YOUTH AND FEMALE UNEMPLOYMENT: A CRITICAL ISSUE FOR INNER AREAS IN PUGLIA (ITALY). NEEDS AND OPPORTUNITIES IN THE SILVER ECONOMY AGE

Annamaria Fiore

Abstract. The National Strategy for Inner Areas (SNAI) represents an Italian national policy for development and cohesion on a territorial basis. Its methodology makes it possible to classify Italian municipalities according to their accessibility to essential services (health, education, mobility), as well as providing a reference grid on which differentiated policies can be developed for territories. The National Institute of Statistics have already shown that the population of inner areas is on average older; also, the old-age index is significantly higher. In addition, the inner areas have also suffered a heavy demographic decline, especially in the South of the country. In this paper, the author uses SNAI's taxonomy to look not at demographic indices, but at two other social phenomena that also heavily impact the demographic ageing of these areas: youth and female unemployment. I focus on Apulian municipalities. Usually, these phenomena are considered in their negative side-effect also because they pose a severe challenge to the sustainability of welfare and health systems, in terms of public budgets, workforce, competitiveness and quality of life, whereas the objective of the paper is to open up greater awareness of the opportunities that the silver economy can bring, especially for decision-makers in the territories most at risk of ageing and depopulation.

1. Introduction

Advanced economies face a far-reaching demographic transition. This macro-trend consists of several sub-components: declining birth rates, ageing population, and depopulation of some areas. Demographic change has serious effects on several socioeconomic dimensions: on the labour market, the healthcare systems, and social exclusion, to mention just a few (Martinez-Fernandez et al., 2012; European Commission, 2020). In this contribution, I will focus on Italy and the regional case of Puglia, showing how demographic decline, associated with female and youth unemployment, differs across the municipalities according to the classification of the National Strategy for Inner Areas, SNAI (DPS, 2012; Urso, 2016).Once the phenomenon has been represented in this territorial detail, I will present the implications that the ageing of the population may open for innovative business opportunities. These prospects could be exploited precisely by females and young

people, categories particularly weak in the labour market in the inner areas of Puglia, once considered the sectors in which their employment prevails and their greater contribution to the development of innovative start-ups than the national average. By processing data taken from the special section of the Business Register dedicated to start-ups, ARTI finds that female-led start-ups in Puglia account for 14% of the total (compared to 12.6% at the national level), while young people are prevalent in the management of innovative start-ups in almost one in five cases (19.1% vs. 16.4%; ARTI, 2022).The paper aims to open greater awareness of the opportunities besides threats that the silver economy can bring, especially in the territories most at risk of ageing and depopulation.

2. Demographic decline: OECD and Italy

Since the seventies, OECD countries witnessed a demographic decline, particularly evident in Italy when you consider both the constantly decreasing share of the young population and the continuously increasing share of the elderly population; this has repercussions on the labour market, where the share of the working age population, always higher in Italy than the OECD average up to 2004 thenceforth has reversed the trend, becoming consistently lower (Table 1).

Table 1 – *Labour force statistics. OECD and Italy, 1970-2021.*

Indicator	Definition	Year	OECD	Italy
Young population	People aged less than 15 out of the total population, %	1970	28.8	24.6
		2021	17.6	12.8
Elderly population	People aged 65 and over out of the total population, %	1970	9.3	10.9
		2021	17.6	23.7
Working age population	People aged 15 to 64 out of the total population, %	1970	61.9	64.5
		1992	65.7	69.1
		2004	66.5	66.5
		2021	64.8	63.5

Source: OECD ‑ Labour Force Statistics: Summary tables (2023).

