a loss of 300,000 units per year.

Accordingly, the future demographic dynamics of Italy will be determined mainly by the migration flows from foreign countries. According to Istat, by the year 2020, migration flows will bring 300,000 new entrants per year, a figure bound to decrease to 175,000 units by 2065. Overall, Istat foresees that approximately 17,9 million of foreign people will immigrate by 2065. Nonetheless, the ageing of the population will be the most significant demographic trend. In 2056, the youth in Italy (under 14 years old) will account for 12.5% of the population, those of working age (15-64) for 54.3% and the population of those over 65 for 33.2%

This change in the age structure of the Italian population will have a major impact on intergenerational relationships. The young-age dependency ratio (population aged under 14 in relation to that aged 15-64) is predicted to decrease from 21.6% in 2011 to 20.6% in 2030, and then to increase to 23.1% in 2065. However, the old-age dependency ratio (population aged over 65 in relation to that aged 15-64) is a major concern: it is predicted to increase from 31% in 2011 to 61% in 2055.

2.3. The pension system

Italian pension system is articulated in three pillars¹¹:

- 1st Pillar: *so-called Previdenza Obbligatoria* - The first pillar represents the public and mandatory pension, which guarantees a minimum of pension benefit to workers (employees and self-employed) in the public and private sector (National Social Security Institute (Inps) + private bodies for professionals).
- 2nd Pillar: *so-called "Previdenza complementare"* - The second pillar constitutes the private pension provision in form of occupational pension funds.
- 3rd pillar: *Assicurazione obbligatoria contro gli infortuni sul lavoro e le malattie professionali* - The third pillar represents the additional private voluntary pension supplement in form of life-insurance contracts and private pension funds.

The National Social Security Institute (Inps) pays workers' pensions in Italy. Traditionally in Italy, there are two types of work-related pensions: old-age pensions and seniority pensions. Workers may receive the former when they reach the legal pension age; workers may request the latter when they reach the minimum pension age and have paid 35 years of contributions. According to the pension reform introduced in 1995 and later revised on different occasions: 1. Workers with at least 18 years of contributions on

¹¹ A. Avio, *La vecchiaia della pensione?*, in *Lavoro e Diritto*, 2013, 3.

31 December 1995 receive pension cheques calculated with the previous system, based on the earnings of the last years of their working lives (defined benefit system; in Italian, *sistema retributivo*); 2. Workers with less than 18 years of contributions on 31 December 1995 are entitled to pensions which are calculated pro quota, that is the method of calculation where it is earning-based until 1995 and contribution-based after that (defined-contribution system; in Italian, *sistema contributivo*); 3. Workers employed for the first time after 31 December 1995, to whom the new contribution system applies entirely, receive a pension which is exclusively calculated based on their contributions.

The 2011 pension reform was introduced with article 24, law decree n. 201, 6 December 2011, with the following objectives:

- to guarantee the respect of international commitments;
- to guarantee the economic-financial stability and sustainability of the Italian pension system in the long term.

From 1 January 2012, pensions are calculated only based on the contributions paid, for at least 20 years. Retirement age is 66 for all male employees and the self-employed. By 2018, this age requirement will apply to private sector female workers, through gradual monthly increases. Moreover, from 2013 onwards, retirement age is due to be adjusted to life expectancy increases, every second year; as a result, Inps estimates that retirement age will be 68 years in 2041 and 69 years after 2050. However, the 2011 reform provides a safeguard clause, whereby retirement age cannot be less than 67 years from 2021 onwards, even if this target is not achieved through such adjustments. Seniority pensions can be paid after 40 years of contributions (in this case no age-related conditions apply). As a consequence of the pension requirements change introduced in 2011, workers who had voluntarily accepted to be laid off in case of company restructuring and were expecting to benefit of the ‘mobility’ allowance until their formal retirement, remained with no job and no pension (they are called *esodati* in Italian). Estimates suggest that these workers are about two hundred thousand.

Overall, workers can now rely on:

- The so-called *Nuova pensione di vecchiaia* (new old age pension): Minimum 20 years of paid contributions and new age requirements ranging as follows:
 - 66 years for employees in the public sector (men and women);
 - 62 years for women working in the private sector / 66 for men;
 - 63,6 years for self-employed (women) / 66 for men.
- The so-called *Pensione anticipata* (anticipated pension): No age limits, but a minimum of years of paid contributions set at 42 years and 1 month for men / 41 years and 1 month for women, to be adjusted according to life expectancy. For

those retiring before 62 years old: penalty (-1% for each anticipated year <2 years / -2% for > 2 anticipated years).

