

The Workforce Aging and Challenges for Policy and for Business. The Case of Italy

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Abstract

Across Europe, the working age population is decreasing and aging. In this study, with reference to Italy, we analyze the main demographic trends underlying these processes. By using data from the continuous Labor Force Survey, we show the effects of the overall population dynamics on workforce age structure and its composition by professional activities and economic sector. We argue that the observed changes in the labor market are only partially due to demographic trends since they are strictly intertwined with the rigidity of the Italian economic system. We then illustrate the results of two sample surveys conducted among large and small-medium Italian enterprises, respectively. The main result is that the Italian businesses are moderately aware of the aging process of their human resources, and only a few are worried about it. Only few larger companies are actively implementing strategies of age management in order to cope with the issue. Finally, we discuss the implications for the policy of the above results, also in the light of recommendations from the international organizations.

Keywords: workforce aging, older workers, age management, active aging

1. Introduction

The increasing longevity and sustained low fertility generated an intense aging process in all the advanced economies. The population pyramid is reversing and for the first time in the human history, older people are no more a marginal sector of the population. On the contrary, they will be a numerous, strong and powerful presence. All the European countries are experiencing these trends and Italy is ahead in the process (De Rose, Arezzo & Polli, 2019).

Population aging implies an older-than-ever workforce. Extending the labor force participation of the oldest workers is necessary for the social security systems sustainability. However, it turns into a challenge for the employers, namely for the human resources managers, who have to face the increasing age of the workforce with policies enhancing employability and productivity of older workers.

Starting from the 2012 European Year of Active Aging and Solidarity between Generations, many initiatives have been proposed by EU Commission aimed to improve the working conditions for the growing numbers of older people in Europe, to help them take an active role in society, to encourage healthy aging and to strengthen solidarity and cooperation between generations (Checcucci, 2012).

In this process, a strategic role is played by the business management which is called to promote an active aging in the workplace through a system of human resource strategies and good practices called *Age Management* (Rivellini, Marcaletti & Racioppi, 2016).

The aim of this study is to analyze the main features of the workforce aging in Italy and its implication at the economic and business level. The paper is organized as follows: in Section 2 we briefly recall the theoretical references behind the topic and propose a literature review; Section 3 describes the recent demographic trends and its effects on working age population; in Section 4 the labor force features and their changes over time are examined; in Section 5 we illustrate how the Italian businesses perceive and are addressing the processes above with respect to their own human resources; finally, in Section 6 we discuss the policy implications of the aging process according to the lines of action drawn at international level.

2. Background

Population aging has two important direct effects on the labor market: the reduction of working age population and the workforce aging.

Exploring the existing literature on the subject, it is possible to identify other implications (Dixon, 2003; Borsch-Supan, 2003). A possible consequence is the increase in wage costs for companies. In fact, there is a tendency for wages to grow with the age of workers. Another possible effect is the lower overall participation in the labor market, just because the activity rates of older workers are lower than those of young workers. *Ceteris paribus*, if the share of older workers increases over total employment, the number of productive individuals is expected to decrease.

Another important risk associated with aging is the obsolescence of the knowledge and the skills acquired by the workers through their career path and the related risk of loss of productivity. It should be remembered that worker skills influence production levels and favor innovative processes (Disney, 1996). On the one hand, the growth in the number of mature workers could raise the overall experience levels of the workforce and this improvement could have a positive effect on productivity. On the other hand, the knowledge gained by the worker also depends on the training courses undertaken before entering the world of work. If this training dates many years back, there is a risk that the acquired skills will become obsolete with strong effects on work returns. The first studies conducted in Italy on these possible effects show that, currently, the increase in the number of workers over 50 has not reduced the productivity of Italian companies (Polli, 2018).

Finally, two further implications of aging on the labor market are often mentioned: the lower propensity to change jobs by older workers and, consequently, their lower mobility; and the risk of an increase in the incidence of diseases and disabilities among the workforce, that could involve families as well as the national health system.