However, Italy is very differentiated internally in several respects. While this variety has always been a much-appreciated characteristic of our country, this leads to criticalities in territory governance. To offer diversified possibilities for territorial analyses, ISTAT disseminates statistical information according to different criteria of territorial units: extension, antimetrical band altimetry, degree of urbanisation, and littoral or coastal areas. The growing need for sound information for policy making and available at a territorial level ever closer to the individual citizen has led to a different classification of Italian municipalities, in addition to strictly geographical (geo-morphological) and/or anthropological (urban settlement) criteria. A new taxonomy, set up for the first time in Italy during the 2014-2020

Cohesion Policy programming cycle, considers as a classification criterion accessibility to essential services: thus, the municipalities are categorized according to their 'peripherality', measured by the actual distance from the centres of integrated supply of essential services (school, health, and transport services railway). This leads to the subdivision of municipalities into central or inner areas. Consequently, the National Strategy for Inner Areas (SNAI; Italian: Strategia Nazionale per le Aree Interne), an Italian policy developed in 2013 and promoted by the Agency for Territorial Cohesion (Dipartimento per la Coesione Territoriale) and then by the Minister for Territorial Cohesion, aims at enhancing the territorial reactivation of remote municipalities. The subsequent strategic document suggests a series of policies and actions to counteract, or at least to mitigate, the demographic decline and the territorial marginalization process. With the new Partnership Agreement 2021-2027, an update of the Map was carried out while maintaining the methodology for the classification of Italian municipalities into six categories: Poles, Intermunicipal Poles, Urban Belts (Central Areas); Intermediate, Peripheral, Ultra-peripheral (Inner Areas). Recent studies proved significant differences between Central areas and Inner areas in average age, and old-age index (Bianchino et al., 2022) as well as criticalities in employment, demographic ageing, depopulation and commuting in inner areas (Acampora et al. 2023).

Table 2 – *Classification of Apulian municipalities according to SNAI, 2014-2020 and 2021-2027.*

Programming cycle	Metric of Inner Areas	Municipalities	Population
2014-2020	n.	138	1,017,709
	%	53.7	25.5
2021-2027	n.	148	1,437,004
	%	57.6	36.6
Change	Absolute	+10	419,295
	%	+7.2	41.2

Source: Author's elaboration on Istat - Classification of municipalities according to Inner Area characteristics (administrative geography as of 30 September 2020).

3. Inner Areas in Puglia: demographic decline and unemployment

Puglia is a region in South-Eastern Italy. In the Map of the SNAI developed for the 2014-2020 Cohesion Policy programming cycle, 138 out of 257 Apulian municipalities were classified as Inner Areas (53.7%), involving 25.5% of the total population. These percentages increased in the 2021-2027 programming cycle up to 57.6% of municipalities and 36.6% of the population (Table 2).

As underlined in the previous section, Inner Areas in Italy present a significant depopulation. This is confirmed in the Apulian case: in general terms, if the population of Puglia decreased by 4.6% in the decade 2012-2022, the population decrement in Central Areas was -5.2%, whereas in the Inner Areas was -7.5%, with a peak of over 30% recorded in a municipality in the province of Foggia. Another relevant difference is in the average age (45.3 vs. 46.5 years). In both cases, the differences tested by a Wilcoxon rank-sum test used to compare two independent samples are significant (Table 3).

Table 3 − *Demographic decline and average age of Apulian municipalities.*

Indicator	Central Areas	Inner Areas	Wilcoxon rank-test	p-value
Demographic change 2012-2022, %	-5.2	-7.5	3.644	0.0003
Average age, 2020	45.3	46.5	-4.058	0.0000

Source: Author's elaboration on Istat – Demo.

In the last five years, Puglia experienced a decreasing unemployment rate: it passed from 16.1% in 2018 to 12.1% in 2022, constantly lower than in the South (from 18.4% to 14.3%), but still distant from the Italian average (from 10.6% to 8.1%). Differences emerge when considering age group and gender: for young people aged between 15 and 24 is never less than 32%, and the gap between male and female unemployment is at least 4 percentage points, with a tendency to increase rather than decrease over time (Figure 1).

