

The labour market: data and analysis

November 2022

This publication has been prepared jointly by the Ministry of Labour and Social Policies (MLPS), Banca d'Italia and the National Agency for Active Labour Market Policies (ANPAL) based on two complete and up-to-date sources: the Comunicazioni obbligatorie (Mandatory reporting) and the Dichiarazioni di immediata disponibilità al lavoro (Declarations of immediate availability to work). The first dataset is updated to 31 October 2022, the second to 30 September 2022. The data are provisional and subject to revision.

PAYROLL EMPLOYMENT

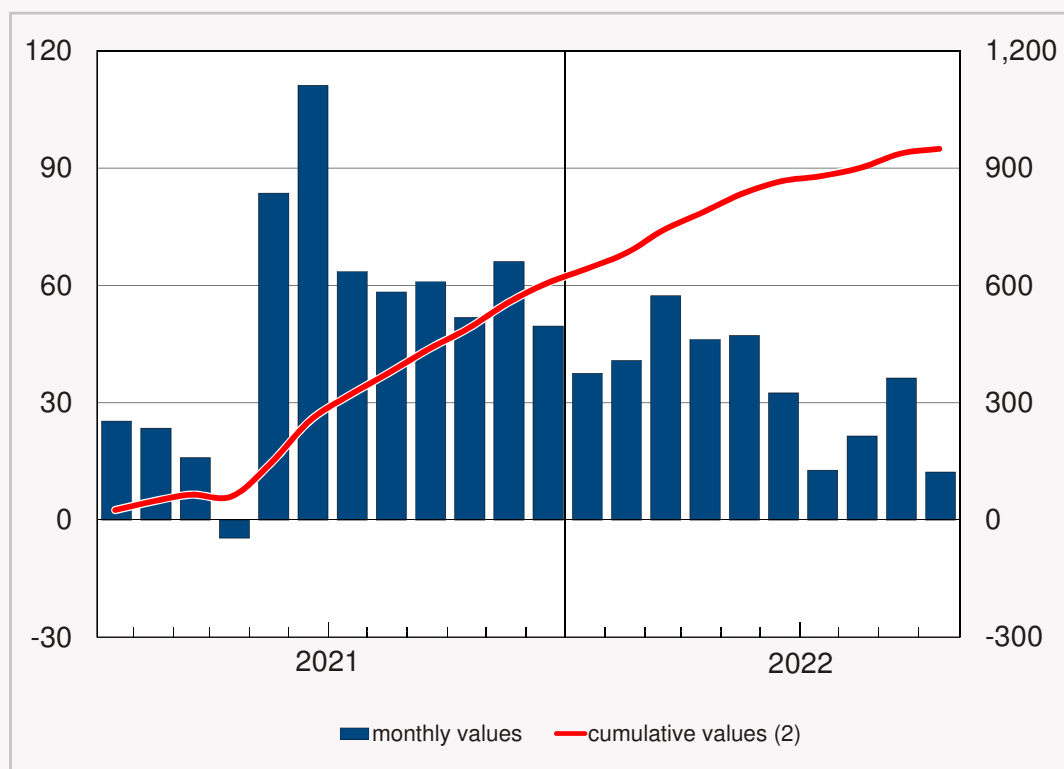
► Payroll employment slows, but growth is still positive

From January to October 2022, private non-farm payroll employment increased by almost 350,000 units, on a seasonally adjusted basis (Table 1). Since last summer, employment has slowed down compared with the first half of the year (Figure 1), but it is still growing in line with pre-pandemic rates: 48,000 jobs were created in September-October against approximately 42,000 over the same period in 2019.

Net hires (1)

(thousands of jobs)

Figure 1



Source: Based on MLPS mandatory reporting data; see the Methodological Note.

(1) Seasonally adjusted data using the TRAMO-SEATS procedure. – (2) Cumulative net hires since January 2021; right-hand scale.