2.4. Replacement rate

The gross replacement rate represents the relation between the annual amount of first retirement pension and the annual amount of pre-retirement earnings. This indicator measures the variation in gross earnings in the phase of transition from work to retirement. In a baseline scenario¹², an employee from the private sector – who in 2010 would receive a pension equal to 73,7% of his last salary – in 2060 will receive a pension equal to 63,1%, with the same contribution requirements. In the prevision period, the gross pension replacement rate is reduced in 10,6 points. The net replacement rate takes into consideration the taxes and the contributions that the employee has to pay. The net pension replacement rate measures how the available income changes as a result of retirement. In a baseline scenario, an employee from the private sector that in 2010 would receive a pension equal to 82,8% of the his salary, in 2060 will receive a pension equal to 72,5%, with the same contribution requirements. In the prevision period the gross pension replacement rate is reduced in 10,3 points. Gross and net pension replacement rates are different for two reasons. Firstly, the loss of income available as a result of retirement is apparently lower in net replacement rates than the one that emerges from the analysis of gross replacement rates. This is because the incidence of contributory and tax deductions on income is higher than that of retirement. Secondly, tax systems are progressive, and this reduces the amount of available income for the employee.

3. Active ageing policies

The very normative basis for active ageing policies in Italy is article 4 of the Italian Constitution, according to which “The Republic recognises all citizens the right to work and promotes conditions to fulfill this right.” However, the issue is not addressed as such in a holistic way; rather, the related policies are fragmented and sometimes incoherent. In general, public policy measures concerned with active ageing include the following categories: age discrimination regulation; incentives for early/late retirement; support for unemployed workers; contractual arrangements.

3.1. Age discrimination regulations

¹² Ministero dell’Economia e delle Finanze, *Dipartimento della Ragioneria generale dello Stato. Midlong term trends for the pension, health and long term care systems*, Report n. 17, 2016.



In Italy, there is not an age discrimination law¹³. Age discrimination regulation is contained in the Worker's Statute. Age has been included among the causes of discrimination foreseen in the article 15.2 Worker's Statute by the article 4 of the Legislative Decree 9 July 2003, n. 216 that has transposed in Italy the Directive 2000/78/EC, establishing a general framework for equal treatment in employment and occupation. The Directive considers age a cause of discrimination.

In the Italian legal system, article 4 of the Law n. 108/1990 allows the dismissal *ad nutum* when an employee has reached the retirement age and meets the requirements to obtain the retirement pension, without any other justification. If the employee decides to postpone the entrance into the pension system and has previously communicated his decision to the employer, the dismissal is not permitted. There are some rules of the Appeal Courts¹⁴ that consider the dismissal of an employee that has reached the retirement age as discriminatory because the criterion used by the company was based only on age. These Courts justify their position by using the Directive 2000/78/EC that prohibits member states to keep discriminatory regulations in their legal systems. Article 6.1 Directive 2000/78/EC contains an exception to this rule: "Member States may provide that differences of treatment on grounds of age shall not constitute discrimination, if, within the context of national law, they are objectively and reasonably justified by a legitimate aim, including legitimate employment policy, labour market and vocational training objectives, and if the means of achieving that aim are appropriate and necessary." Courts of Appeal consider that article 4 of the Law n. 108/1990 doesn't have the legitimate purpose that article 6.1 Directive 2000/78/EC requires to consider that the discrimination was justified. In this case, article 4 of the Law n. 108/1990 protects only the interest of the company that can use the criterion of age to select their employees.

Another of the topics that has been addressed by case law is the use of age as a criterion for the selection of employees that will be dismissed in collective redundancies. The Court of Cassation¹⁵ has established that using the criterion of having reached the retirement age is a lawful. This rule follows the orientation of the Court of Justice of the European

¹³ Information of this section are mainly taken from: E. Pasqualetto, *Il potere del datore di lavoro di licenziare il lavoratore "vecchio" e pensionabile alla luce della normativa antidiscriminatoria, tra disapplicazione della normativa interna e certezza del diritto*, in *Rivista Italiana di Diritto del Lavoro*, 2016, 4; G. Giannì, *Parità di trattamento tra uomini e donne in materia di età pensionabile e di età lavorativa nella giurisprudenza europea*, in *Rivista del Diritto della Sicurezza Sociale*, 2011, 3; V. Piccone, *Principio comunitario di uguaglianza, parità retributiva, età pensionabile*, in *Rivista del Diritto della Sicurezza Sociale*, 2009, 1.

¹⁴ The first one was: Tribunal of Genoa 4 October 2012, n. 1605.

¹⁵ Court of Cassation 13 January 2012, n. 391; Court of Cassation. 11 March 2013, n. 5965.

Union¹⁶, which established a national disposition that lawfully allows collective bargaining to create automatic job termination clauses for reaching retirement age. This possibility constitutes an age discrimination allowed by the art. 6.1 Directive 2000/78/EC. The Court of Justice believes that the termination of the employment contract of older employees facilitates the integration of the young population into the labour market. Moreover, older employees are adequately protected because retirement pension will supply the loss of remuneration. In conclusion, not all the differences on the grounds of age constitute discrimination.

There is also case law regarding the compatibility between the on-call contract (“contratto intermittente”) or casual work (introduced by article 34.2 Legislative Decree 10 September 2003, n. 276 and substituted by article 13.2 Legislative Decree 15 June, n. 81) and age discrimination regulations¹⁷. The on-call contract can be concluded with persons under the age of twenty-four and with more than fifty years. The Court of Appeal of Milan¹⁸ has considered that this provision is contrary to the Directive 2000/78/EC and to the principle of no discrimination for age grounds. This case came to the Court of Cassation that has requested for preliminary ruling before the Court of Justice of the European Union. The Court of Justice has not yet pronounced.

