


# Intergenerational Solidarity in the Workplace: Can It Solve Europe's Labor Market and Social Welfare Crises?

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## Abstract

Starting from the main criticalities that young and old people meet in contemporary labor markets, this article analyses the principle of solidarity between generations at work, in light of a multidisciplinary (especially sociological) literature. This offers different conceptual lenses for understanding complex relationships in workplaces. They provide different ways to understand micro-level interpersonal relations and macro-level structural forces and the interactions between them, arriving to define which kind of solidarity may be realistically proposed in contemporary labor markets. Then, intergenerational relations are briefly collocated in European Union debate aiming to promote a cohesive society. In the second part, four country cases are presented to demonstrate how the matter of intergenerational relations has influenced recent labor reforms. Following van der Veen, Yerkes, and Achterberg, who found differences in the choice of justice principles and in the level of solidarity preferred by social groups living in different welfare regimes, to reduce the complexity of the analysis, countries belonging to the same welfare regime have been chosen. Finally, measures presented are critically discussed in the more general context of European labor market and social welfare crisis.

## Keywords

intergenerational solidarity, labour policies, welfare regimes

## Criticalities for Young and Old Workers

Young people are one of the most weakened groups in the labor market because of the absence or shortage of work experience. For this reason, the passage from school to work may become critical, and if prolonged, it could increase the risk of unemployment. This is an issue that young people in most countries of Europe have in common; however, highly diverse situations have arisen from the comparative analysis. Generally, hardships among the young seem to be more marked in the countries of Southern Europe due to the deficiencies of both the entrepreneurship system and welfare system that (especially in Italy) tends to consider the family as the social structure of the last instance, in critical situations. On one hand, this factor mitigates the consequences of the hardships of the young, but on the other hand, it delays transition toward adult life, promoting an intergenerational transmission of disparities and inequality in entering into the world of work. That is why, the countries selected for this article belong (as Italy) to the corporatist welfare regime, providing a system of resources redistribution giving rise to the high level of inequalities. Thus, it has appeared particularly adept to test the implementation of intergenerational solidarity policies.

At the extreme opposite of professional lives, older workers encounter difficulties especially when expelled or when they risk to be expelled from the labor market. A series of stereotypes are diffused on seniors, concerning, for example, the lower flexibility in the performance of their work, the greater exposure to a precarious state of health, or a less familiarity with the use of new technologies and access to vocational training. In addition, there is lesser availability on geographical and occupational mobility, as well as the time constraints, especially if there are minors or impoverished persons to be cared for within the family. Still, older workers are often more expensive owing to seniority wages (Roscigno, Mong, Byron, & Tester, 2007).

Research dealing with the re-employment of older unemployed repeatedly concludes that age has a negative effect on the chance of finding a job (Hirsch, Macpherson, & Hardy, 2000; Wanberg, Glomb, Song, & Sorenson, 2005; Wilson, Parker, & Kan, 2007). Consequently, older individuals may

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have to end their career more than once, making the transition from unemployment to retirement (Hanisch, 1999). Moreover, several authors agree that older individuals experience considerable wage losses in comparison with the previous job (Koeber & Wright, 2001).

Furthermore, in some cases, it may prove vital for some mature workers to continue working to ensure a decent lifestyle, due to the insufficient income from their pension. As already said, many countries have also cut pension payments because of the financial crisis of the social security systems, forcing workers to postpone the age of retirement not only for the new generations but also for the 50-year-olds of today.

Political issues concerning the position of young and older workers are also described as the insider–outsider problem. As the young have more frequently flexible and insecure labor contracts, they are defined as outsider, on the contrary, older workers are considered the insider. Nevertheless, welfare systems reformed on the basis of activation paradigm expects workers to act more responsibly, to be employable, flexible, and mobile. Individuals who have the most difficulty meeting these new expectations (especially those possessing obsolete skills or a low level of expertise) run the highest risk of welfare losses (Bonoli, 2004; Esping-Andersen, 2000). In this case, the younger may appear as the insider, and the older the outsider (respectively, the higher and the lower educated). This consideration reveals the complexity of the problems, age is not the only feature to define who are the insider and the outsider, but this condition of vulnerability affecting both the two groups of workers, although for different reasons, may become an incentive to “cooperate,” and to accept and try shared solutions (Achterberg & Raven, 2012). But we will discuss this issue, in a more detailed way, hereinafter.

## Intergenerational Relationships: Theoretical Framework and Policy Issues

### *Solidarity, Conflict, and Ambivalence in Intergenerational Relations*

To revise welfare policies in an efficient way, it is important that policy makers try to better understand intergenerational relations, not only how they should be but also how they are in practice and the principles inspiring them. In this section, we will try to synthesize interdisciplinary literature issues referring to two paradigmatic approaches: the traditional solidarity-conflict approach and the more recent ambivalence approach. This gives us the possibility to discuss the concept of solidarity and which type of solidarity might be coherent with activation paradigm, assumed in welfare reforms, and so useful for policies' guidelines.