► **Growth in tourism and services decelerates in autumn**

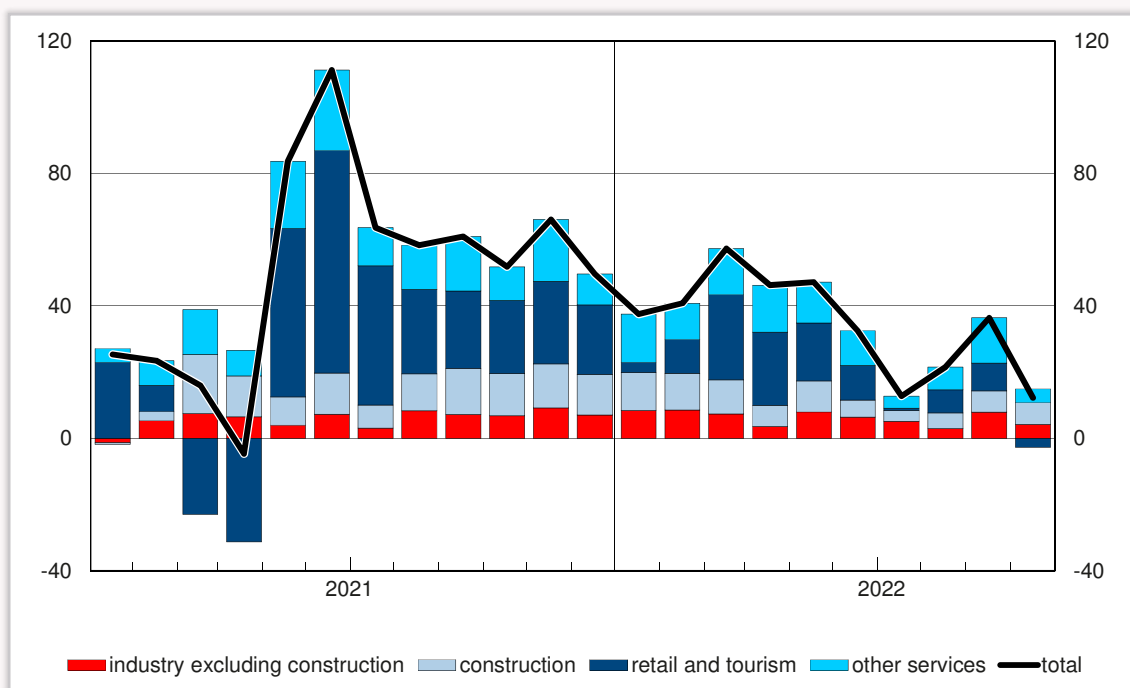
The labour market easing, which started in July, has been most pronounced in the tourism sector (Figure 2; Table 2), though the impact of the pandemic has made it more difficult to separate seasonal and underlying trends, and thus to read employment growth over the course of the year (see the Box ‘Seasonality in the tourism sector’). Some 70,000 jobs were created in the first ten months of 2022, as over the same period in 2019. Developments in other services were mixed: job creation slowed in transport and storage, where higher energy prices may have had an impact.

In industry excluding construction, despite a slowdown in more energy-intensive manufacturing¹, employment growth continued at a moderate pace, as in the previous months. In line with the summer months, net hires in construction were lower than in the fast-growth period from 2021 to the end of the first half of 2022.

Monthly net hires by macro-sector (1)

(thousands of jobs)

Figure 2



Source: Based on MLPS mandatory reporting data; see the Methodological Note.

(1) Seasonally adjusted data using the TRAMO-SEATS procedure.

¹ The energy intensity indicator is defined based on the ratio of energy consumption to value added: both magnitudes are measured by Istat, in the Physical Energy Flows Accounts and National Accounts, respectively. The ten most energy-intensive manufacturing sectors are: food, beverages and tobacco (Ateco codes 10-12); timber industry (Ateco code 16); manufacturing of paper and paper products (Ateco code 17); manufacturing of coke and refined petroleum products (Ateco code 19); chemicals (Ateco code 20); manufacturing of rubber and plastic products (Ateco code 22); manufacturing of non-metal ore products (Ateco code 23); metals and metal products (Ateco code 24). These sectors employ around one third of the labour force in the manufacturing industry.

