

## DEMOGRAPHIC CHALLENGES TO RELAUNCH A COUNTRY THAT HAS LOST VITALITY

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**Abstract:** Demographic trends of the Italian population are more and more problematic. The shrink of births, the growing of deaths and the ageing of population will be the main issues to manage in next decades both for economic and socio cultural equilibrium of the Italian society. New policies more family oriented and a best commitment to foster human capital, both immigrants and young Italian people too frequently addressed abroad, are more and more requested to give proper answers to a demographic crisis that could be even more devastating than the economic one.

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### A PEOPLE WITH LESS FUTURE

In recent years the demographic drift of the Italian population balance show a trend that was once unimaginable. As a consequence of the present dynamics we can observe downward tendency. If we define the demographic asset as “the quantity of future (total life-years) that the residents in Italy have still to spend (globally), according to their number and composition by sex and age, we can realize that it stopped growing. On 1st January 2017 in Italy, at the current conditions of survival, the demographic asset was 2.4 thousand millions life-years (equivalent to 40 years of residual life per capita) of which 1.3 thousand millions to be spent in active age (between 20 and 67 years) and 1 thousand millions to live by retirees, and still during the two previous years (2015-2016) it suffered a loss of 35 million years of life. This occurred in the context of an increase in the share of the future that the Italian population will live in a condition of retirement (from 40.6%

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of the total expected life-years to 41%) accompanied by the corresponding decrease in the share of expectations potentially to be dedicated to work (from 54.7% to 54.3%). In order to make these calculations, the following thresholds are conventionally adopted:

- a) Training: you stay in training until the end of the calendar year during which you have completed 20 years.
- b) Work: You enter the labor market from January 1st of the year following the one in which the 20th birthday has been reached, up to the instant in which you reach the 67th birthday.
- c) Quiescence: you enter the universe of pensioners starting from the 67th birthday.

What does this imply? First of all, this trend increasingly points out the problem of the sustainability of the welfare system. According to these data, the pension reforms already approved, and the further changes that almost certainly we are awaiting for, must first protect the younger generations, through appropriate corrective mechanisms. The public strategies aimed at revitalizing the national demographic patrimony must be associated with farsighted measures capable of guaranteeing the equilibrium of a social security system, which today is still too complex, unnecessarily rigid and insufficiently reformed.

It must be taken into account how the future demographic accounting in Italy will be inevitably addressed - in the absence of huge contributions on the migratory front - to be characterized by increasingly negative balances between the quantity of future "product", with the entry of new births and of immigrants, and the complex of life-years lost, by death or emigration, or simply consumed by living. The, so much discussed, loss of vitality of Italians, which is due to the strong aging process of the indigenous population, is only partially responsible of this progressive weakening; nowadays, in fact, also the propulsive action deriving from foreign migration flows is being exhausted. The transition from stagnation to demographic regression has not yet shown its worst consequences: it is therefore necessary to move urgently and pragmatically, precisely starting from the great theme of our time: the fall in the birth rate.

## THE ABSENCE OF POLICIES TO SUPPORT THE BIRTH RATE

The statistical data that are gradually completing the demographic balance for 2017 convince that a new negative record for the birth rate is going to be achieved (the first eight months of 2017 show a decrease of 2.2%, compared to corresponding time interval in 2016). They make it clear that, in the absence of radical countermeasures, the social and economic effects of the persistent demographic crisis will be increasingly difficult to manage. The problem at stake is "what" to do and "who" must do. There is no doubt that any (desirable) change of direction would require a greater level of attention and resources in favor of practical and incisive actions to support the birth rate, with explicit interventions

aimed, above all, to recover equity in taxation and tariff policies; to favor the reconciliation between maternity and work; to make care services accessible; to develop family-friendly housing policies (see [Piano Nazionale per la Famiglia (2012) Presidenza del Consiglio dei Ministri, Dipartimento per le politiche della famiglia]).

The demographic and family policy should also be of a universal nature, and not limited to the sphere of emergence from poverty and social exclusion. The interventions should then be started in a short time, without the illusion of being able to simply compensate the problem of the fall in the birth rate through the sole contribution of immigration, which is important, however certainly not sufficient.

Which subjects should be called, today, to design and implement these actions? The role of political and institutional actors is obviously decisive; nevertheless, the logic of construction of the dominant political consensus today should be, if not put aside, at least mitigated to face the emergency. Any public initiative, with deals directly or indirectly with the demographic context, requires a far-sighted vision. It has to be coherent in the choices and patient waiting for the fruits: it has to sow today, in order to be able to gather the day after tomorrow. The times of demography involve two generations, about thirty years; those in politics tend to look, in the best case, for a term of five years.