Other discrimination regulations (intersectionality)

In some cases, gender discrimination (that was already in the art. 15.2 Worker’s Statute before the Decree 9 July 2003, n. 216) is related to age discrimination. In Italy, there were differences between women and men regarding the retirement age. With Legislative Decree 6 July 2011, a gradual equalization of retirement age was envisaged. Regarding the public sector, a rule of the Court of Justice¹⁹ condemned the Italian regulation that anticipated a different age for when men and women could access the retirement pension. The Court considered that establishing different retirement ages was not sufficient in reducing the differences in career prospects between women and men.

Employment protection

Before the reform of the article 18 Worker’s Statute and the introduction of the *risingprotection employment contract* for new hired employees, obtaining the

¹⁶ Court of Justice, 12 October 2010, C-45/09, *Gisela Rosenbladt c. Oellrking Gebäudereinigungsges. Mbg.*

¹⁷ E. Gragnoli, *Il contratto di lavoro intermittente e la possibile discriminazione per età*, in *Diritto delle Relazioni Industriali*, 2016, 4.

¹⁸ Court of Appeal of Milan, 15 April 2014.

¹⁹ Court of Justice, 18 November 2010, causa 356/09.

reintegration in the previous job position and full compensation was easier. Employees who faced age discrimination only needed to refer to the lack of a valid and good reason that could justify the dismissal and there was no obligation to prove its discriminatory nature. The employer had the burden of proof that there was a valid reason to justify the dismissal. Reintegration applied in all the dismissal where there was not a valid reason, irrespective of whether there was discrimination or not.

The Jobs Act (Legislative Decree 4 March 2015, n. 23) has changed the regulation of the consequences of unfair dismissals. Nowadays, the obligation of reintegration in the previous job position exists only for discriminatory dismissals. When an employee faces age discrimination, they must prove that there is evidence from which can be presumed the existence of discriminatory acts, agreements or practices. The employer has the burden of proof that there was no discrimination.

3.2. Incentives for early/late retirement

Incentives for early retirement

The lack of interest from the Government and social partners on active ageing is based on the idea that the use of mechanisms for early retirement reduces youth unemployment and facilitates the inclusion of youth in the labour market. This was the tendency in the 1970s and 1980s, but it was abandoned in the 1990s. Currently, the possibility to go on early retirement is subjected to many restrictions, particularly if requested before 62. Article 11 Legislative Decree 5 December 2005, n. 252 establishes a hypothesis of early retirement when there are no more than 5 five years left to mature the requirements to access the retirement pension. Access to early retirement is given on request of the employee when the work activity has been followed by an unemployment period of more than 48 months. It is possible to conclude that in Italy there are many disincentives, more than incentives, for early retirement.

Incentives for late retirement

The main measure that Italy has used to promote late retirement has been the rise of retirement age and the reduction of incentives for early retirement. There are also other incentives that aim to promote the employability of older workers and by doing so a late retirement. Regarding the rise of retirement age, article 24.4 Decree Law 6 December 2011, n. 201 encourages people to work until 70 years old by extending the maximum, workable age. By creating the possibility of working until 70 years old, this disposition constitutes an incentive for the extension of working life. The objectives were to adjust retirement age to current life expectancy and to fulfill the commitments of the European



Union regarding budgetary constraints, economic stability and long-term sustainability of the pension system. This is not new in the Italian system; the possibility of continuing working beyond the retirement age was already in article 4 of the Law n. 108/1990. The decision of the employee constitutes an exception to the possibility of dismissal when the employee has reached the retirement age and meets the requirements to obtain the retirement pension. The purpose of those provisions was to increase the contributions paid in order to obtain a higher amount of retirement pension. Nevertheless, the purpose of article 24.4 Decree Law 6 December 2011, n. 201 is different; it aims to reduce public expenditure, and for this reason, it is included in the Chapter of the Decree Law named “Public expenditure reduction.”

Court of Cassation²⁰ has established that article 24.4 Decree Law 6 December 2011, n. 201 does not constitute a right for the employee because it does not create any automaticity. This is only a social security measure that aims to promote the extension of working life. It is always necessary that the employee that has reached the retirement and the employer convene the continuation of the employment contract based on a mutual evaluation of interests. Otherwise, if there is not an agreement between the employer and the employee, the employer can dismiss an employee that has reached the retirement age and meets the requirements to obtain the retirement pension as established in article 4 of the Law n. 108/1990, regardless of the employee’s opinion. Regarding the incentives that aim to promote the employability of older workers, there are different categories:

- Economic incentives (article 4.8, 4.9 and 4.10 Law 28 June 2012, n. 92): the employer that hires an employee over 50 with a fixed-term contract is entitled to a reduction of 50% in employer contributions during 12 months. If the contract is transformed into an open-ended contract, the reduction in employer contribution will be prorogued another 6 months. If the employee is initially hired with an open-ended contract, the reduction in employer contributions will have a duration of 18 months.
- Regulatory incentives: on-call contract (“contratto intermittente”) or casual work (introduced by article 34.2 Legislative Decree 10 September 2003, n. 276 and substituted by article 13.2 Legislative Decree 15 June, n. 81). The on-call contract may be concluded with persons over 50.