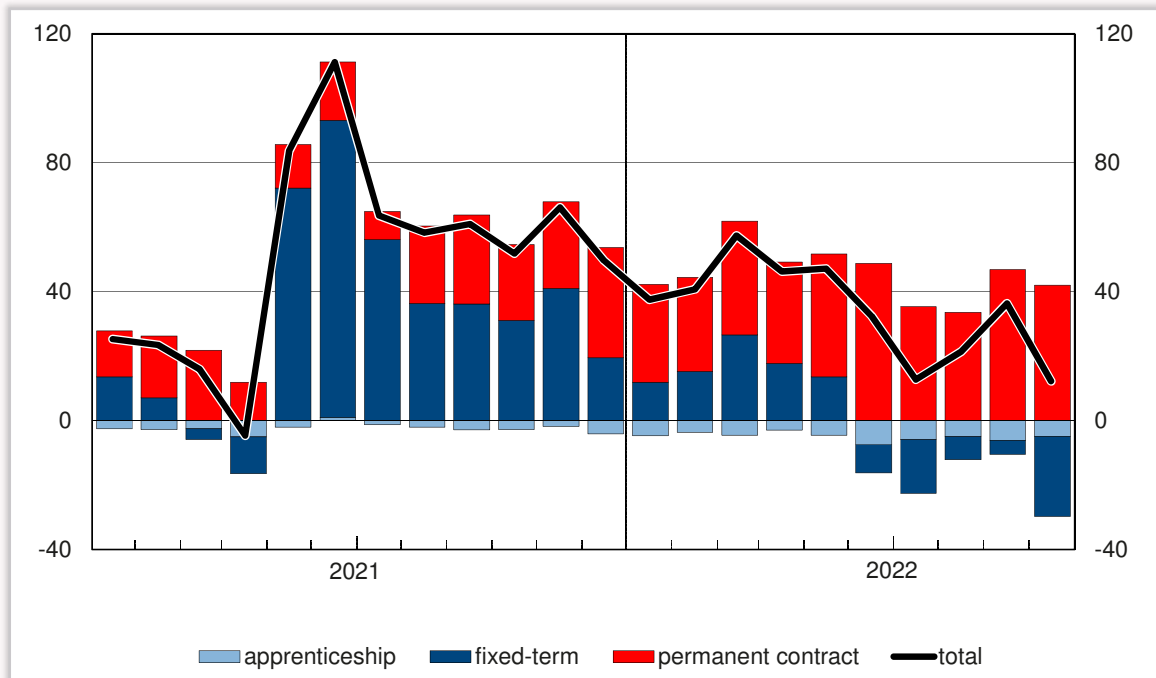
► **The number of permanent positions continues to grow**

Employment growth was again driven exclusively by permanent contracts, which continued to increase at historically high rates in September and October (Figure 3). Since the beginning of this year, over 90 per cent of net hires were permanent contracts. This is a significant improvement compared with the first ten months of 2021, when the share of permanent contracts was just over 30 per cent. This expansion was partly due to a large number of transitions from fixed-term to permanent contracts, which accounted for around 40 per cent of new permanent hires (35 per cent in 2021). On the other hand, apprenticeship and fixed-term contracts have been declining since June, partly as a result of weaker employment in services, where these kinds of contract are used more commonly.

Labour demand was weaker in October for men and women equally.

Monthly net hires by type of contract (1)
(thousands of jobs)

Figure 3



Source: Based on MLPS mandatory reporting data; see the Methodological Note.
(1) Seasonally adjusted data using the TRAMO-SEATS procedure.

FOCUS

SEASONALITY IN THE TOURISM SECTOR

Tourism employs around 10 per cent of declared non-farm private-sector workers. However, the widespread use of fixed-term (often short-term) contracts magnifies its impact on short-term employment trends.

In addition, labour demand in the tourism sector fluctuates greatly month to month, mostly reflecting seasonality in tourism flows; the balance between new contracts and terminations has traditionally peaked in June and December, at the time of the summer and winter holidays (Figure, panel a).

