MINISTERO del LAVORO e delle POLITICHE SOCIALI

BANCA D'ITALIA EUROSISTEMA

ANPAL Agenzia Nazionale Politiche Attive del Lavoro

The labour market: data and analysis

May 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 30 April 2022, the second to 31 March 2022. The data are provisional and subject to revision.*

PAYROLL EMPLOYMENT

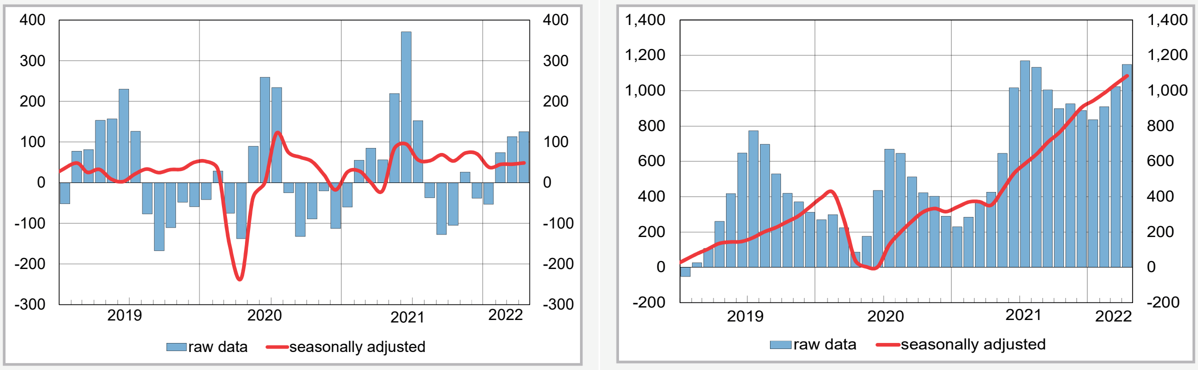
New jobs continue to be created in March-April

Notwithstanding the uncertainty due to international tensions and the consequent rise in energy commodity prices, the difference between new hires and terminations has remained positive, though at lower levels compared with the second half of 2021 (Figure 1.a, red line). Since the start of the year, net of terminations, 260,000 new positions have been created, just short of the number recorded for the same period in 2019 (see Table 1 in the Appendix). Overall, more than 1 million jobs have been created since the lowest point observed between the first and the second quarter of 2020 (Figure 1.b).

Raw and seasonally adjusted net hires (1)
(thousands of jobs)

Figure 1

(a) Monthly net hires | (b) Cumulative net hires since January 2019



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

Job creation in industry and construction slows; the number of permanent contracts increases

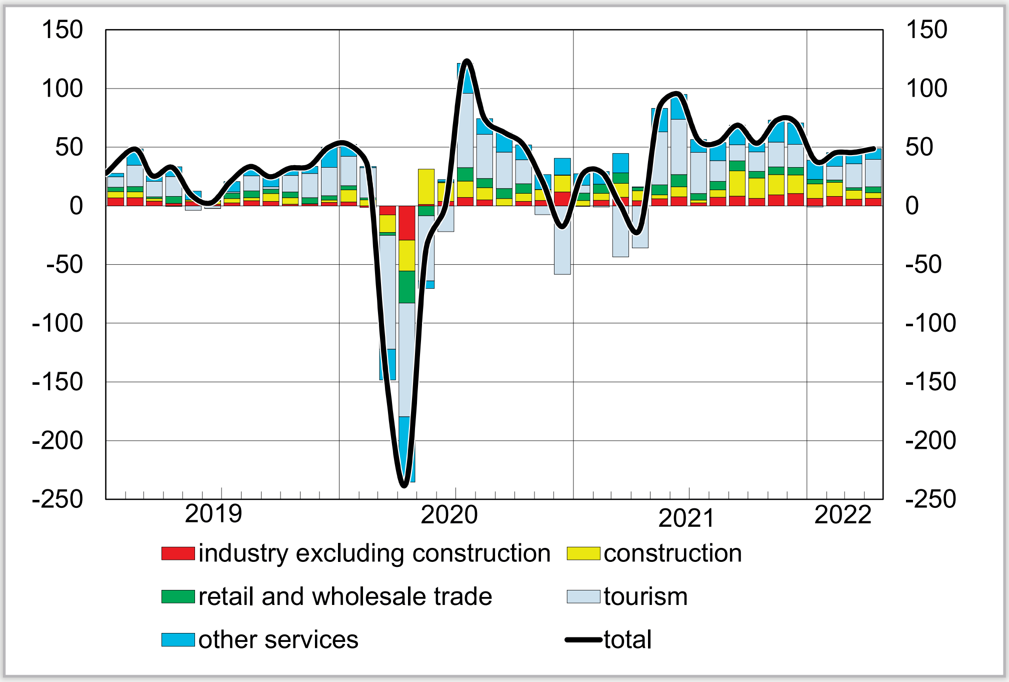
Job creation rates are uneven across sectors (Figure 2.a). In recent months, the contribution of industry to overall job growth has declined; job creation in tourism, which is benefiting from the progressive improvement in the epidemiological outlook and the lifting of many restrictions, has instead accelerated (Table 2).