The conceptual framework of solidarity applied to intergenerational relations represents an effort to conceptualize family relations in adulthood and to describe their members'

behaviors and attitudes (Bengtson & Schrader, 1982) in consequence of social change. Moreover, it is used also to understand relations at meso (organizational) and macro (societal) levels. In fact, the paradigm reflects several theoretical traditions, including early theories of social organization (Parsons, 1973), social psychology of group dynamics (Homans, 1961), and the family development perspective (Hill, Foote, Aldous, Carlson, & MacDonald, 1970).

Over time, the framework has been critiqued, modified, and expanded. Some scholars, for example, observed that the model does not provide insight conflictual dimension (Luescher & Pillemer, 1998). The very term *solidarity* implies consensus, though there are evident non-consensual aspects of family relationships. Due to this critique, the paradigm was modified to become the “solidarity-conflict” model, which incorporates conflict and considers the possible negative effects of too much solidarity (Silverstein, Chen, & Heller, 1996). Conflict can mean that some difficult issues are never resolved but others are, over time, and that the overall quality of relationships improves rather than deteriorates.

Subsequently, Luescher and Pillemer (1998) proposed an alternative approach to the study of relations between generations, that of “intergenerational ambivalence” to “designate contradictions in relationships between generations offspring that cannot be reconciled” (p. 416). The concept of ambivalence, they argue, should be the primary topic of intergenerational relations study, as “rather than being formed on a basis of solidarity, or being under imminent threat of conflict or dissolution, the social dynamics of intergenerational relations revolve around sociological and psychological contradictions and dilemmas” (Pillemer & Lüscher, 2004, p. 6). If both positive and negative feelings are simultaneously generated by intergenerational relationships, then recognizing ambivalence may be a key to resolving rivalry and to moving beyond generational oppositions. Thus, ambivalence does not reflect indecision or paralysis, but a mature step toward acknowledging a more complex world of multiple perspectives and emotional resilience. It is in this context that Bauman (1995) observed that “responsibility for the other is shot through with ambivalence; it has no obvious limits, nor does it easily translate into practical steps to be taken or refrained from” (p. 2).

Later, Connidis and McMullin (2002) proposed a reconceptualization of ambivalence tied to critical theory. They emphasized “socially structured” ambivalence that they describe as “both a variable feature of structured sets of social relationships and a catalyst for social action” (p. 559). Their approach to ambivalence is based on connection between individual experiences, social relationships, social institutions, and societal change, and allows us to shift on the macro-level, that of the economic and social policy issues.

Economists traditionally consider intergenerational relationship as a problem of equal distribution of resources (like money, time, and public services). Myles (2002) affirmed

that equity should be understood as referring to fair burden sharing, for example, to an equitable sharing of the costs (or benefit) of demographic transitions between citizens. Indeed, the traditional two-way exchange of time and money between generations works best in times of demographic balance and global economic stability, and we are not in such a time. As said above, social change and the global crisis have led to an erosion of traditional forms of intergenerational solidarity having characterized past decades, such as “public social security and pension for all” and “women for family.” Unemployment has reduced the possibility of mutual help among family members and between the state and the firm, producing unbalanced systems of need and resources in the whole society.

A contribution to pass from theory to policy comes also from Williamson, Watts-Roy, and Kingson (1999). They propose the concept of “intergenerational interdependence” instead of that of intergenerational equity. The first refers to an institutional role of welfare state, with corresponding money transfer from the state aiming to balance resources and opportunities between generations. On the contrary, intergenerational equity assumes the role of welfare state as residual in exchanges between generations, opening the way to inequalities among groups with more or less resources. In synthesis, limits derive from considering intergenerational equity as a problem of resources redistribution in an opportunistic perspective, without seeing generations as groups of actors linked by social relations moved by reciprocity and solidarity along with self-interest and utilitarianism (Donati, 2002). Therefore, assuming ambivalence in relations between generations, which kind of solidarity is possible to envisage to traduce intergenerational issues into welfare policies?

First of all, solidarity is the backbone of the welfare state and is based on the extent to which people are willing to share risks. Diversity, flexibility, and uncertainty characterize the context in which individuals make their choices, making it more complex and difficult than in the past. Notions of individual responsibility and individual failure become more important in people’s views about risks and social protection, suggesting the dissolution of traditional welfare state solidarity. However, individualization does not necessarily undermine social solidarity on the basis of welfare state, because as said above about insider–outsider issue, it makes people more aware of their vulnerability and this feeds welfare support. Van der Veen, Yerkes, and Achterbergan (2012) studied the transformation of solidarity in European welfare regimes, focusing on the most important process of individualization in relation to social security, that is, the increased labor flexibility. They find no evidence for the hypothesis that flexibility weakens the social bond between workers. If anything, the changing nature of work shapes workers’ perceptions of risks, fostering a growing need for risk reduction through social insurance. Their conclusions do not unconditionally confirm or reject sociological theory on risk perception and welfare state solidarity.