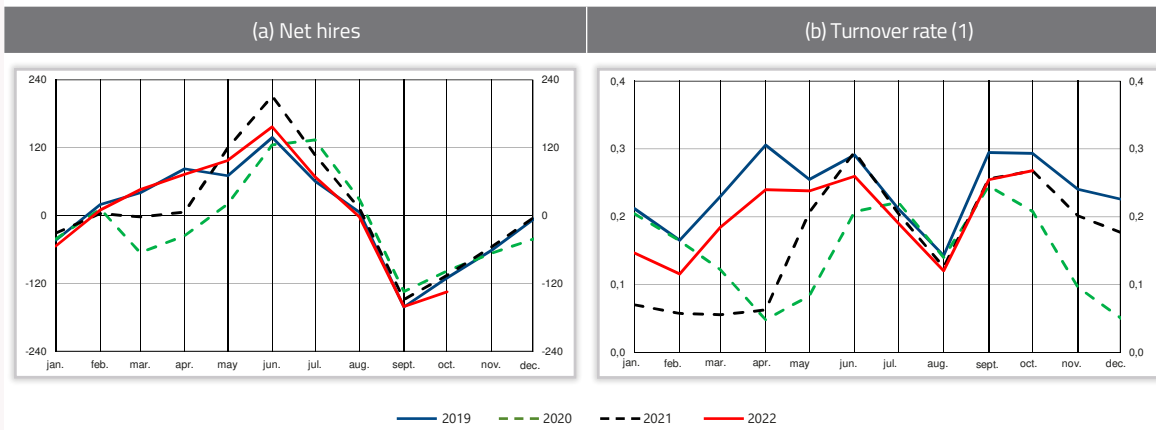
Over the last few years, however, the cyclical nature of tourism has been changed by pandemic-related restrictions. Pandemic waves have proved a major drag on winter and spring tourism, postponing and shortening the summer season: in 2020 and 2021 almost half of hires were concentrated in May-July. In 2022, on the contrary, the employment balance showed a pre-pandemic-like pattern, with fast contract growth as early as March.

Moreover, a reduction in staff turnover points to longer-term contracts: in 2019, there were around 12 new contracts and as many terminations per 100 job positions; both items have dropped to around 10 (Figure, panel b).

Likewise, labour market developments in the last few months of 2022 will partly depend on the winter season's start and duration. The lack of mobility restrictions may drive an improvement compared with 2021; on the other hand, transport, which is energy-intensive, and other tourism-related businesses may suffer from price hikes.

Net hires and turnover rate in tourism
(raw data; thousand of jobs and percentage values)

Figure



Source: Based on MLPS mandatory reporting data; see the Methodological Note.

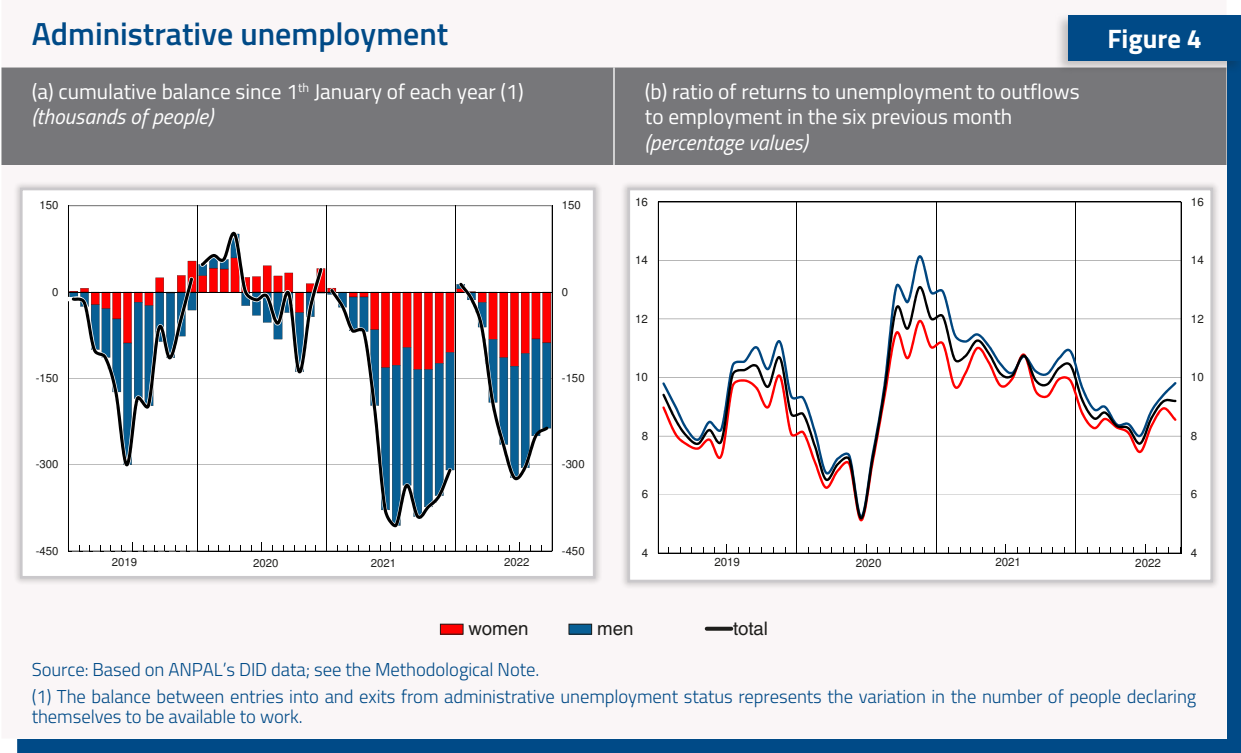
(1) The indicator is defined as the ratio, in a given month, of the sum of hires and terminations over the stock of employees.