Many of these arguments, however, have turned out to be tools for discriminating against older workers. Against these deeply ingrained stereotypes, the scientific evidence shows that older workers are, on average, as effective in their jobs as younger ones – although of course there are variations in performance between jobs (Smeaton, Vegeris & Sahin-Dimen, 2009). Older staff have fewer accidents than younger ones and are less likely to leave an organisation voluntarily. Their average net cost to an employer is similar to that of the younger staff. In sum, there is a substantial body of evidence in different EU countries to show that people in their 50s and 60s (the third age) are frequently discriminated against in the labour market (Walker & Maltby, 2012)

Population aging has not to be dealt with only as a challenge for the welfare and the economic systems, but also as a source of opportunities (Checcucci, 2012; Boudiny, 2013; Van Nimwegen, 2013). Indeed, implications of working population aging can be detected both at individual and at business level. At individual level, an expected longer life will result in a prolonged working life, with more and differentiated career paths; moreover, a more satisfying quality of life could be achieved with a better distribution of working time throughout the life course. Businesses, in turn, could seize the opportunity of the increased availability of workforce which is, on average, older and highly motivated: the average age of actual retirement is increasing and there is evidence that many older people welcome the chance to stay longer at paid work, not only for purely economic reasons, but also for the intrinsic interest in work, social commitment and the sense of belonging to the company.

A key question is how successfully employers can adjust to the unprecedented change in the composition of their workforces that aging societies result in. The process of promoting active aging in the workplace implies a system of business strategies called *Age Management*, with the aim of creating the conditions in which each person can express his/her potential without being disadvantaged by their age (Walker & Taylor, 2002).

The specific measures of age management can be traced back to human resources management, such as recruitment, learning, trainings and continuous education, career development, flexible working hours, health protection and promotion, staff redeployment, employment exit and retirement. An approach different from the one concentrating on older employees (from entering the organization to leaving it) is also possible, putting it in a wider organizational perspective: Ilmarinen (2005) emphasizes that the pillars of age management are competences of mature employees and their motivations, and that a friendly, ergonomic and healthy working environment is not an end in itself but becomes a complex tool for achieving the strategic development of the organization. Also facilitating the relationships between the different generations of workers in the company is part of this broader strategy: exchanging knowledge between the oldest and the youngest (mentoring) and the other way round (reverse mentoring) helps to enhance and update the skills acquired during the working life and, at the same time, improves the collaborative climate within the company (Walker, 2005).

Overall, when the company invests in the promotion of people's work ability, it also obtains advantages in terms of productivity and of overall performance. In this perspective, age management can be interpreted as a form of strategic

management, aimed at creating the conditions for which a commitment to work can remain constant over the entire working life of individuals (Marcaletti, 2014).

3. Demographic Trends and Effects on Working Age Population

Table 1 illustrates the recent dynamics of demographic data in Italy and their effects on age structure. The prolonged decline in fertility, that shows no signs of recovery over 1.3 children per woman on average, and the settling of survival levels beyond 80 for men and 85 for women are at the root of the profound structural change in Italian population and its recent decline. These processes are only partially compensated by immigration of foreign citizens: The migration balance (always positive in the recent decades) is quite narrow and, moreover, discontinuous and not uniformly distributed on the territory. The result is a mean age of population higher than 45 years (47 for women), and the continuous increase of the aging indicators: the Aging Index – that is the ratio between the amount of people over 65 years and that less than 15 - has now reached 170x100, saying that old people is 1,7 times the younger part of Italian population. The old-age dependency ratio rose from 33.1x100 in 2014 to 35.1x100 in 2018.

Table 1. Demographic trends. Italy, 2014-2018.