What we observe is more complex. This seems to spur an increasing conditionality of support for the welfare state in reaction to a decrease in trust and perceived deservingness. While the willingness to share risks is indeed diminishing among some groups, the perceived increased vulnerability of actors, in an individualised world, causes the willingness to share risks. (van der Veen et al., 2012, p. 197)

In particular, people seem willing to share risks on the condition that their solidarity is matched (reciprocated) by the obligations of benefit recipients. These findings appear coherent with the principles of responsibility and conditionality specified by activation paradigm.

Furthermore, sociological literature presents others suggestions on the type of solidarity more adept to interpret changes in intergenerational relations. In sociology, solidarity has been conceptualized by Emile Durkheim (1977), who discerned two types: *mechanic* and *organic* solidarity. The first is a type of solidarity that goes together with shared concepts, associations, and feelings of sameness and evolves from the similarity of individuals on the field of work (that is why, it is usually cited in relation to the Fordist era). Whereas, organic solidarity depends on functional differentiation and division of labor and evolves from the differences between individuals concerning their contribution to the maintenance of society. Organic solidarity is a result of changes in societies where life is multifaceted and relationships are more complex. So, this kind of solidarity does not presuppose common identity, nor common interests (like mechanic solidarity), but it involves mutuality despite difference (gender, age, skill, ethnicity, or any other difference) and the perception of commonalities which extend, but do not abolish, consciousness of distinct and particularistic interests. This may be based on a sense of interdependence, generating a second-order community of interest in sustaining a set of social relationships in which all are positively implicated. For all these reasons, organic solidarity is considered in line with changes occurred in economic and social structures of contemporary societies.

Finally, Gumbrell-McCormick and Hyman (2015) proposed to distinguish between solidarity *with* and solidarity *against*. The first requires a sense of unity and common identity and is functional to organic solidarity. The second refers to conflicting interests and is possible when the collective consciousness is conditioned by perceptions of antagonism to an external threat and a totalizing understanding of the context of this opposition (borrowing Touraine’s, 1966, theory of class). Nevertheless, the heterogeneity of contemporary society and employment means that collective identities have become far more diffused and differentiated, so it is not easy to clearly identify interests of each group as in the past. This makes it difficult to realize both types of solidarity; so, Gumbrell-McCormick and Hyman suggest a more complex conception, considering that solidarity does not arise automatically, rather it is always contested. That is why it must be socially constructed through social dialogue and

continuous interaction among all actors involved at political, economic, and social levels.

In short, the thesis of this article is that ambivalence paradigm appears more appropriate to interpret the crucial features of relations among different cohorts of age in postmodern societies, whereas the principle of solidarity (characterized by conditionality, organic integration, and social dialogue) would be useful to redefine welfare policies, in consequence of demographic and economic changes. Before presenting national experiences, a summary of how international agencies interpret intergenerational solidarity in welfare policies is proposed.

### *International Agencies Recommending “Intergenerational Policies”*

The idea of policies with an intergenerational approach is not new to the European context; the year 1993 was dedicated to the elderly and to solidarity between generations. Similarly, the year 2012 was declared the European Year of Active Ageing and Solidarity Between Generations, focusing on the labor issue. A European Commission (2005) Green Paper with its evocative title “Confronting Demographic Change: A New Solidarity Between the Generations” synthesizes the need for an intergenerational approach. It recommends to consider the problems related to older workers in strict correlation with those encountered by the young entering the labor market or looking for a stable job. It proposes to interpret ageing not in terms of a trade-off between the work of the older and the younger, citing demographic forecast and political economic analysis. In fact, over the next 25 years, in Europe, there will be a considerable increase of people above 60 years of age, with the result that in the near future, the incoming labor work flow from the market will not be sufficient to compensate for the estimated outgoing.

Economists too consider as a fallacy the supposed trade-off between young and old workers (see Gruber & Wise, 2010), because economies are not static and the number of (full-time) jobs is not fixed. In the long run, as emphasized by De Koning, Layard, Nickell, and Westergaard-Nielsen (2004), aggregate demand, and in turn the total number of jobs in an economy, will depend on the available supply of labor. Fostering early retirement may reduce unemployment in the short run. In the medium and long term, however, it may lead to labor shortages, inflation pressure, and depressed aggregate demand (van Dalen & Henkens, 2002). Conversely, increasing the average age of labor market exit may increase the size of the labor force and boost unemployment, also for young workers (Gruber & Wise, 2010). The “total economic dependency ratio” (inactive population aged 0-99 years to employed persons 15-64) that is evidently higher than the total age dependency ratio is often used as an argument for pension reforms in ageing societies (World Bank, 2012). In 2010, in EU-27, it was 136% and fluctuated between 100%

in the Netherlands and 168% in Italy. It shows that, on average, each European working person statistically supports 14 non-working persons. Finally, important explanatory factors pertain to general labor market conditions. When the economy is expanding, new jobs are created for both the young and the old, the opposite is true in crisis time (Munnell & Wu, 2012).