**Figure 1 −** *Unemployment in Puglia, 2018-2022.*
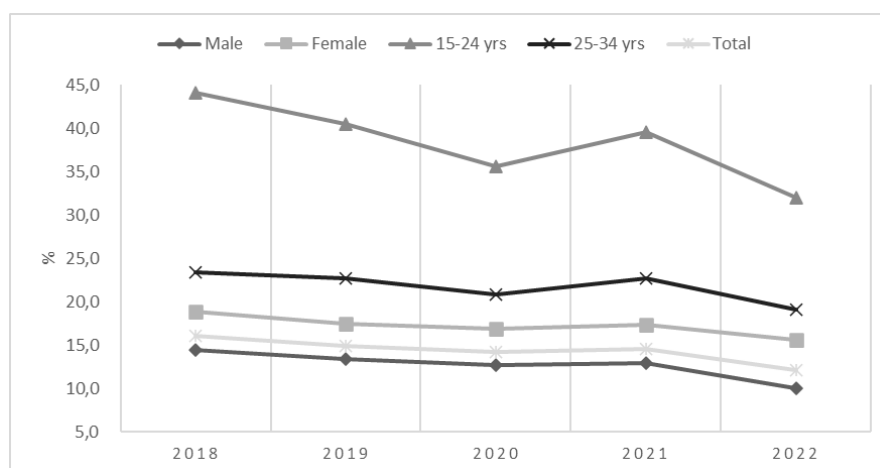
Source: Istat - Labour Force Survey.

Moreover, youth and female unemployment rates were particularly by the pandemic crisis between 2020 and 2021: while the absolute difference in unemployment rates for men was only 0.2 percentage points, the difference in unemployment rates for females was twice (0.4) and 3.8 percentage points for young people aged 15 to 24. These data could be potentially limited by a significative presence of a shadow economy, in Italy in general (according to the late estimates, 174 billion euros, representing 10.5% of GDP; Istat 2023b), and in Southern Italy in particular (CGIA Mestre, 2021). Moreover, the shadow economy is concentrated in the sector of other services to persons (Istat, 2023b), where females are especially employed (Toffanin, 2016).

3.1. Youth and female unemployment

For our purpose, it is of relevance to establish if there are different patterns in unemployment rates across SNAI areas. I calculated youth (15-24 years) and female unemployment rates for all Apulian municipalities utilizing the most recent data available on the occupational status at this territorial level (2019), dividing the number of persons looking for jobs by the total labour force and then multiplying by 100. Youth and female unemployment rates show different patterns according to SNAI areas, as shown in box plots in Figure 2.

Figure 2 – *Youth (left panel) and female (right panel) unemployment rates in Apulian municipalities according to SNAI areas, 2019.*
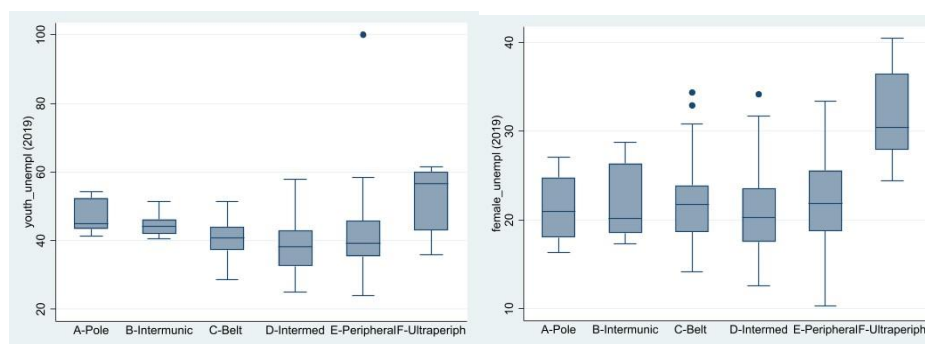
Source: Author's elaboration on Istat - Census of the Population and Housing – Education and training, economic activity status, and school or workplace municipal dataset