ADMINISTRATIVE UNEMPLOYMENT

The slowdown in the labour market in the second half of the year also had an impact on administrative unemployment, as measured by the number of declarations of immediate availability to work (*Dichiarazione di immediata disponibilità al lavoro* - DID; Figure 4.a). The number of unemployed rose in August and September, as it usually does in late summer, when hiring falls and many seasonal contracts expire. However, the increase in unemployment was significantly greater than over the same period last year (69,000 people against 15,000 in 2021). It appears to have been driven by a reduction in the number of people who left unemployment after finding a job (-125,000), down by 20 per cent year-on-year.

Overall, in the first nine months of the year the number of unemployed dropped by 237,000 units (Table 3). This was a significant reduction, though less pronounced than in 2021 in a phase of strong recovery following the downturn caused by the public health emergency.

The ratio of newly unemployed, following an employment contract of no more than six months, to those leaving unemployment to start work in the previous half-year rose in the summer months. However, it stood slightly below pre-pandemic levels, in line with a trend of longer average contract durations (Figure 4.b).



APPENDIX

Table 1

New contracts, transitions, and terminations by type of contract (1)

(seasonally adjusted data; thousands)

Fixed-term contracts				
PERIOD	Gross new contracts (A)	Transitions from fixed-term to permanent contracts (B)	Terminations (C)	Net new contracts (A-B-C)
2019	4,993	579	4,511	-97
2020	3,591	433	3,398	-241
2021	4,620	444	3,786	390
2022 – Jan.-Aug.	3,495	418	3,025	52
2022 – September	448	56	397	-4
2022 – October	442	57	410	-25
Apprenticeships				
	Gross new contracts (D)	Transitions from apprenticeships to permanent contracts (E)	Terminations (F)	Net new contracts (D-E-F)
2019	397	112	233	53
2020	272	122	175	-25
2021	360	154	235	-29
2022 – Jan.-Aug.	269	124	183	-39
2022 – September	34	15	26	-6
2022 – October	33	15	23	-5
Permanent contracts				
	Gross new contracts (G)	Transitions to permanent contracts (B+E)	Terminations (H)	Net new contracts (G+B+E-H)
2019	1,274	691	1,611	353
2020	929	555	1,232	251
2021	1,104	598	1,459	244
2022 – Jan.-Aug.	884	542	1,143	282
2022 – September	111	71	135	47
2022 – October	106	72	136	42
Total				
	Gross new contracts (I)		Terminations (L)	Net new contracts (I-L)
2019	6,664	–	6,355	309
2020	4,792	–	4,806	-14
2021	6,084	–	5,479	605
2022 – Jan.-Aug.	4,647	–	4,351	296
2022 – September	594	–	557	36
2022 – October	581	–	569	12

Source: Based on MLPS mandatory reporting data; see the Methodological Note.

(1) Seasonally adjusted data using the TRAMO-SEATS procedure. Minor discrepancies between aggregates are due to rounding.