Another specific indicator proposed in European Union reports to highlight the importance of working age people integration in the labor market is the “inactive dependency ratio.” The relation of inactive persons of working age 15 to 64 to workers is high in countries with low employment rates and vice versa. In countries where inactive dependency ratio is higher than total age dependency ratio, welfare system may take particular advantage from investment in active labor policies aiming to integrate working age population. This is the case of Italy (76% and 73%), Poland (73% and 62%), and Belgium (60% and 53%), among countries analyzed in this article (European Parliament, 2013).

Then, European Union experts underline other benefits deriving from the presence of both groups in the world of work. The decision of seniors to work longer or with less intensity, for example, can favor the work-life balance of young people. We read,

It is possible that active young people want more time to dedicate to their children and perhaps they want to work during another stage in their lives. The demographic changes can therefore contribute to a new work organisation that is more adaptable and flexible [promoting the management of career paths differentiated according to age, as well as the number of years worked]. (European Commission, 2005)

In the last case, tools such as competences balance and career assessment for workers between 40 and 50 years of age have been experimented in a number of European countries with significant results. Furthermore, we see how “technological developments offer all the groups the possibility of better conciliating the presence of older and younger workers in the workplace, as well as better conciliating family and professional life.” In particular, a crucial role for seniors in the coming years is assumed, as it forms a junction between the generations of active pensioners in significant numbers, and in reasonably good health, and generations of young people with a (working) present and a (retirement) future with decidedly fewer benefits and guarantees. In this regard, in addition to limiting the cases of early retirement and the extension of pension age, an option of advanced integrated policy aiming at intergenerational solidarity has also been put forward, providing for the “sacrifice” of a part of the pensions resources (to the levels where this is possible) in favor of the strengthening of family services, including education and training, together with incentives for pension-work accumulation schemes. Similarly, in the Proposal for the Joint Report on Social Protection and Inclusion 2009, the European



Commission (2008) stated that the national systems should guarantee an adequate minimum income, considering the changing context of the redistribution of income between and within the generations. "It happens that a large percentage of families consisting of pensioners has a per-capita income which is equal or higher than that of young married couples, both with jobs and with children." This prompts a more sophisticated reassessment of the problems of distribution of social security than simply increasing the rate of pensions as an end in itself, requiring instead the creation of a complex and global system, based on the consideration of many variables and of the life cycle.

The International Labour Organization (2012) has also titled one of its recent analyses "Young and Older Workers: Two Sides of the Same Coin." The goal is to underline the need to govern the presence of different generations at work, young workers cannot always easily substitute older workers and these ones have the right to move to a well-deserved rest when private life and economic or retirement conditions make it possible.

In the specific context of global crisis, international observer as the Organisation for Economic Co-Operation and Development (OECD; 2013) noted that certain groups, most notably low-skilled young men, are doing particularly poorly in the labor market. By contrast, older workers have weathered the crisis better than in previous deep recessions, but this did not come at the expense of youth. Therefore, can governments bridge the borderland between generations, may be between insecurity and autonomy characterizing contemporary labor markets? This raises difficult issues. Van der Veen et al. (2012) proposed the idea of "soft law" (or the analogue "open method of coordination") that is a process of regulation which promotes answers to specific issues through an interplay between policies executed at the level of the state and policies developed by the social partners in collective bargaining. This second level of policies must be implemented through flexible procedures and the outcome of debate promoted in the different territories involved must be flexible.

Examples of policies promoted in a similar way, seeking to strengthen complementarities between youth and mature workers, envisage the transfer of competences between older and younger workers, or the creation of jobs for youth maintaining older workers in employment. Their success derives from an interplay among actors representing different institutional levels and the convergence of interests. Indeed, advantages are expected for all parts: the young to enter the labor market more smoothly, the older to exit the labor market gradually, firms to remain competitive (thanks to a more efficient age management), and finally, governments to collect and save more tax revenues (paid for young unemployed and early pensioners).

Although synthetic, these considerations seem highlighting that international agencies adopt the traditional "solidarity-conflict" paradigm as reference of their recommendations

by means of schemes relatively basic. Following them, some European countries have recently introduced initiatives seeking to foster intergenerational partnerships in the labor market.