As regards the youth unemployment rate, it shows a sort of U-pattern: relatively high in the Pole municipalities (46.9%), then it decreases up to 38.8% in the Intermediate municipalities, and then it increases again up to 52.3% in the Ultra-peripheral municipalities. This means that more than half of 15–24-year-olds are actively seeking employment in some municipalities. In a very small municipality in

the province of Foggia, Celle San Vito, young unemployment reaches 100% (the outlier in the corresponding box plot).Female unemployment is quite similar in Pole and Intermediate municipalities (20.9% and 21.9%, respectively), but then it increases in the Peripheral and especially in Ultra-Peripheral municipalities: 22.2% and 31.7%. Considering both indicators together, they give a picture of social disadvantages experienced by the municipalities most distant from essential services (i.e., school, health, and transport services railway). Especially in the case of the high youth unemployment rate, this exacerbates the phenomenon of depopulation: young people, in the absence of job opportunities in their areas of residence, are more likely to migrate in search of work opportunities, further impoverishing marginal areas, and depriving them of new energies for development possibilities. This trend was recently confirmed in a note by the National Institute of Statistics: in 2020, the South and the Islands lost as many as 42 young residents (25-34 years old) per 100 population movements in extra-regional internal flows (+22 in the Centre-North) and 56 out of 100 in foreign ones (-49 in Centre-North). The phenomenon is accentuated in provinces with low employment and the inner areas: in Puglia, the situation is particularly critical in the provinces of Taranto, Brindisi, and Foggia. Overall, almost 6,500 young people left Puglia in 2020 (Istat, 2023a).

4. Ageing population: threat or opportunity?

In the previous section, it has been shown the greater risk of demographic decline and the more critical social situation due to higher youth and female unemployment in the Inner Areas of a Southern Italian Region, Puglia. Still, the old-age dependency ratio (proportional ratio of the population aged 65+ to the working-age population aged 15-64) is structurally greater in the Inner Areas of Puglia (Wilcoxon rank-test: $z = -4.442$, p-value = 0.0000) and, in general, it increased of two percentage points in the last five years (author's elaboration on IPRES open data). Usually, these phenomena are considered for their negative side effects since they pose severe challenges to the sustainability of welfare and health systems (Grubanov-Boskovic et al., 2021), in terms of public budgets, workforce, competitiveness, and quality of life (European Commission, 2015). Criticalities surge in labour markets as well: for example, the constant ageing of the labour force can hinder the adoption and absorption of new technologies in an era of rapid technological transition. In only five years, in Puglia, the ageing of the labour force (percentage ratio between the most mature potentially active population aged 40-64 and the youngest population aged 15-39) increased from 122.2 in 2018 to 134.9 in 2022 (IPRES open data). Moreover, the replacement rate (percentage ratio between the population potentially leaving the labour force aged 60-64 and the population entering the labour force aged 15-19) increased by 13%, from 118.1 to 133.4 over the same five-year period (IPRES

open data). There is evidence of greater difficulty in replacing the labour force in the Inner Areas than in the Central Areas (Figure 3).

Figure 3 – *Replacement rate of active population in Apulian municipalities according to SNAI areas, 2022.*
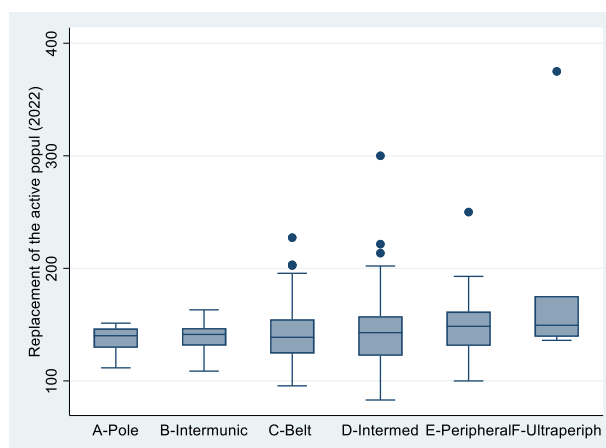
Source: Author's elaboration on IPRES open data –
Population structure indices of Apulian municipalities
Time series 2017-2022 .