	2014	2015	2016	2017	2018
Population at January, 1 st (mln)	60.8	60.8	60.7	60.6	60.5
Annual Growth Rate (x 1000 in.)	0.2	-2.1	-1.3	-1.8	-1.5
Total Fertility Rate (average number of children per woman)	1.37	1.35	1.34	1.32	1.32
Life Expectancy (male)	80.3	80.1	80.6	80.6	80.8
Life Expectancy (female)	85.0	84.6	85.0	84.9	85.2
Migration balance (x 1000 in.)	1.8	0.5	1.1	1.4	1.1
Mean age of population	44.2	44.4	44.7	44.9	45.2
Aging Index (Pop. 65+/Pop.0-14) x100	154.1	157.7	161.4	165.3	168.7
Old Age Dependency Ratio (Pop.65+/Pop. 15-64) x100	33.1	33.7	34.3	34.8	35.2

Source: own calculation on ISTAT data

With a zoom on active age population (between 15 and 64 years) it is evident that, in addition to being reduced in absolute terms and percentages out of total population, it is increasingly unbalanced by age (Table 2): while the share of young people between 15 and 29 years old remained stable at 24% between 2014 and 2018, in the same period the percentage of individuals between 50 and 65 increased from 30.7 to 33.5% and a further increase is predictable for the years to come.

Table 2. Aging of the active population. Italy, 2014-2018

	2014	2018
Active Age Population (age 15-64) in	39320	38760
Share <i>Young</i> (Pop. 15-29/Pop. 15-64) %	24%	24%
Share <i>Over 50</i> (Pop. 50-64/Pop. 15-64) %	30.7%	33.5%

Source: own calculation on ISTAT data

With respect to the aging of the population, that of the labour force appears much more marked: while, in fact, the percentage of over 55 of the total population of working age has increased in 10 years by only two percentage points (from 18.2 at 20.3%), among the labour force this increase was much more marked (from 10.0 to 16.9%), practically doubled among women (Table 3). Therefore, it would be a mistake to ascribe the entire aging process of the workforce to the aging of the overall population.

Table 3. Age composition. Population versus Labour Forces. Italy, 2007-2017

	Male	Female	Total
% Population 55-64/15-64			
2007	17.7	18.8	18.2
2017	19.7	20.9	20.3
% Labour Forces age 55-64/ 15-64			
2007	11	8.7	10
2017	17.2	16.7	16.9

Source: own calculation on ISTAT data

As largely documented (ISTAT, 2017), more factors interact with each other and affect the supply of labor in Italy: among them there are certainly demographic dynamics, but also participation models, growing schooling and increased participation of women to the labour market. Similarly, the transformations of the labor demand and the structural changes of the productive system, as well as the cyclical trends of the economy have played an important role in changing labor force structure.

Finally, the most recent dynamic is the result of several factors, such as the pension reforms that have delayed the exit from the labor market of many older workers and the economic crisis that has made it more difficult to enter and stay in the labor market, especially for young people.

Figure 1 shows the trend of the mean age of the population and that of employed people in Italy from 1993 to 2017.

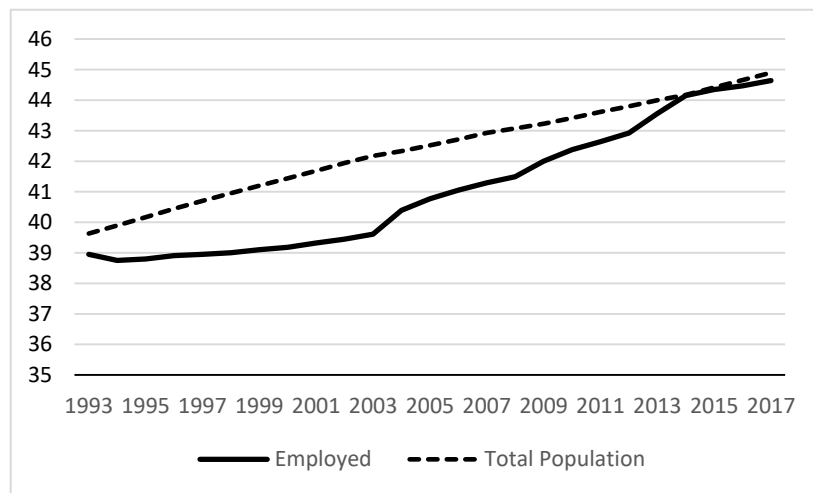


Figure 1. Mean age of employed and of total population – Italy (1993-2017)