3.3. Support for unemployed workers

With the reduction of possibilities to access early retirement, the burden of early exit from the labour market of older workers has been transferred to the unemployment benefit

²⁰ Court of Cassation, 4 September 2015, n. 17589.

system. The new unemployment benefit (Naspi – “indennità di disoccupazione”) has the same duration for all employees independent of their age, depending only on the duration of the contributions. Before the Naspi, the mobility allowance (indennità di mobilità) regulated in Law 23 July 1991, n. 223) permitted employees who are 50 years old to obtain this benefit for 36 months. Nowadays there is another benefit (Asdi – “assegno di disoccupazione”) for people who are at least 55 years old and that have finished the Naspi; the duration is 6 months. This benefit is not exclusive to those over 55, but also for families with at least one minor.

3.4. Contractual arrangements

Collective labour agreements of «expansive» solidarity

According to legislative decree n. 148/2015, article 41, management and trade unions can agree on a reduction of working time and wage for workers of the company, and concomitant hiring with permanent contract of new workers (young or not). For each worker hired, the employer obtains a reduction in obligation social contributions. In the case of collective bargaining for expansive solidarity workers who have at least 20 years of contributions, are aged a maximum two years less than requested for old age pension, and who have reduced their working time by at least 50%, they can ask for an advance payment of pension up to maximum of lost wage within one year of the signing of collective bargaining of expansive solidarity, because of the reduced working time.

Part-time work

According to law n. 208/2015, article 1, paragraph 284, private employees can transform a permanent full-time job into a part-time one if: they reach 66 years of age 7 months before 31/12/2018; they have at least 20 years of contributions; they reduce their working time by 40-60%. An individual agreement between employer and employee needs to be approved by the local labour directorate and social security office. Advantages for employees include the obligation for employer to pay social contributions directly to employee, tax free, corresponding to hours/time reduced (24%), and virtual contributions for work hours lost. Public financial resources allocated for this plan are: € 60 mln for 2016; € 120 mln for 2017; € 60 mln for 2018.

Intergenerational relay

Initiatives of intergenerational relay date back to the ‘80s in Italy. These initiatives are based on the intergenerational replacement/distribution logic that believes facilitating the reduction of working hours or gradual retirement will generate new job opportunities for



youths. These intergenerational company schemes are subsidized by public resources as compensation for some of the income loss of older workers. This same logic was followed by Decree n. 807/2012 of Labour Ministry²¹ that provided the possibility for the transformation of part-time to full-time employment contracts of older workers (50 years and over), and concomitant hiring of young workers (18-25 years old unemployed (up to 29 if a graduate) eligible for permanent work or apprenticeship). Contribution coverage range from 12 to 36 months for older workers to integrate pension. € 40,285,961 mln € have been allocated to finance such scheme.

4. Strategies and policies of social partners on active ageing

4.1. Review of the literature

Literature about the views and strategies of social partners on the subject of active ageing is limited in Italy. Researchers converge in highlighting that normative provisions aimed at promoting active ageing are barely effective in terms of collective bargaining outcomes.

Anna Rota²² argues that, despite the focus of the international institutions and the European Union on the demographic changes and their effects on the labour market and the social, health and pension systems, public policies at national level show an insufficient attention to the issue of healthy, active ageing. Equally critically, the author notes the absence of activity of social partners, except for some collective agreements at national or company level since 2011. In the context of a serious delay – compared to other European Union countries – and the old stereotype of an ageing workforce, the author tries to outline some future scenarios. Special attention is given to economic interventions in support of plant-level collective bargaining, generational relay mechanisms, and finally to the introduction of social clauses into public procurements, that bind companies to use a certain percentage of older workers during the executive phase of the contract.

In a similar vein, Matteo Corti²³ investigates the contribution of social partners to active ageing in Italy. He stresses that until recent times the country relied upon a system of unemployment benefits and early retirement schemes that allowed old employees to leave the labour market. This is the reason why neither the government nor the social partners

²¹ M. Russo, *Lavoratori anziani e giovani: tutele individuali e misure di solidarietà generazionale*, in *Lavoro e Diritto*, n. 2, 2016.

²² A. Rota, *A proposito di invecchiamento attivo ed in buona salute: quale revisione delle politiche pubbliche nazionali e delle relazioni sindacali?*, in *Diritto delle relazioni industriali*, n. 3, 2016.

²³ M. Corti, *Active ageing e autonomia collettiva. “Non è un paese per vecchi”, ma dovrà diventarlo presto*, in *Lavoro e Diritto*, n. 3, 2013.

are provided with a comprehensive strategy of active ageing. The Monti pension reform (2011) has made it nearly impossible to retire before the age of 60 and, due to the lack of public resources, the Fornero law (2012) has encouraged social partners to build up funds in order to retrain employees and accompany to retirement those who are old and unable to find a new job. In recent times, nation-wide collective agreements have spontaneously begun to set down provisions that reflect an increasing focus on older workers: flexible time arrangements and partial retirement schemes for older workers should be explored in the near future, especially if the legislator offers incentives; health and long-term care insurances are becoming increasingly widespread. Also at the enterprise level, social partners are negotiating welfare and organisational arrangements that are focused on older workers. Nevertheless, the author argues that Italian experience is still underdeveloped from a comparative perspective (some German, French and Swedish examples are briefly taken into account), mainly because of the persistent lack of strategy by the policy makers.