At the same time, the demographic transition can offer opportunities for the creation of new jobs and growth, usually referred to as the Silver Economy. In 2007, with the resolution "Opportunities and challenges of demographic change in Europe", the Council of the European Union defined a clear policy position and referred to the "silver economy" as an opportunity for Europe and its regions (European Council, 2007). In the background paper "Growing the Silver Economy in Europe" the European Commission defines it as "the existing and emerging economic opportunities associated with the growing public and consumer expenditure related to population ageing and the specific needs of the population over 50" (European Commission, 2015). Recent studies underline the potential of the silver economy connected not only with general new employment opportunities but as a specific attractiveness factor for the younger working-age population, such as in the healthcare sector (Grubanov-Boskovic et al., 2021; Ghio et al., 2022). Although the new employment opportunities associated with the silver economy are usually related to personal care professions, the range of new growth possibilities is much broader, even if not explored yet in the literature. First, the silver economy addresses an audience of consumers with solid wealth positions, good propensity to consume, and specific needs. A greater share of the national wealth is held by the elderly population, which thus sees its purchasing power increase compared to other

segments of the population: the wealth owned by elderly households out of total household wealth in Italy passed from 20.2% in 1995 up to 39.9% in 2016 (Censis-Tendercapital, 2019). Second, the new emergent needs of elderly people are varied: financial security (retirement plans); cultural consumption (museums, cinema); technology (internet, online services); and leisure (wellness, cruises). With this aim, it is interesting to analyse the sectors where the two population segments under study are mostly active (Table 4).

Table 4 – *Female and young people employment in Puglia: top 5 sectors.*

Female		Young people	
NACE sectors	% out of the total regional employment	NACE sectors	% out of the total regional employment
Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies [R-U]	63.7	Information and communication [J]	8.3
Public administration, defence, education, human health and social work activities [O-Q]	55.1	Wholesale and retail trade, transport, accommodation and food service activities [G-I]	7.3
Real estate activities [L]	46.6	Agriculture, forestry and fishing [A]	7.0
Professional, scientific and technical activities; administrative and support service activities [M-N]	41.9	Construction [F]	6.1
Information and communication [J]	36.8	Industry (except construction) [B-E]	6.0
Total - all NACE activities [TOTAL]	35.8	Total - all NACE activities [TOTAL]	5.4

Source: Author's elaboration on Eurostat - Employment by sex, age, economic activity and NUTS 2 regions (NACE Rev. 2)

The sectors are different but complementary: as expected, females especially work in households (maids, cooks, waiters, caretakers, babysitters, secretaries, etc.), in education, and social work activities; young people are particularly active in ICT sectors and in accommodation and food services. These job specializations, if appropriately exploited, can therefore lead to an integrated and comprehensive offer of innovative services for the elderly population. This assumption is particularly true

if we consider that in Puglia both females and, above all, young people show a relative specialisation compared to the Italian average for ICT professions (where it exhibits percentages of 30.6% and 4%, respectively) and their propensity for innovative entrepreneurship, as already emphasised in the introduction (ARTI, 2022). The emergent needs of elderly people pave the way for various innovations where people usually marginalized from the job market (young people, females) can find important prospects and interesting niches for the opening of new market segments: just to cite some examples, they range from food for specific needs palatability, particular deficiencies to e-health and wearable devices; from transport and communication to leisure and lifelong learning experiences and technologies for living environments (ambient assisted living). Most of these products and services also incorporate high-added value in research and development.