Table 2

Net hires by sector of economic activity, gender and geographical area (1) <i>(seasonally adjusted data; thousands)</i>						
PERIOD	Industry without construction	Construction	Retail and wholesale trade	Tourism services	Other services	Total
Total						
2019	50	34	47	87	91	309
2020	6	77	10	-136	28	-14
2021	71	124	83	170	157	605
2022 – Jan.-Aug.	50	62	26	71	87	296
2022 – September	8	6	5	4	14	36
2022 – October	4	6	1	-4	4	12
Women						
2019	14	4	20	40	38	116
2020	-2	6	-10	-65	-6	-76
2021	21	10	51	82	69	232
2022 – Jan.-Aug.	18	7	14	34	39	111
2022 – September	3	1	4	2	8	17
2022 – October	2	1	1	0	2	6
Men						
2019	36	30	27	47	53	193
2020	8	70	20	-71	34	62
2021	50	113	33	89	88	373
2022 – Jan.-Aug.	33	55	12	37	48	185
2022 – September	5	5	1	2	6	19
2022 – October	2	6	0	-4	2	6
Centre North						
2019	38	25	31	64	72	229
2020	-8	41	-9	-112	13	-75
2021	55	68	55	123	115	416
2022 – Jan.-Aug.	45	36	16	49	69	215
2022 – September	6	5	4	4	11	30
2022 – October	4	5	2	1	4	16
South and Islands						
2019	12	9	16	23	19	80
2020	14	36	19	-24	16	60
2021	16	56	28	47	42	189
2022 – Jan.-Aug.	5	25	9	22	18	81
2022 – September	2	2	0	0	3	6
2022 – October	1	1	-1	-4	0	-4

Source: Based on MLPS mandatory reporting data; see the Methodological Note.

(1) Seasonally adjusted data using the TRAMO-SEATS procedure. Minor discrepancies between aggregates are due to rounding.

Table 3

Declarations of immediate availability to work (1)							
<i>(raw data)</i>							
PERIOD	Entries into unemployment status			Exits from unemployment status			Balance
	Total	Entries	Re-entries	Total	Suspensions	Withdrawals	
Total							
2021	3,532,351	1,242,431	2,289,920	3,841,671	3,597,637	244,034	-309,320
2021 – Jan.-Sep.	2,537,675	896,765	1,640,910	2,927,815	2,753,166	174,649	-390,140
2022 – Jan.-Sep.	2,472,875	1,020,596	1,452,279	2,709,448	2,484,791	224,657	-236,573
Women							
2021	1,667,381	653,649	1,013,732	1,772,313	1,648,217	124,096	-104,932
2021 – Jan.-Sep.	1,200,833	479,182	721,651	1,335,693	1,246,770	88,923	-134,860
2022 – Jan.-Sep.	1,217,157	544,564	672,593	1,305,674	1,186,140	119,534	-88,517
Men							
2021	1,864,970	588,782	1,276,188	2,069,358	1,949,420	119,938	-204,388
2021 – Jan.-Sep.	1,336,842	417,583	919,259	1,592,122	1,506,396	85,726	-255,280
2022 – Jan.-Sep.	1,255,718	476,032	779,686	1,403,774	1,298,651	105,123	-148,056

Source: Based on ANPAL's DID data; see the Methodological Note.

(1) Minor discrepancies between aggregates referring to the same phenomenon are due to the absence, in some of the DID's, of any indication of the worker's gender.

METHODOLOGICAL NOTE

Mandatory reporting data are subject to frequent revision and cannot be considered definitive. We analysed permanent contracts, fixed-term contracts (including substitutions), and apprenticeships, relating to the non-farm private sector.¹

As a result, we did not take into consideration sectors 01-03, 84-88, and 97-99 in the two-digit ATECO 2007 classification.

Net hires or net new contracts refers to the balance between new contracts and terminations. In the 'net hires with permanent contracts' category, we included transitions from a fixed-term contract or from an apprenticeship, whereas these are subtracted from the calculation of the net hires with a first employment contract. Seasonal adjustments are made to the time series with DEMETRA software, developed by Eurostat, using the TRAMO-SEATS procedure that identifies possibly unusual changes in values or levels.

Data from the Declarations of immediate availability to work (DIDs)

Under Italian law, the Declaration of immediate availability to work (DID) formally marks the start of a person's status as unemployed.

The unemployed status is 'suspended' when a person signs an employment contract for an expected or actual period of time up to 180 days. If the contract goes beyond that date, the person is no longer considered to be unemployed. ANPAL's archive of the Declarations of immediate availability to work also includes entries, when a new DID is signed, and re-entries following an interruption in a job contract or at the end of a contract within the 180 days.

¹ Records are selected where the 'type of contract' variable assumes the values 1, 2 or 3.

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