Source: Own calculation on RCFL- ISTAT

The mean age of the population has grown linearly with almost constant increases due essentially to demographic dynamics. By contrast, the average age of employees has accelerated far below that of the population until the end of the last millennium; since 2003 there has been an exponential growth in the mean age of workers which in just 10 years has reached that of the overall population. These different trends confirm that the relationship between demographic dynamics and the labor market is rather complex since various economic and social factors intervene and interact with the demographic ones. In the last two years, this difference slowed down, probably due to the end of the economic crisis that allowed more people to re-enter the labor market.

4. Features of the Italian Workforce Aging

Workforce aging is a phenomenon that affects the entire European Union (Figure 2). The percentage of employed people (out of total number of employees) declined between 2005 and 2013 in all the younger age groups (between 16 and 44 years old), while it increases in the age groups 45-54 and, above all, 55 and plus. In comparison with the whole continent, however, in Italy the decrease in the younger age group (25-34 age class) and the increase in the middle-older age class (45-54) have been a bit more pronounced.

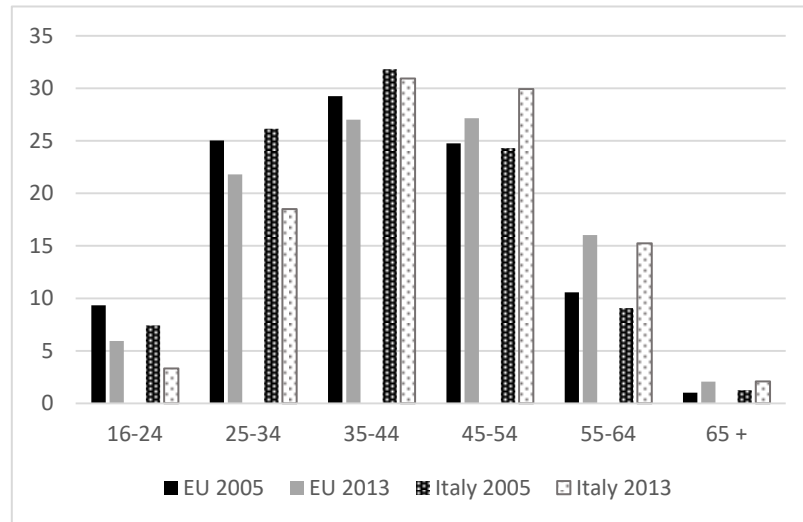


Figure 2. Workforce age composition (%) – European Union (EU28) and Italy. Years 2005 and 2013

Source: own calculation on World Bank data

Figure 3 shows the workers distribution by age in the years 1993, 2005 and 2017. Still in 1993 most employees were concentrated in the younger age groups. Over time, the shape of the distribution became symmetrical and then reversed the initial trend. In 2017 the modal age classes of the employed are those ranging from 40 to 50 years.