Similarly, Luciana Guaglianone²⁴ is clear that promoting active ageing is not one of the goals of the social partners in Italy. Even when possible, industry-level collective bargaining has not utilized labour market flexibility measures to this end. Nor has plantlevel collective bargaining replaced policies which focus on older workers as appropriate subjects to solve company crises, through exit procedures and with the use of positive measures to protect them. New bargaining policies are needed. Furthermore, it appears that neither the national nor plant-level collective bargaining arenas are the most appropriate means to construct active ageing pathways. According to the author, one solution could be to use the territorial level, which is more attentive to general local/regional needs and more open to the involvement of interest groups than the traditional social partners.

Roberto Pedersini and Lisa Rustico²⁵ focus on intergenerational solidarity policies. They argue that in Italy there is a developed, institutional framework for intergenerational solidarity policies, but practice is limited. Based on their case studies analysis, they conclude that explicit forms of intergenerational solidarity in collective bargaining seem to indicate a possible new approach to industrial relations, which may help to bridge the gap between ‘insiders’ and ‘outsiders,’ with a potential benefit in terms of social cohesion and legitimacy. According to the authors, a number of potential benefits may flow from integrated policy approaches and bargaining for younger and older workers in the Italian industrial relations and labour market context, including the following: simultaneously

²⁴ L. Guaglianone, *Parti sociali e politiche di ageing. Una sfida tutta da giocare*, in *Rivista giuridica del lavoro*, n. 2, 2015.

²⁵ L. Rustico, R. Pedersini, *Italian report of the project: iNGenBar – Inter-generational Bargaining towards integrated bargaining for younger and older workers in EU countries*, 2015.



addressing the employment priorities of an ageing population and youth employment; fighting ageism by generational solidarity; blurring the boundaries of the insiders/outside divide by engaging young workers in representation/voice actions and creating a dialogue between generations. The cases analysed in the report showed that public financial support may be essential, but it is certainly not enough to ensure high take-up rates. From this perspective, the authors argue that it is possible that the main focus on the retirement of older workers may be counterproductive. The relative uncertainty about the retirement rules and prospects recently in Italy, as well as the prevalence of the financial and economic attractiveness of the operation, risk overshadowing new workplace policies centred around the educational and innovative potential of mainstreaming age in human relations policies. Therefore, it seems that a more balanced approach, which would focus on recruitment, the transfer of knowledge and lifelong learning may be better to promote intergenerational policies. Rather than a measure to accompany retirement, the authors argue that intergenerational policies may prove attractive to both employers and workers, if they are a lever for upgrading the skills of both young and older workers; the main objectives are to respond to the changing needs and expectations of workers during their working life and try to involve them at all stages, otherwise they will depend too much on economic and financial conditions. Rather than merely redistributing resources, intergenerational policies could actively improve organisational performance, working conditions and employee satisfaction.

Finally, Michele Tiraboschi²⁶ analyses the role of industrial relations and welfare systems in coping with the challenges of chronic diseases. A growing share of the economically active population is reported to be temporarily unable to work or to have reduced work ability because of chronic diseases, which require special forms of rehabilitation, monitoring and treatment. Many implications exist for these people in terms of income, job opportunities, career and social inclusion, with the economic impact that chronic diseases have on national health and welfare systems, which is still given little attention. This problem is further compounded by a higher life expectancy and the upward adjustment of the age criteria to enter retirement. Yet it is a fact that people's increased longevity leads to either higher demands in terms of social and health services or to higher costs resulting from increased life expectancy. Furthermore, public budgetary constraints, and the consequent strengthening of the subjective and objective criteria to enter retirement and access social assistance, often oblige people to stay longer at work, and thus, put up with physical and psychological issues, which in turn result in reduced ability to work and higher rates of absenteeism. Following these considerations, the author examines the subsequent aspects through a comparative perspective: the shortcomings of

²⁶ M. Tiraboschi, *Le nuove frontiere dei sistemi di welfare: occupabilità, lavoro e tutele delle persone con malattie croniche*, in *Diritto delle relazioni industriali*, n. 3, 2015.

the solutions put forth by labour law and social protection systems; the significance of shifting from disability allowances and passive policies to activation policies and initiatives concerning employability, adaptability and retention; the prevention of chronic diseases at the workplace level; the industrial relations perspective and the review of concepts like “presence at work,” “working task,” and “full compliance with one’s duties.”