Although little is known about the effectiveness of these schemes to create jobs for youth and retain older workers in employment, they seem unlikely to have played a major role so far (European Parliament, 2013). Even though, as we will say in final remarks, this could be a source of weakness, it is possible to recognize that the main value of such schemes is to foster a culture of greater co-operation across age groups and institutional actors.

## Intergenerational Solidarity in Europe: Some Attempts

Measures introduced take generally the form of tailored hiring subsidies and/or work-sharing arrangements. They seek to strengthen complementarities between young and older workers by promoting the transfer of competences, the creation of jobs for youth, and the retention of older in employment. This paper will cite the cases of France, Italy, Belgium and Poland, where welfare reforms (in particular concerning retirement and labor) have provided pacts and programs age-oriented and explicitly referring in their insitutional documents to the solidarity between generations. While in France and Italy, specific tools are devoted to deal with the difficulties of young and older workers together, in Belgium and Poland, measures are conceived to deal with the problems of two groups separately, but to enhance participation of both groups in parallel. That is why, the first two cases will be more detailed than the others, but they are considered useful anyway to demonstrate the interest for intergenerational solidarity by an increasing number of European governments and how they try to traduce it into policies.

As already said, the countries studied belong to the same welfare regime, the corporatist one (Esping-Andersen, 1990/2000), with a significant role of the state in distribution processes of resources and opportunities. According to Esping-Andersen's taxonomy, countries belonging to the other two welfare regimes, social-democratic or liberal, are too different from those considered here, in values and role of actors with the responsibility to implement welfare policies.

### France

Ageing process is particularly evident in France where old-age dependency ratio (population aged 65 and above as a percentage of the population aged 15-64) was 28 in 2013 and it is projected to an increase of 15 points until 2060 (Eurostat, 2014). A greater increase is estimated for the economic old-age dependency ratio (inactive population aged 65+ as a percentage of employed population 15-64; +18). France has seen progress with respect to "young seniors" (55-59 years) employment rate which has reached 67.1% in 2012, higher

than the international averages. By contrast, employment rate of those aged 60 to 64 (21.7%) remains far below European average (32.2%).

In the last decade, French government has developed labor reform considering demographic change and difficulties of different groups of workers due to age. Between 2003 and 2009, legislation was passed aimed at promoting seniors employment and employability.

The 2003 pension reform extended the duration of contributions necessary to qualify for a full pension (from 40 to 41 years and three quarters), effective as of 2009 until 2020. The 2010 reform pushed back, between 2011 and 2017, the qualifying age for pension entitlement (from 60 to 62 years) and automatic access to the full rate (from 65 to 67 years). The provision that exempts older unemployed persons from looking for work as well as the public funding of early retirement has been abandoned. The taxation of private early retirement benefits has been increased and the mandatory retirement age in the private sector has been postponed to 70 years.

The 2009 law of social security funding, for example, establishes sanctions for companies that do not draw management plans by age. While the law on vocational training reform of the same year introduces a series of tools and rights in favour of older workers, in particular: the obligation of mid-career professional evaluation, in order to program the second part of the career, considering ageing of the worker; the principle of equal access to training for all categories of workers; the portability of the right to education; the establishment of tutoring programs for workers over-55, as well as “flipped” tutoring in which junior workers transfer skills to the senior.

For *young people*, government have adopted different kinds of measures: subsidies as an incentive to employers and reduced social charges for hiring part-time employees or for low-wage jobs (such as *Contrat Unique d'Insertion* allowing employer to pay reduced social charges up to the value of 47% of the gross minimum wage), measures for target categories (e.g., the young long-term unemployed, unskilled young people), and other measures are mixed and combine wage subsidies with employer-financed training (e.g., “professionalization contract” which leads to certification justifying the low wage). These measures coexist in parallel with apprenticeship that, in recent time, has developed in new sectors such as large industrial corporations, service industries, or higher education.

In 2013, the French government introduced the “*Contrat de génération*,” a tool dealing simultaneously with young insertion and older retention in labor market. The key idea is that the employment of younger and older workers can be rendered more complementary by promoting knowledge transfers across generations within firms. In practice, with this contract, a young person is granted an open-ended contract against a new part-time work contract for a senior worker, thus allowing more sustainable and likely permanence at work and ensuring transmission of knowledge and

skills within the company. According to this measure, a contract would be signed between an employer and two employees: a young person under 30 and a senior above 55. The employer would commit to training the young employee, benefiting from the experience of the senior, who would spend part of his time (25% or 30%) training, mentoring, and guiding the young employee. The measure would be reserved for young graduates to act as an incentive to employment in industry avoiding the demotion of qualifications for young people who have difficulty finding jobs when they graduate.