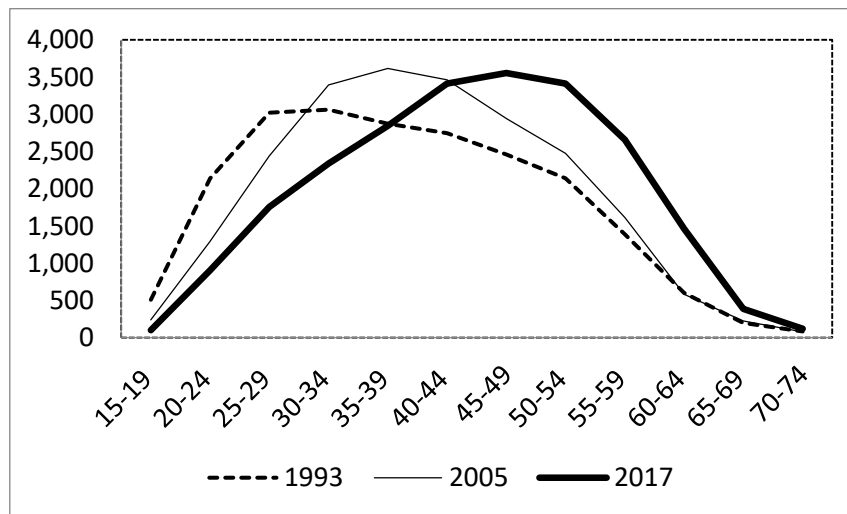


Figure 3. Employees by age – Italy, 1993-2017 (thousands)

Source: Own calculation on RCFL- ISTAT

To better understand the evolution of the labor market it may be useful to investigate the dynamics of employment in the different professional activities and by economic sector. Table 4 contains the percentage of employees over 50 years old for each professional grouping. It should be noted that, compared to an increase of just over two million employees from 20.2 million in 1993 to 22.2 in 2017, the total number of over 50 workers has practically doubled in the period (from 3,933 thousand in 1993 to 7,474 in 2017).

The share of 50+ employees, which overall rose from 19.5 to 33.7%, increased in each professional category, but with different speed and intensity. In general, intellectual occupations and those with higher specialization have suffered gradual aging over the period (even if accelerated in the last 10 years), while for the less skilled jobs (artisans, workers, machine and vehicle drivers, etc.) the share of 50+ has remained low in the first period (between 1993 and 2005), and in some cases even reduced; thereafter, it grew rapidly in the first decade of the new Millennium. The oldest category is that of legislators, entrepreneurs and top management, half of whom are over 50 years old; the intellectual, scientific

and highly specialized professions, white collars, artisans, skilled workers, as well as the unskilled occupations, have a quota of more than one third of mature workers. Instead, the qualified professions in trade activities and services are composed of younger workers and the share of 50+ workers is around 25%.

Table 4. Employees over 50 years old on total employed (%) by professional category. Italy, 1993, 2005, 2017

	1993	2005	2017
Legislators, entrepreneurs and senior management	34.5	38.9	49.8
Intellectual, scientific and highly specialized professions	18.8	32.3	39.4
Technical jobs	14.9	20.8	32.9
Executive professions in office work	14.1	18.3	36.3
Qualified professions in trade activities and services	19.9	18.9	26.4
Craftsmen, skilled workers and farmers	21.8	22.7	33.1
Plant drivers, fixed and mobile machinery workers and vehicle drivers	19.1	17.8	31.4
Unskilled jobs	24.1	23.6	36.0
Total over 50 workers (in thousands)	3933	5018	7474

Source: Own calculation on RCFL- ISTAT

Table 5 shows the share of workers over 50 years old for each economic branch. Some sectors have suffered from the workforce aging process more than others: for example, the Public administration and defense and the Education sectors. In these sectors the percentage of 50+ workers increased from 19.6 and 23.2% in 1993 to 50.1 and 46.4 in 2017, respectively. In the other sectors the process has been a bit slower, although the share of older workers has reached in 2017 one third of the total workers for all of them. The youngest sector is that of Trade, hotels and restaurant, which is also one of the most dynamic in terms of hiring (ISTAT, 2017).

Table 5. Employees over 50 years old on total employed (%) by economic branch. Italy, 1993, 2005, 2017

	1993	2005	2017
Agriculture, hunting and fishing	35.1	30.9	37.4
Mining industry, gas and water production	21.7	24.2	40.4
Light industry (food, tobacco, wood and publishing)	18.2	17.4	28.5
Textile industry	13.6	19.6	32.3
Manufacturing industry (chemistry and metallurgy)	15.9	16.8	30.6
Manufacturing industry (mechanics and repairs)	15.1	16.0	28.3
Buildings	21.2	18.6	30.4
Trade, hotels and restaurants	19.7	17.8	25.9
Transportation	23.4	24.1	37.2
Business services	16.3	18.2	31.9
Public administration and defense	19.6	26.5	50.1
Education	23.2	38.2	46.4
Health and other personal services	16.3	22.3	36.0
Total over 50 workers (in thousands)	3960	4670	7536

Source: Own calculation on RCFL- ISTAT

It is worth noting that this trend was influenced not only by the workforce aging, but also by the sharp slowdown in turnover due to a drastic reduction in the recruitment of young workers as well as the recent pension reforms, which have postponed the exit from the labor market of older employees, which mainly affected the public sectors and that of services.