The reviewed literature on active ageing in Italy focuses on three aspects: direct active ageing measures; collective bargaining measures; and the role of collective bargaining in implementing statutory legislation. However, as anticipated in the introduction of this report, it is also important to look at other bilateral sources of welfare and wellbeing for older workers. Indeed, Italian social partners affect active ageing through two channels: bilateral bodies and collective bargaining. These two sources are complementary and organised through the principle of subsidiarity. While measures flowing from bilateral institutions are generally focused on the whole workforce, collective bargaining, especially at firm level, tends to be more direct in addressing active ageing. Moreover, HRM is supposed to be another important source of active ageing policies at a firm level, although this channel has not been analysed in this research.

4.2. Active ageing and the industrial relations system

The position of employers’ associations

Employers’ associations tend to take a bottom-up approach to active ageing. They mainly act in response to the requests from companies; therefore, they mainly play a consultancy role for their members. Their labour law and industrial relations departments – which normally carry out consultancy activities toward their members – is competent on active ageing. Active ageing is a priority for the federation to the extent that it is a priority for their members. An interviewee states that: “We believe this is a critical issue for our members and its relevance will increase in the next few years. Skills shortages coupled with ageing workforce put pressure on our members, thus retaining older workers, ensuring their sustainability, and allowing them to transfer value to new generation of workers become priorities.”

Employers’ associations argue that there is a divide between bigger and smaller companies. Big companies tend to address the problem of an ageing workforce as a priority whereas SMEs are less attentive on this issue. On the other hand, big companies are also where more structured HRM departments exist: they tend to involve the federation in the case of very technical issues, mainly concerned with the interpretation of normative provisions, or when there is a specific need to be addressed to public institutions. Moreover, MNEs are where HRM takes place in a cultural environment

wherein it is most favourable to concentrate on active ageing. An interviewee referred to German companies operating in Italy as a good example in this respect.

In general, the approach of employers' associations to active ageing tends to strike a balance between sustainability and productivity of an ageing workforce. According to an interviewee, the policy rationale is "to combine the needs of older workers, in terms of work-life-balance, health and safety and motivation, with the need of the companies to keep workers productive." In principle, these aspects are seen as two sides of the same coin. In some contexts, however, it is much more difficult to combine them, because short-termism tends to prevail in HRM. The wellbeing of workers in general is considered a cost: the return in terms of productivity is not immediate. By contrast, active ageing necessitates investment and a long-term perspective: this is the high-road to productivity.

In this connection, the industrial relations approach is perceived as a better way to reconcile sustainability with productivity: "What is important is that trade unions have a collaborative and proactive approach to this topic and not a conflictual one. If trade unions are keen to collaborate on active ageing policies their support becomes fundamental, as they better know the needs of the workforce." A company's firm-level agreement, which was agreed on by management and workers' representatives, establishes a so-called positive action committee which is tasked with proposing initiatives and solutions for promoting diversity and inclusion – also through a company project called 'inclusion and diversity' – and monitoring the actions of the company's active ageing project, designed to support the activities and potential of employees over the age of 55. This was reported as a good example of how cooperative industrial relations can result in positive measures to promote active ageing at company level.

Collective bargaining is also fundamental when it comes to implementing some normative provisions to promote active ageing or intergenerational relay schemes. However, both companies and workers' representatives are rather sceptical on this issue, as those kinds of measures implicate 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. In most cases, however, such opportunities are unknown.

The position of trade unions

Trade unions are clear that active ageing should be addressed bilaterally. This is because active ageing is a common issue of concern for both employers and workers.



Sustainability is the key to approaching the issue, and this means keeping older workers productive and allowing them to respond to the increasing work-life balance demands.

Nonetheless, trade unions are also clear that active ageing is not a priority for trade unions so far. They are vocal against the government when it comes to pension reforms, but active ageing policies are hardly settled and implemented. Instead what happens is that companies, especially the big ones, tend to address this issue unilaterally. This is unfortunate, since managing the issue at company level, or without trade unions coordination, risks creating dualism in the labour market. Indeed, only the most profitable and structured companies are keen to invest in active ageing, while on average firms are too much concerned on labour cost and short-term management of older workers' problems.

This problem is likely to intensify in the metalworking industry because of technological change. The opinion on this aspect is twofold: on the one hand, automatization makes production more sustainable for workers since workers, including older workers, are less and less required to carry out heavy-duty activities; on the other hand, job polarisation and skill changes risk penalising older workers. Risks seems to prevail over opportunities, and thus, trade unions should act in order to ameliorate and mitigate the technological effect on the older workforce.

In terms of collective action levels, an interviewee argued that multi-employer bargaining is essential to bring universality to the agreed measures. It is important to guarantee a combination of bargaining levels: resources and institutions should be agreed at a national level, and then the local level of negotiation should implement and modulate them. In this connection, the trade unions' representative gave a positive evaluation of some economic incentives that the law recognises in favour of work-life balance measures agreed in firm-level collective agreements. These measures should also be spent on funding programmes focused on older workers. Training programmes, mentoring actions and working-time organisation are key elements that should be negotiated by social partners.

A final comment was given on the wage structure and its rigidity. A provocative question was asked about the fairness of a wage system where older workers produce less and earn more while young workers produce more and earn less. The trade unions' representative said that this is largely a false problem: it is not necessarily true that older workers produce less and earn more. However, the interviewee also recognises the importance of wages being based on competency more than seniority.