The French law allows particular ways to apply “*Contrat de génération*,” according to the type and size of the company. These ways are stated in the *Accord National Interprofessionnel* (ANI) signed in October 2012 by the representatives of trade unions and company unions. Firms with more than 300 employees have to sign a specific agreement stating contract conditions and engagements for all actors involved. Penalty is put into action if the terms negotiated are not respected. Medium and small companies can benefit from a tax concession for signing permanent contracts with people under 26, while maintaining a corresponding older employee aged 57 or above in work, or hiring one above 55. Government subsidy amounts to €4000 a year for 3 years and, for medium-sized companies, is conditional on having a specific collective agreement, whereas this is not required for small firms.

The goal is to have 500,000 young workers hired during 5 years in small and medium companies. Moreover, the “*Contrat de génération*” foresaw benefits according to the number of seniors in the company. Benefits will be progressively increased between 2013 and 2016 starting from €180 million in 2013 to €920 million in 2016. A series of evaluation stages are envisaged to guarantee the pursuit of the measure aims. For example, the two employees would draft a joint report every 6 months whereas the employer drafts an annual report filed with the *Tribunal du Commerce*.

## Italy

In line with the other countries analyzed here, Italy registers a low level of older workers' participation in the labor force, compared with European average. Although it has increased over time, in 2013, it was 48.4% (56.6% in Europe; Eurostat, 2014). The rapid increase of ageing processes are evident looking at the evolution of old-age dependency ratio (33 in 2013 and is projected to grow by 20 points by 2060) and of the economic old-age dependency ratio (57 in 2013 and is projected to grow by 22 points by 2060). The great part of improvements are the result of reforms implemented in the last decade, particularly concerning pension policy.

In fact, a 2004 reform has enabled the introduction of a salary bonus to encourage seniors to continue their activity. Whereas, by 2012, pensions reform provided a shift in retirement age from 65 to 66 years for both men and women and financial disincentives for those who choose to retire before

the age of 62. Early retirement is possible (with reduced benefits) only after accumulating 41 years of social contributions for women, 42 for men. Reform has also established the transition to the contribution system for all workers.

With reference to employment policies, the promotion of active ageing is a relative new area of intervention in Italy. The large majority of measures in favor of employment and requalification of the older segments of labor force has been implemented at regional or provincial level within the context of ESF Regional Operational Programs.

As in France, a program is in place, since 2007, to promote solidarity agreements between generations (Law 296 of December 27, 2006), in particular, to foster the hiring of unemployed aged 25 to 29, while maintaining older workers in employment. The solidarity agreement promotes work sharing by facilitating and encouraging the transformation of full-time contracts of workers above 55 into part-time contracts, while generating part-time jobs for unemployed under 25 or 30, if they have a university degree.

Moreover, most policies have been traduced in local initiatives and projects carried out on a small or medium scale. The first initiatives originated from the regions of Friuli-Venezia Giulia and Lombardy. The former region provided for specific funding devoted to “expansive solidarity contracts,” for example, corporate agreements between workers of different age. Agreements allow senior workers (above 50) to enter into part-time employment in return for the recruitment of young people on training contracts. Thus, with the intake of young people on apprenticeship and/or permanent contracts, it is the region that will pay integration contributions to the National Institute for Social Insurance (INPS) on a voluntary basis for the benefit of those employees who voluntarily accept a part-time contract. Local agreements with social partners identify possible target sectors, companies, and workers who shall participate in the project.

In 2011, Lombardia Region, *Assolombarda* (the association representing firms), and INPS launched an experimental version of the “generation contract” in the provinces of Milano, Lodi, and Monza-Brianza. Recipients are workers who will reach pension in less than 3 years and people aged at least 18 years. This experimental procedure entails transforming (on a voluntary basis) full-time employment contracts into part-time, with a reduction of as much as 50% in work hours. Employer shall hire the young on an apprenticeship contract or other permanent contract, so as to produce a positive employment balance. Workers may also take advantage of training entailing professional re-orientation or coaching, as well as a transition path toward new realities. Local governments compensate the reduced social security contributions paid by older workers shifted from full- to part-time work. A new experimental version is implemented in Lombardy from 2013 to 2016.

Another project is the “Apprendistato e Mestieri a Vocazione Artigianale,” (AMVA) promoted by the Ministry for Labour and Social Policies, realized by Italia Lavoro

agency, and partly funded by the resources from European Social Fund - National Operational Programme during 2007-2013. The project aims to promote the generational turnover in the sector of handcraft and artistic professions in favor of young unemployed (15-35 years). It is articulated on two measures. The first, “Botteghe di Mestiere,” incentives new apprenticeship positions for young workers (18-28 years) by providing a monthly amount of €250 per apprentice to the firm (or self-employed worker) and of €500 to a young worker. In this way, competences related to the productions characterizing “Made in Italy” are transmitted to young generations, and smallest firms have access to the training resources.

The second measure within AMVA, “Impresa Continua,” sustains the generational turnover by facilitating the transfer of firm ownership from entrepreneurs above 55 years to a young entrepreneur. Furthermore, two similar interventions have been promoted in Sardegna and Veneto regions.