5. Awareness and Strategies in the Italian Businesses

Are the Italian businesses aware of their workforce aging? And, if yes, what are the main strategies their managers are following to cope with this process?

In 2013 INAPP (the National Institute for Public Policy Analysis) carried out two sample surveys among the Italian enterprises with the express purpose of evaluating if and how they are addressing the new challenges at the

organizational and management level (Aversa, Cardone & D'Agostino, 2016; Checcucci, Fefè & Scarpetti, 2017). The first survey included a sample of 152 companies with over 250 employees ("large companies"); the second, a representative sample of 2,000 small and medium sized enterprises (SMEs) with 10 to 249 employees. Both samples were randomly extracted from the National statistical archive of active enterprises (ASIA), on the basis of their economic sector, dimension and geographical location.

The aims of the surveys were the following:

- in the case of large companies, investigated with a qualitative approach, the focus was on the contextual conditions and specific issues (skills obsolescence, skills shortage, generational turnover, etc.) which have led businesses to implement age management strategies; a second objective was to detect "good practices" in the field;
- in the case of smaller size companies, the perception of the aging process and the expectations regarding the older workforce were explored by a quantitative approach, as well as the management choices pursued by the company.

The qualitative survey among the large companies allowed to detect a solid awareness of the problem and a quite common analysis of the demographic structure of the companies' human resources (Aversa, D'Agostino & Parente, 2015). A generalized recognition of the specific needs of the over 50 years old employees was also reported. The most promising initiatives taken by the management of the interviewed companies can be summarized in a few main lines: enhancing the experience of the over 50 years old workers and favoring inter-generational exchange (mentoring, reverse mentoring, coaching, working group on aging); health protection and promotion (advice on health and wellness activities, specialist doctor in the workplace, creation of roles and tasks or production lines specific for older workers, ergonomics improvement projects, remote working); work-life balance (favoring the coming back at work after long periods of absence, flexibility of hours, integration to periods of leave provided for by law, support for assistance to family members of employees); gradual exit from work (pre-pension assistance, training aimed at refreshing professional skills or for the acquisition of new skills also useful for a future social commitment, voluntary activities for employees and pensioners). Not all the lines of intervention were adopted in the same company nor all the companies provide an integrated strategy of age management practices: overall, consolidated age management strategies are recognizable only in larger companies and where there is a strong correlation between business innovation, internationalization and high-tech production.

Survey on SMEs provided a good deal of quantitative data. Only 35% of the Italian SMEs in 2013 said they had seen an increase in the average age of their human resources. The perception of aging is reported with higher frequency in the medium-sized companies (50-249 employees), 55.8% of which declared to be aware of the aging process; in the industrial sector (39.9%) and in the North-East region of the country (38.8%). A weaker perception has been registered among firms in the South (29.7%) and among companies of smaller size, especially those active in building sector where 50+ workers represent a major component of human resources.

Most companies (68%) tended to consider the workers' aging a factor neither beneficial nor disadvantageous. SMEs seemed to be quite an "inclusive" context for the older labor force. This latter was read basically as a value instead of a problem: the number of enterprises considering 50+ workers an opportunity were about twice those who considered it as a problem for their business (21.6% versus 10.4%), and these statements were slightly more frequent in the case of enterprises operating in industry (24.1%), in the South (24.1%) and the North West (23.4%).

The larger the enterprise's size the higher the worrying for the workforce aging: the percentage of those saying that aging is an opportunity decreased from 22.8% among the SMEs with 10-19 employees to 18% among the 50-249 employee enterprises.