5. Policy suggestions for Inner Areas in the silver economy era

In this paper, the centrality of demography in defining society's current and future needs has been featured, trying to combine three strands of literature, so far insufficiently explored in conjunction: the demographic decline, the social weakness of the Inner Areas in a Southern Italian region, the silver economy opportunities to relaunch these areas themselves. Demographic change is a relevant issue for regional policy-makers since it solicited a differentiated territorial approach – particularly concentrated in Inner Areas - to mainstream ageing in all policy fields, and to achieve a society for all ages. An interesting essay describes national and regional models of the silver economy in the European Union (Klimczuk, 2016) but in no case the challenge of an ageing population is addressed through policies supporting the employment of weaker groups (young people, females), and to direct them towards innovative and potentially profitable market niches. Even in Northeast Asia where, to date, the most notable steps towards establishing strategies for using the ageing of society as an opportunity to direct innovation capacities, investment, and R&D towards the growing elderly consumer group have been taken (especially in Japan and South Korea), none considers the aspect of employment of weaker groups (Gschwendtner, 2020). Inner Areas are critical not only for demographic reasons (decline, ageing) but also for social vulnerability measured in this paper with two indicators: youth and female unemployment. However, the high unemployment rates observed could be limited by the significant presence of the shadow economy in sectors where mainly women and young people work (personal services, agriculture, construction, catering; Istat 2023b). Although examples of innovative businesses of the silver economy boosting female and young employment are not yet widespread, the pieces of evidence collected in this paper could lead to some policy suggestions to be implemented at some experimental degree. As will be shown, these do not imply measures of relevant financial endowments but are based on specific features

of the Apulian labour market and some of its comparative advantages: propensity for innovative entrepreneurship by females and young people (ARTI, 2022), the relative concentration of employment in sectors particularly interested in services to be developed for the silver economy (Eurostat dataset). Notwithstanding this, if adequately and structurally supported over time, these policies should lead to a virtuous circle, creating an attractive factor in those areas most at risk of depopulation, the Inner Areas: by the way, the ones most densely populated by the older population. In the first phase, more young people and females could be attracted by favourable innovative policies, and therefore, the number of current inhabitants would grow in the very short term in the Inner Areas by an additional factor. In the second phase, the population increase would be further supported by new births due to the potential formation of new families in the longer term by a multiplicative factor. Examples of policies to be adopted include: female and young entrepreneurship and innovative start-up measures specifically addressed to the silver economy needs; special rewards in more general policies when they are targeted to the older population; targeted training activities; regional departments explicitly dedicated to the senior citizens as it is already the case for youth policy. However, even in a very recent special issue completely devoted to the silver economy in a journal of management, silver entrepreneurship is conceived as the choice of becoming an entrepreneur over the age of 50, but never as innovative start-ups developing products and/or services directed to the needs of older people (Greco et al., 2022). At the national level, a first measure in this direction, foreseen by the Delegated Law for the Support of the Elderly approved by the Council of Ministers on 10 October 2022 was the establishment of CIPA, the Inter-Ministerial Committee for Policies in Favour of the Elderly Population at the Presidency of the Council of Ministers to promote the coordination and integrated planning of national policies in favour of the elderly, the taking care of frailty and non-self-sufficiency by providing for an improvement in senior housing and RSAs. The suggested measures do not have the force to initiate a solution to the problem, but rather to contribute to it, and to address a cultural change. At all levels, as underlined by Confartigianato in the latest issue of Itinerari Previdenziali (2023), "market opportunities and policies at the local, regional and national level, as well as at the European level, should become a research objective for those who see the old age of the population as a challenge and not a threat". Therefore, the silver economy does not simply represent one of the 'markets', but rather a 'transversal economy', embracing an entire society, a different way to conceive the economy.

References

ACAMPORA C., LA FACI A., LEPORANICO V., POTENZIERI M., POTENZIERI M. 2023. Italian Inner Areas: demographic characteristics, employment and commuting and territorial differentiations, Rivista Italiana di Economia Demografia e Statistica, Vol. LXXVII, No. 1, pp. 173-184.

ARTI 2022. Le startup pugliesi: il contributo di donne, giovani e stranieri all'imprenditoria innovativa in Puglia. *ARTI In Pillole*, November 2, 2022.

BIANCHINO A., CARBONARA M., CARUCCI A.M.M., TEBALA D. 2022. Le aree interne tra spopolamento e povertà. In *MILeS2022 / Milano – Impresa, Lavoro e Società*, Milano, October 4, 2022.