## Belgium

The Belgian labor market is characterized by opposite trends for older (55-64 years) and younger workers, with an increasing participation of the first (44% in 2013) and a decreasing participation for the second (31.2%). Other indicators reveal that ageing requires political interventions. In particular, the old-age dependency ratio was 27 in 2013 and could reach 40 in 2060, whereas the economic old-age dependency ratio will pass from 43 to 61, respectively.

In 2005, Belgian federal authorities enacted the “Pact on solidarity between generations.” The Pact was initially intended to contain only measures for end-of-career, but youth employment was added at the request of the unions. The Pact consists of three sets of measures concerning active ageing, social security arrangements, and jobs for youth.

A first set of measures aims at discouraging early exits. From 2013, the minimum age for retirement will rise gradually from 60 to 62 years in 2016. Seeking to extend older workers’ careers, the “career break (time credit) scheme” has been introduced, to reduce the workload over a certain period in one’s career. Employers are encouraged to hire and retain older workers by means of financial incentives, including a reduction in the social security contributions.

A second set of measures seeks to activate older unemployed and inactive individuals (old and young). For instance, dismissed employees aged above 45 are legally entitled to an outplacement program that must be followed to obtain unemployment benefits. Furthermore, employers have to bear the costs of the program, whereas employees have to accept any outplacement solution offered by their employer. Sanctions are provided when conditions are not respected.

Grants have been introduced to cover part of the tutors’ wages when providing low-skilled young people access to work experience programs. Indeed, for low-skilled workers, employers are entitled to subsidies lowering both wage and

non-labor costs. One such measure is the “Win-win plan” targeting unskilled unemployed aged under 26 and above 50.

A third type of measures seeks to activate younger unemployed. For instance, school leavers face unemployment benefits restrictions. They are confronted with an unpaid transition period (1 year) between entering unemployment or leaving school and being entitled to the so-called “job introduction benefit.”

The Belgian Higher Labour Council recently evaluated a large number of measures included in the Pact. Its main findings are that their effects on active ageing have been minimal and that a third of the measures have not or have not yet been fully implemented (Conseil Supérieur de l’Emploi, 2012).

## Poland

Poland is the last country considered. In 2013, participation rate to the labor force of population aged 55 to 64 amounted to 44.2% and it is projected to increase by more than 20 points in 2060. Moreover, the most significant data on the extent of ageing processes derive from the old-age dependency ratio: 21 in 2013 and expected to become 60 in 2060. Digit even higher are provided for the economic old-age dependency ratio, that would increase of 54 points in the next 25 years, passing from 33 to 87. In consequence, pension reform has provided that retirement age, from 2013, will raise gradually, for both sexes, until reaching 67 years. A program titled “Solidarity Across Generations” has been defined, aiming to increase employment rate for people aged 55 to 64 to 70% by 2020. It introduces measures that, on one hand, increase incentives for entrepreneurs to employ people above 50 (“Active Pensioner” program) and, on the other hand, foster the improvement of qualifications, skills, and effectiveness of work of older people (“Benefitting From Age—Training for Entrepreneurs” program). Some solutions offered in the program are also addressed to younger generations, mainly those above 40. This results from analyses realized by government consultants suggesting to adopt appropriate measures to sustain jointly older and younger employment, pointing complementarity between the two groups. So now, the program presents an intergenerational approach, with measures promoting employment in all phases of active life.

In 2013, the program has been updated and assigned to regional bodies for implementation. The numbers connected to the program seem to confirm the need for this kind of measures. In particular, the Ministerial Labour Fund reserve has financed a special program addressed to those aged above 50, obtaining approximately 4.1 thousand senior involved in the program activities. However, the “Young People on the Labour Market” program, started in 2012, instead provides measures for professional activation of people aged less than 30, implemented by 150 Poviats Labour Offices, and covering nearly 10,000 people. To act at local level has been pointed as the main strong point.

Furthermore, in 2012, a pilot project titled “Your Career—Your Choice” was launched to develop and test new labor policies instruments. Young unemployed are offered the assistance of a tutor, who, on the basis of individually designed plan, determines actions to facilitate the entry into the labor market. Young people receive support from the Labour Office, for example, in the form of bills for internship in specific workplaces, or for training in vocational schools and post-graduate studies.

Finally, multipronged efforts are undertaken to improve the quality of training for all targets of age.

## Conclusion

This article moves from the assumption that achieving a high level of employment may help contain negative implications of ageing processes on public finances for welfare policies (European Parliament, 2013). Moreover, ageing intensifies relations between generations not only within family but also within firms and, more in general, in labor market. Finally, workplaces represent crucial sites for the play of intergenerational relations.