Those who risk consensus in the name of the demographic destinies of the country, for example by promoting a redistribution of the few resources available, would like that immediate confirmation that, on the contrary, the nature of the intervention dilutes over time. The short-circuit decision-making that systematically blocks long-term interventions in Italy also significantly affects the birth rate. On the basis of what has been said, it seems increasingly necessary to encourage a shared culture of demographic change as a phenomenon to be known, in events and consequences, but above all to be governed by mutual agreement, accepting and sharing any costs and sacrifices of choices directed to the common good. The country system, in all its institutional and territorial articulations, should ideally mobilize on the issue of the birth rate fall in a cohesive and harmonious way: it is above all at the local level, in fact, that the demographic problems are felt and must be managed.

## MORE CARE OF HUMAN CAPITAL

As we have seen, the Italian demographic asset has stopped growing: the birth rate shows no signs of rising, reducing, as a consequence, the flow of the next generations of young people. Given these premises, it is easy to realize that a top target, which cannot be given up, is making the most of the young demographic resources available in the country, by transforming them into educated human capital. In the context of domestic and European objectives, the issue of early school leaving is certainly a priority in a country, as is Italy, where the number of early drop-outs from the school system, although declining, is still largely greater

than it should, with respect to the desired targets. On the other hand, it is useful to remember how the effects of school drop-outs, should not only be considered under the aspects of economic costs for the whole community. Social cohesion and inclusion is involved, together with the risk of poverty and fragility in the population sectors which are more at risk. It is crucial to valorise young people who will soon be called to support the weight of an ever older society. By the skills acquired since childhood and their work, these young generations need to face enormous cultural and identity transformations, especially in metropolitan areas, that aspire to become global cities with a strong orientation to the information and knowledge economy. Among the possible actions intended to contrast school drop-outs are those to make more reliable indicators and detection tools to evaluate the causes of drop-outs and to define more accurate profiles of persons at risk; to adopt an early prevention strategy as early as possible, since the middle school; to intervene on the quality of learning in this school cycle and to take care, thanks to a better orientation, of the critical phase of transition to higher education; to move from a "fight against abandonment" to "fight against school failure", because students having irregular and late study paths are not yet dropped-out, but often they are at the antechamber; to monitor and evaluate the impact of the actions carried out up to now in the various territories; finally, in a medium-long term vision, to overcome the perspective adopted so far, which looks at the drop-outs in terms of the titles obtained (or not), to embrace the skill approach, which at international level now informs the most innovative school policies [see Fondazione Agnelli, VII Commissione della Camera dei Deputati - Cultura e Istruzione 2014].

At the same time, it seems necessary to develop adequate initiatives to counter the other emerging form of dispersion of national human capital, with ad hoc incentives to recall back to Italy the brains who have left the country. The idea of making structural a system of tax advantages for Italian emigrant researchers, if they chose to return to live and work in Italy, even if positive, would probably have a limited impact. The key point would be to recreate favorable conditions for cutting-edge research in terms of funds, structures and scientific culture, also in Italy, and not just limiting to a few excellences. The most advanced countries from this point of view - Europeans (Germany, United Kingdom, France) and not (the United States in the first place) - also tend to guarantee greater consideration to researchers in terms of economic remuneration and career progression, being these aspects strongly encouraging.

## A GREATER KNOWLEDGE OF THE PROBLEMS TO HELP THEIR SOLUTION

How can statistical, demographic and other data be illustrated correctly and, at the same time, journalistically captivating? According to the emerging paradigm that pushes towards the data revolution [[www.undatarevolution.org](http://www.undatarevolution.org)], does the proliferation of data of all kinds, big and open, foster the understand of reality? Or, on the contrary, there is a "statistical noise", which is increasing more and more confusing and difficult to manage? How can mass-media filter data publications that should always be accurately verified? How can the organs of Official Statistics support the media and all citizens to facilitate easier access to essential information in such a sensitive period for the country? And finally, how to interface with all the non-official bodies that sometimes tend to express their own interests, positions, hopes, rather than neutral visions of the facts, through the data they try to promote?