Companies active in the industrial sector reported several issues related to aging, that is a negative relationship between the workers aging and the possibility to introduce new technologies (14%), the difficult adaptability of older people to new jobs (12.2%), the demand for flexible working hours (9.9%) and more generally for organizational change (9.6%). Also, the increase in the average age of the workforce was defined as critical by many businesses operating in the high-tech skilled sector.

Differently from the large companies, among the Italian SMEs practices of Age Management were quite rare. For example, the skills and knowledge transfer among generations was less developed than expected. Only 36% of businesses say that their employees over 50 years old never played this role, while for another 14.3% it happened only rarely. The remaining half was divided between those organizations in which this function was carried out from time to time and presumably in an irregular manner (30%), those that revealed a frequent recourse to this mode of transmission of corporate knowledge (14.5%) and the 6% of cases in which the tutorship of older workers appeared to be an established practice.

As size increased, the practice to ask older workers to exchange knowledge and skills with younger workers also

increased. In the enterprises with 50-249 workers, the employees over 50 years old exerted this role always or at least sometimes.

Among the various productive sectors, it has to be mentioned that the companies in the service sector with high added value, were those which recorded the lowest percentage of recourse to the “silver workers” as trainers / tutors.

6. Discussion: Implication for the Policy

Population aging and that of the workforce could represent a danger for the economy and for the whole society unless it is governed. It is no by chance that the attention that the European Union has devoted to these problems has increased over time since the launch of the European Year of Active Aging in 2012 (De Rose, Arezzo & Giudici, 2017). OECD has then included demographic changes and the aging of the workforce among the main challenges with which the most developed economies will have to face in the short and medium term (OECD, 2014). In 2017 the same organization drew up a series of recommendations on aging and employment policies (<http://www.oecd.org/els/emp/Aging-Recommendation.pdf>). The different areas of intervention can be divided into three main lines: 1) promote longer working careers and discourage early retirement; 2) increase the well-being of older workers and avoid any age discrimination at entry, job distribution and career advancement; 3) promote the requalification of skills and lifelong learning. In particular, the OECD urges Member States to:

- increase the incentives to continue working in old age, ensuring that the old-age pension system rewards delayed retirement in line with the increase in life expectancy, encouraging longer and more satisfying careers through greater flexibility in transitions to retirement and allowing a combination of pensions with earned income;
- limit the use of early-retirement schemes financed with public funds that encourage workers to leave employment while they are still in good health and able to work;
- guarantee access to welfare benefits, such as unemployment and disability benefits, to all workers, regardless of their age and status, and check that these benefits are used for their original purpose;
- limiting any age discrimination in employment, recruitment, promotion and career advancement in collaboration and consultation with employers and employee representatives;
- encourage employers and workers' representatives to identify mechanisms for reviewing their corporate welfare practices, namely in defining wages in order to reflect productivity and skills, regardless of age;
- encourage good practices on the part of employers in managing a heterogeneous workforce through public and private initiatives that provide guidelines for promoting the sharing of knowledge and experiences among different age groups, the adaptation of work responsibilities and working hours to the changing abilities of workers and their family responsibilities during their life course, the improvements in education, health and physical abilities of older workers;
- improve participation in training by workers during their working life by providing guidance services and ensuring that training is suited to the different skills and learning needs of workers of different ages, adapting the methods and content of teaching and learning to their different needs;
- provide effective assistance to unemployed job seekers, regardless of their age, but targeted at groups most at risk of long-term unemployment, while ensuring that older unemployed job seekers have as the same rights and obligations as the younger ones;
- improve working conditions through a strategy that strengthens the levels of safety at work and physical and mental health for all workers, reducing the incidence of dangerous and difficult jobs, balancing professional and family responsibilities and facilitating labor mobility according to the changing worker experiences and skills.