4.2.1. Bilateral bodies

Originally established only in the building sector, bilateral bodies were considered instruments of the joint administration of financial resources collected by employers' associations and trade unions for the allocation of benefits in some critical circumstances (illness, occupational injuries, mutual assistance in the event of stoppage or reduction of working hours, and so on). In addition to the building sector, a system of bilateral bodies was set up in the early 1980s in other sectors as well, where industrial relations were weak and where there was also a prevalence of micro enterprises, unstable employment, high turnover of employees, widespread use of atypical and undeclared work, and limited trade union presence. This is the case of the artisan sector, commerce and tourism and – more recently – liberal professions. Accordingly, bilateralism has developed in these sectors as a cooperative method of stabilizing both products and markets, and as a form of protection for workers by means of the joint administration and governance of the entire labour market, becoming the paradigm of a new system of cooperative and collaborative industrial relations. In the context of the Italian system of industrial relations, the expressions “bilateral bodies” or “joint bodies” are used to refer to entities that are set up and regulated by means of collective bargaining and that have three main features:

- 1) they consist of representatives from social partners who conclude collective agreements through which such bodies are governed;
- 2) provide (employment) services and protection to both workers and employers in accordance to what is laid down by collective agreements and by statutory laws. Funds to such activities are collected by means of contributions paid by employers and – to a minor extent – by workers;
- 3) upon the free choice of the parties that comprise them, bilateral bodies are autonomous legal entities.

Bilateral bodies played an active role in renewing the labour market. In this sense, the Biagi law purposely included them among the sources of labour law, classified as a “privileged channel” for the regulation of the labour market (Art. 2, par. 1, sec. H of Legislative Decree No. 276/2003). Bilateral bodies have been set up in different industries not just as a mere service provider, but rather as a means for assisting labour market stability and protecting workers by way of the joint administration and governance of the entire labour market. Accordingly, bilateralism is regarded as an instrument established to enhance cooperative dialogue among social partners and the full implementation of mechanisms of protection for workers, such as the provision of benefits laid down in the collective agreement.

Based on such successful experience in terms of governance and joint administration, the legislator entrusted bilateral bodies with a new and wider set of powers. The special – yet not exhaustive – nature of the functions these committees are empowered to perform pursuant to Art. 2, sec. h of Legislative Decree No. 276/2003, allows for the experience



of bilateralism to handle issues other than those universally regarded as relevant and long-lasting. Indeed, bilateral bodies carry out a number of important functions. In general, they are set up to:

- promote more stable and quality jobs;
- provide placement services;
- devising programmes for training, particularly by means of on-the-job learning; - disseminate good practices against various discriminatory practices, favouring the integration of disadvantaged groups into the labour market; - set up and administer mutual assistance funds for income support;
- certificate employment contracts and their compliance with norms and contributions schemes;
- develop actions and initiatives relating to occupational health and safety; - undertake other activities assigned to them by collective agreements.

Occupational Health and Safety

The role played by bilateral bodies in terms of occupational health and safety is relevant, as they are legally assigned special functions and needed to provide special services. Legislative Decree No. 276/2003 and, more recently, the consolidating legislation on health and safety at work (Implementing Decree No. 81 of 9 April 2008, subsequently amended by Legislative Decree No. 106 of 3 August 2009), view the joint bodies as a channel to promote, steer, and support both employers and employees which should lean on a participatory model to develop strategies concerning health and safety. In practical terms, such legislative support is evident if one considers two funding schemes. Art. 52, sec. C provides for a special fund set up by the National Institution for Insurance against Accidents at Work (*INAIL*) that supports activities carried out by joint bodies. Further, Art. 51, par. 3-bis allows for the usage of ad-hoc funds (*fondi interprofessionali*), or funds for temporary agency workers in order to finance health and safety training programmes. Of relevance is also the fact that – pursuant to Legislative Decree No. 106/2009 – employers can be awarded with a certificate showing that effective OHS management practices and organizational models have been adopted. The fulfilment of these tasks on the part of bilateral bodies also ensures their involvement in terms of health and safety governance, on the assumption that such a participatory model contributes to building a safety culture in the company, increasing the minimum levels of protection in the working environment.

Training

On the subject of training, the Italian legislator has provided a significant number of provisions to allow bilateral bodies to carry out activities with regard to vocational



training. Art 118 of Law 388/2000 sets forth the establishment of some special funds for life-long learning (called interprofessional joint funds for life-long training – *fondi paritetici interprofessionali per la formazione continua*), that are to be laid down in interconfederal agreements among the largest employers' associations and trade unions at a national level. The money allocated amounts to 30% of contributions paid by each worker to employers who join the fund – and corresponds to the mandatory insurance against unemployment. In cases where the employers join the fund on a voluntary basis, it is the National Institution for Insurance against Accidents at Work that is under obligation to pay these amounts of money. Strengthening the role of bilateral bodies as training providers within the company is a result of the view, shared by the parties, that training is a common good and can help to promote employability and competitiveness.