CENSIS-TENDERCAPITAL 2019. *La Silver Economy e le sue conseguenze*. 1° Rapporto Censis-Tendercapital sui buoni investimenti. Roma, October 29, 2019.

CENTRO STUDI E RICERCHE ITINERARI PREVIDENZIALI, 2023. Silver Economy, la grande economia del prossimo decennio. Con i risultati dell'indagine demoscopica su un campione rappresentativo degli over 50 del Paese, *Quaderno di Approfondimento 2023*.

CGIA Mestre 2021. *Il lavoro nero "produce" 78 miliardi di PIL; e dove ce n'è di più, il rischio infortuni è più elevato*. News, August 14, 2021.

DIPARTIMENTO PER LO SVILUPPO E LA COESIONE ECONOMICA 2012. *Le aree interne: di quali territori parliamo? Nota esplicativa sul metodo di classificazione delle aree.*

EUROPEAN COMMISSION 2015. *Growing the Silver Economy in Europe*. Background paper, 23 February 2015.

EUROPEAN COMMISSION 2020. *Report on the impact of demographic change*.

EUROPEAN COUNCIL 2007. Resolution of the Council of the European Union: "Opportunities and challenges of demographic change in Europe" (6226/07) 22 February 2007.

GHIO D., GOUJON A., NATALE F. 2022. Assessing the demographic impact of migration on the working-age population across European territories. *Demographic Research*, Vol. 46, pp. 261–272.

GRECO F., TREGUA M., CARIGNANI F., BIFULCO F. 2022. Silver entrepreneurship: a new trend in startups. *Sinergie*, Vol. 40, No. 3, pp. 123-148.

GRUBANOV-BOSKOVIC S., GHIO D., GOUJON A., KALANTARYAN S., BELMONTE M., SCIPIONI M., CONTE A., GÓMEZ-GONZÁLEZ E., GOMEZ GUTIERREZ E., TOLAN S., MARTINEZ PLUMED F., PESOLE A., FERNANDEZ MACIAS E., HERNANDEZ-ORALLO J. 2021. Healthcare and long-term care workforce: demographic challenges and potential contribution of migration and digital technology, EUR 30593 EN, Publications Office of the European Union, Luxembourg, 2021.

GSCHWENDTNER, P. 2020. Silver Economy Strategies: A Comparative Study of Japanese and South Korean Governmental Measures, *Vienna Journal of East Asian Studies*, Vol.12, No.1, pp. 62-91.

ISTAT 2023a. I divari territoriali nel PNRR: dieci obiettivi per il Mezzogiorno. *Statistiche Focus*, January 25, 2023.

ISTAT 2023b. L'economia non osservata nei conti nazionali. Anni 2018-2021. *Statistiche Report,* October 13, 2023.

KLIMCZUK, A. 2016. Comparative analysis of national and regional models of the silver economy in the European Union. *International Journal of Ageing and Later Life.*

MARTINEZ-FERNANDEZ C., KUBO N., NOYA A., WEYMAN T. 2012. *Demographic Change and Local Development: Shrinkage, Regeneration and Social Dynamics.* Local Economic and Employment Development (LEED), OECD Publishing, Paris, https://doi.org/10.1787/9789264180468-en.

ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD). 2023. *Labour Force Statistics: Summary tables*. OECD Employment and Labour Market Statistics (database)

Toffanin, T. 2016. *Fabbriche invisibili. Storie di donne, lavoranti a domicilio.* Verona: Ombre Corte.

URSO G. 2016. Polycentric Development Policies: A Reflection on the Italian "National Strategy for Inner Areas", *Procedia - Social and Behavioral Sciences*, Vol. 223, pp. 456-461.

_____

Annamaria FIORE, ARTI, Agenzia Regionale per la Tecnologia e l'Innovazione – Regione Puglia, a.fiore@arti.puglia.it