OECD also asked individual countries to prepare a Report on the state of development of the policies implemented in relation to the various points. The Italy Report on the state of implementation of the aforementioned recommendations shows that our country should do much more to encourage the participation in the labor market of older population (in 2016 the employment rate of 55-74 year-olds was of 40.5% against 45.4% of the European average) and that, currently, the national policies put in place have been aimed essentially at raising the retirement age; only few regions have implemented measures explicitly favoring the employment of workers who have lost their jobs in old age. Much remains to be done to increase participation in training and retraining programs for workers over 50 years old, to support work-life balance and to ensure optimal conditions in terms of health and safety at the workplace (OECD, 2018).

If public commitment in active aging policies is still limited, even on the side of companies, the strategies implemented to manage the aging of their workforce, the so-called *age management* strategies, that should involve all the phases of personnel management and corporate welfare - from recruitment policies to corporate training and career development, from the flexibility of working hours and organization, to the adaptation of tasks and jobs, from remuneration and

benefit policies, to those accompanying retirement from work – are still fragmented and limited to a few large companies.

Moreover, from the investigations carried out by INAPP it emerges that, both in small and medium-sized enterprises and in large companies, the aging of the workforce does not seem to be perceived as a real problem. Age is not considered a relevant and critical factor for the company organization, nor it is used to evaluate and determine the worker's performance. Indeed, older workers are perceived more as a resource than as a problem and new hires are made more with a view to favoring an expansion of the workforce than to favor the generational turnover.

Likewise, the policies of expulsion of older workers - favored by the pre-retirement programs that even the European Commission recommendations aim to discourage - emerge more as an opportunity to reduce labor costs than as a rejuvenation strategy of workforce and skills. For companies, the age factor would seem to be less important than the experience factor; job qualification is more important than its cost. Thus, the mature workers are not considered completely replaceable by the less expensive young, given that the professionalism acquired by older workers during their career path represents an asset for the company that could be lost with their retirement. This is especially true for the myriad of small and medium-sized enterprises that make up the Italian productive system. It is therefore perceived as advantageous for organizations (but only the largest are able to implement it) to invest in skills and health promotion of more mature workers, thus reducing the costs of recruiting, hiring and training new workers, as well as the costs of implementing policies for early exit of older workers.

Issues raised by the aging of the workforce and the consequent strategies of age management can be traced back to the broader reflection around the consolidation and the possible extension of the so-called European Social Model since they are declined in each of its five main pillars (Vaughan-Whitehead, 2015): the extension of rights on working conditions; the development of universal and sustainable social protection systems; the emergence of inclusive labor markets; the use of a robust and continuous dialogue between the social partners; a wide availability of public services and of general interest; a significant commitment to social cohesion and the inclusion of the most vulnerable groups. However, this model is undergoing a phase of evident crisis, especially as a result of the financial and economic crisis that exploded in 2008, which forced the EU Member States to accelerate the reforms of their social protection systems, coming to deeply rethink their contents and instruments. Except for the Scandinavian countries, such as Sweden, where investing in the welfare state has represented one of the main tools to mitigate the effects of the crisis, the other Member States, namely those of the South, have had to launch or promptly complete reforms aimed at the downsizing and / or privatization of public services, the recalibration of pension systems and the drastic limitation of the power granted to negotiation between social partners, at national or sectoral level. In this context, gradually aggravated by the growth of youth unemployment throughout the Old Continent, a loss of centrality of the issues related to active aging has been determined *de facto*, by grafting, rather, situations of intergenerational conflict; this goes beyond the content of the analyzes and the repeated programmatic declarations formulated in recent years by the EU and the OECD and mentioned above. Italy is an important example of this story.

The data illustrated in this paper clearly show that the dynamics induced by the demographic aging of the population cannot be considered disconnected from the broader economic and social system, since a reduced number of people of an average higher age will have to sustain levels of economic growth to guarantee social protection systems. This can only be possible with a sustained increase in labor productivity and through economic and social policies oriented towards cooperation rather than inter-generational competition; if this will not be the case, the European welfare system, which has characterized the history of our continent, will no longer be sustainable and will collapse under the weight of the needs of the elderly population.

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