Matching Supply and Demand in the Labour Market

The provision of placement services is among the most relevant functions assigned to bilateral bodies by law. Such an activity can be carried out upon authorization released by the Ministry of Labour pursuant to Art. 6, par. 3 of Legislative Decree 66/2003. The idea to authorize trade unions to serve as placement providers – also indirectly via bilateral bodies – arises from the assumption that they can protect workers not only by negotiating the best working conditions, but also by administering services that help the unemployed and first-time job-seekers access or re-enter the labour market.

Income Support

Bilateral bodies also provide a decisive contribution in terms of income support measures, by administering the mutual assistance of funds that support workers operating in those industries that do not envisage wage guarantee funds. To safeguard workers' rights, the function of bilateralism in this area is twofold: experimenting with practices of co-management, yet still referring to forms of welfare (public aid) provided by the government. Therefore, it is pivotal to devise some innovative welfare schemes that match public measures and non-state sources. To this end, social safety net measures could be supplemented with well-established funds run by bilateral bodies. Aware of this state of affairs, the legislator has laid down a number of provisions – Art.

2 of Legislative Decree 276/2003, subsequently amended and repealed by Art. 5 of Law No. 196 of 24 June 1997 and more recently, which, in turn, has been amended by the set of provisions labeled as *Collegato Lavoro* – to govern and regulate the organisation of funds for income support and the provision of training on the part of relevant authorities. The enactment of the *Collegato Lavoro* has attributed a decisive role to the bilateral bodies, particularly by envisaging unemployment allowances to maintain continuity of



income in cases of prolonged unemployment. In this sense, Art. 19 of Law Decree No. 185 of 29 November 2008 – which was subsequently converted into Law No. 2 of 28 January 2009 and which refers to a scheme laid down by Art. 13, par. 8 of Law Decree No. 35 of 14 March 2005, subsequently converted into Law No. 80 of 14 May 2005 – makes provision for income support to be paid by bilateral bodies in the event of stoppage in those sectors that are not covered by wage guarantee funds, *de facto* increasing the levels of protection. In a similar vein, the direct involvement of bilateral and joint bodies in the provision of lifelong learning constitutes an attempt to experiment with and further develop supplementary welfare schemes to guarantee that workers are offered adequate protection, result of the relationship between active and passive labour market policies.

Integrative pension funds and Integrative health assistance

In several sectors, social partners established so-called bilateral funds for integrative pensions and/or for integrative health assistance. All the workers, employed by a company that applies the NCLA that established the bilateral funds, are covered by an integrative pension fund/health assistance. The funds are financed through shared contributions from workers and companies. In some sectors, there are also specific integrative funds for managerial staff.

4.2.2. Collective bargaining

When it comes to collective bargaining, most of the reviewed “active-ageing-related measures” are concerned with cross-generation solidarity. However, 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 a few positive experiences in big/MNEs companies.

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*. 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 parttime one.” Once again, 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 parttime 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, Assital, 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.

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. 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.

Other bargaining measures

In addition to intergenerational bargaining, collective agreements cover several organisational aspects that are potentially useful to managing an ageing workforce. Working time flexibility and job classification are the most important examples. Contents of collective bargaining in Italy are generally the outcome of a sustainable compromise between flexibility/efficiency/productivity and labour protection/rights. NCLAs are already the sources of several clauses that regulate information and consultation rights, trade unions prerogatives, inclusive provisions related to young people, workers affected by chronic diseases, immigrant workers, and age management.

Firm-level collective bargaining seems to be polarised between the best and the worst practices. The best practices, especially in big companies, tend to reflect the sustainable compromise of NCLAs into integrative and long-term bargaining, where the high-road to productivity prevails: higher wages, but linked to performances; more working time flexibility, but also more work-life-balance instruments; and more participation. The worst practices are those where confrontational industrial relations prevail with negative effects on labour-management relations and the contents of collective bargaining: industrial actions to impede the use of flexibilities, stemming from NCLAs; fixed and compressed wage structures; less participation of workers' representatives in business affairs; pressures to cut labour costs, and so forth. These two approaches to labour relations are somehow reflected in policies that manage an ageing workforce.

Finally, in many marginal companies, especially SMEs, firm-level collective bargaining does not exist at all, and/or NCLAs are applied in “flexible” ways. This means that, irrespective of contents of collective bargaining at all levels, there is a problem of collective bargaining governability and effectiveness. In addition, an increasing number of workers are not covered by NCLAs and firm-level bargaining, or they are covered by low-cost collective agreements signed by non-representative employers and workers' associations. This form of social dumping undermines the sustainable compromise between efficiency and the protection reached by representative social partners in Italy since WWII.

	Diffusion	Measure	Source
Training	Medium	Lifelong learning Vocational retraining Updating	Interprofessional funds for training

Know-how	Low	Mentorship, coaching, shadowing	Collective bargaining Eg. Mutti
Flexibility	Low	Time schedule, job design, smart working, organisation, job changes	Collective bargaining Eg. YKK
Wellness policies	Low	Ergonomics, prevention, lifestyle	Collective bargaining
Awards	Low	Monetary or normative incentives linked to seniority	Collective bargaining E.g. Lamborghini, Lavazza, San Benedetto