Country cases described above work for some innovative and age-targeted policies founded on the idea that each generation has skills and talents that may complement one another and leverage an engaged workforce leading to higher productivity and a competitive advantage which reduce dependency from the welfare state. Nevertheless, with the consciousness that overall employment performance is driven by the economic and institutional framework, rather than particular labor policies, these ones are considered as complementary to policies for sustaining economic growth and an enlarged labor market.

This argument represents one of the main critics moved against innovative policy tools presented, such as the contract between generations. Some authors point that what is necessary for recovery and facing population ageing is to increase the number of jobs available on the market, whereas the contracts between generations or any other tool defining a “generational bridge” simply aim to maintain existing employment. For some scholars (Lefresne, 2012), incentives for employers to train young people using their senior employees, risk to continue extending substandard work contracts and insecurity to a population with a higher level of education. So, he concludes that the first challenge in today’s crisis is to invent and promote a new professional status for the entire body of active people based on quality of employment and more secure professional pathways. But others (Ichino, 2013) pointed that this is exactly the aim of labor policies and contracts between generations, that is, to improve the quality of the end of career for a senior, giving at the same time an opportunity to the entrance for a young.

Some experts (see Alessandri, 2013) highlight the limited convenience for older workers (especially those enjoying good health or with low expected retirement revenue) to



accept this kind of contract, which implies a wage reduction. Some others put into question the possibility for public employment services to govern efficiently complex processes (both from an organizational and administrative point of view) that these new contracts provide, along with monitoring mechanisms, especially with reference to the French and Italian cases. For Belgian and Polish cases, the envisaged risk is a lack of integration among the great number of measures.

Moreover, the debate on solutions adopted necessarily has to be postponed to the coming years, when complete evaluation data could be available. Now, this article aims at focusing on the principle of solidarity emerged, especially in consequence of the crisis, in political debate and in reforms launched by some European countries. As reported, the term *solidarity* appears in all documents concerning welfare reforms, highlighting the passage from the level of political announcement to that of practice. Analyzing these documents, solidarity is intended as the principle preserving social cohesion in the labor market and it appears ascribable to the solidarity-conflict theoretical framework discussed in the first part of the article. Moreover, decision makers seem aware of the risks coming from ambivalence potentially affecting intergenerational relations. Thus, they have provided a system of rules and conditions for having access to the measures, like precise recipients' profile, participation on a voluntary basis, monitoring processes, evaluation tools, and fiscal sanctions if actors involved do not respect the paths. In this sense, it seems confirmed the idea of conditionality is associated to the principle of solidarity, as explained in the first part of the article. The solidarity in question is not the same within family, unconditioned, rather solidarity (measures) is matched by the obligations of benefit recipients.

Country cases also remind to the other concepts of "organic solidarity" (Durkheim) and of "solidarity with" (Hyman), as measures are implemented more and more with different actors, who act collectively (central and local authorities, social parts, others institutional entities) to favor the change. This is an important remark as it seems to demonstrate that, gradually, change is possible also in corporatist welfare regimes, but only when the state and other actors are willing to cooperate. Yerkes (2011) spoke about *responsive corporatism*, in contrast with *immobile corporatism* (when the state and other actors do not cooperate and hinder policy change due to mechanisms of path dependency). The preliminary failure of Belgian measures, for example, is reconnected to the lack of coordination among the representatives of the different institutional levels.

Heading toward the conclusion, the recognition of ambivalence inspires new policy proposals. Although aware of the complexity of the matter, I will try to sketch two alternative solutions.

One may consist of a job sharing contract between workers of the same cohort of age, addressed to workers with

intergenerational ambivalence and interested in reducing working time (intra-generational solidarity). In this case, a new contract would be signed, for example, between two older workers, so having the possibility to draw up a new contract for two young workers. Although it is less probable, the scheme could run also for young workers, allowing the hiring of older unemployed. In this case, there would be the legal obligation for the company, to maintain the same staffing level. This alternative implies to renounce to the skill transfer from the senior to the young workers, so, it is feasible in firms in which there is no such problem, but only the need to play along with older workers to retirement, at the same time assuring generational handover.

A second option, emphasizing the training aim of the contract, could envisage two part-time contracts, one for the young and one for the older worker, in which both are engaged to transfer skills to the other. The old will transfer technical knowledge from experience, whereas the young, for example, could pass technological skill necessary to the old to maintain his job. The aim would be to increase the convenience of both workers to cooperate, avoiding the risk of ambivalence.

Finally, policies may represent the vehicle to promote a change of perspective, from that of rational exchange to that of relational redistribution, not only in political debate but also in public opinion, fostering a cultural process aiming to overlap age discriminations in workplaces as in the society wherein they are embedded. Conceiving intergenerational policies could be one realistic way to deal with the labor and welfare crisis, preserving, at the same time, cohesive societies, at least in the short or medium term, until economy will start to expand again.

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