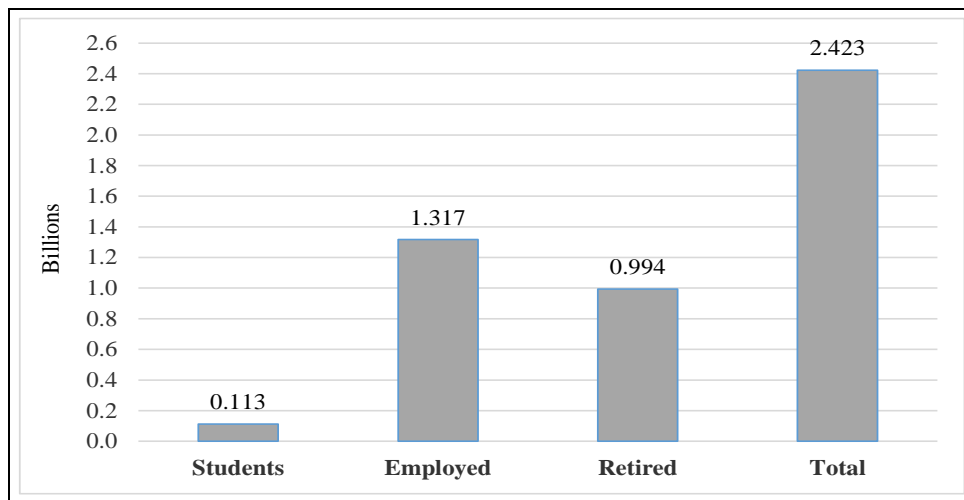
The issue of how statistical data are treated "on" and "by" mass media has a long tradition and has systematically given rise to heated arguments. It is necessary to consider that statistics are one of the possible tools, not only for describing reality, but also for building it, promoting sometimes simplistic, emotional, partial or instrumental views of facts

In some cases there is the evident attempt to publicly accredit particular points of view, through pieces of information to which most citizens are persuaded to recognize as objective and scientific.

The actors, who in various ways have access to the media comment, interpret, discuss the statistics, providing the audience with various frames of interpretation to which they can refer. Communication media show a growing tendency to emphasize demographic data, both official and non-official, not always in an appropriate manner, so that in the public opinion an emotional readings of reality often tend to prevail, supported by data not necessarily certified and documented. On the other hand, due to the uses that can be made of them, demographic statistics are not exempt from the risks typically encountered by economic data, once they have entered the media and political communication circuits. Just think of the present economic crisis and the information that from time to time are used to try to demonstrate, depending on the positions in the field, that: the crisis is finally over; that we are on the right track, but we have not done enough yet; that the situation has remained unchanged for years; that the economic trend has further deteriorated and we are collapsing. Even the demographic data, especially if it were to miss the possibility to interpret them in a simple and linear way, risk becoming fertile ground for similar contests. The organs of Official Statistics have historically a great responsibility in this sense and, today more than ever; they are called to take further steps forward for what concerns the ability to communicate statistics to different users, while respecting their cognitive needs.

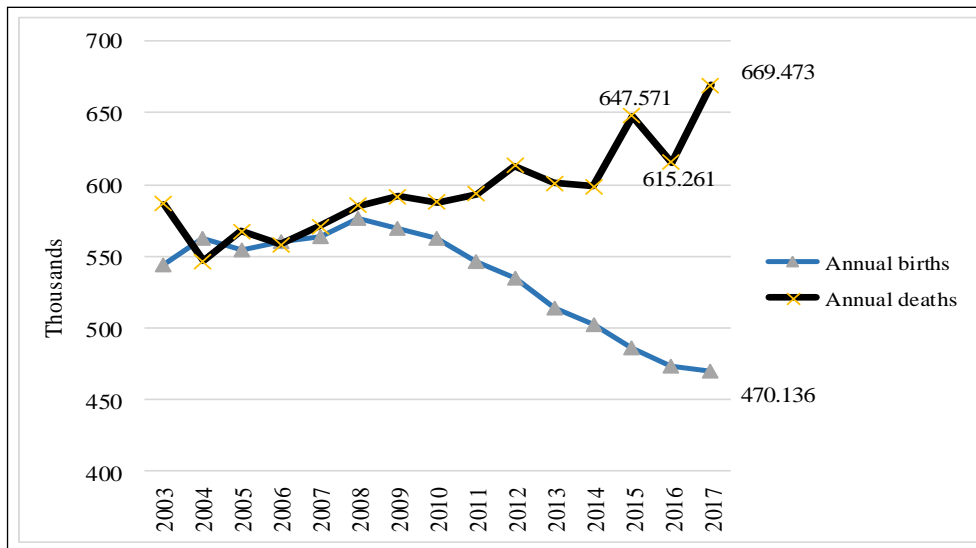
The major national media in turn have a crucial role: to publish verified and verifiable data; this should be done also to encourage greater interaction with the most attentive and eager citizens to deepen public issues, among these demographic. Only in this way, the statistical noise can be reduced in favor of reliable, controllable, significant and really "informative" data.

Figure 1. Italian demographic patrimony: January, 1st 2017 (living years)



Source: own elaborations based on ISTAT data

Figure 2. Italy: natural movement of the resident population. Years 2003-2017



Source: own elaborations based on ISTAT data

## REFERENCES

Fondazione Agnelli (2014) Camera dei Deputati, VII Commissione Cultura, Scienza e Istruzione, 2014.

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