Compared with last year, when job creation was concentrated in fixed-term positions, in the first four months of 2022 the seasonally adjusted employment growth in employment was supported above all by permanent contracts (Figure 2.b). New hires were a contributory factor but so were contract conversions (Figure 3.a), mostly attributable to the large number of persons hired on fixed-term contracts in 2021. In fact, the propensity of firms to stabilize employment contracts returned to pre-pandemic levels.

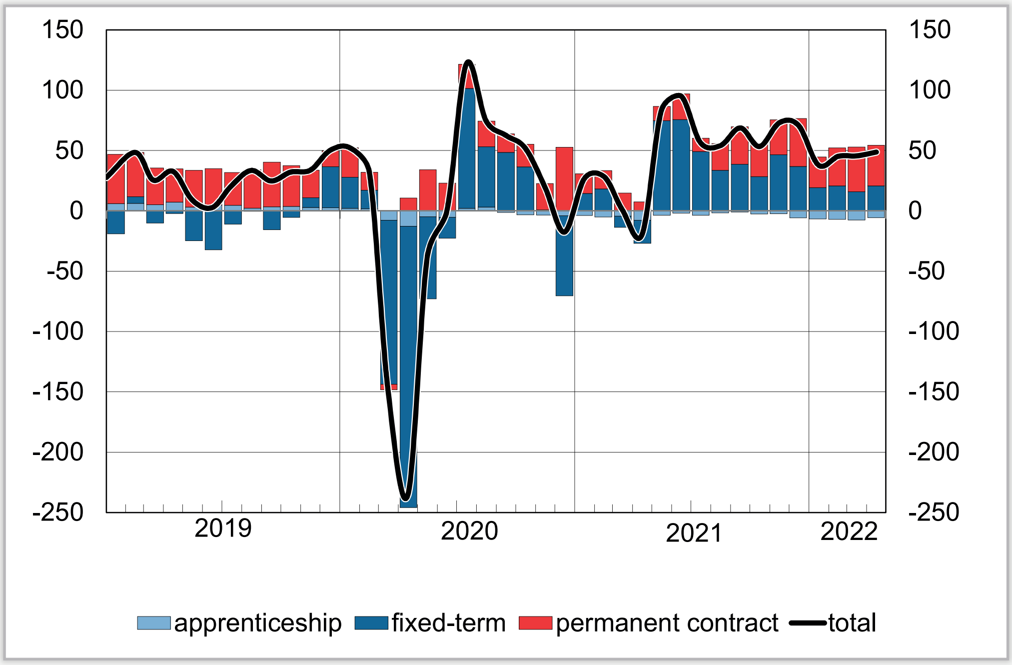
Monthly net hires (1)
(thousands of jobs)

Figure 2

(a) By macro-sector



(b) By type of contract



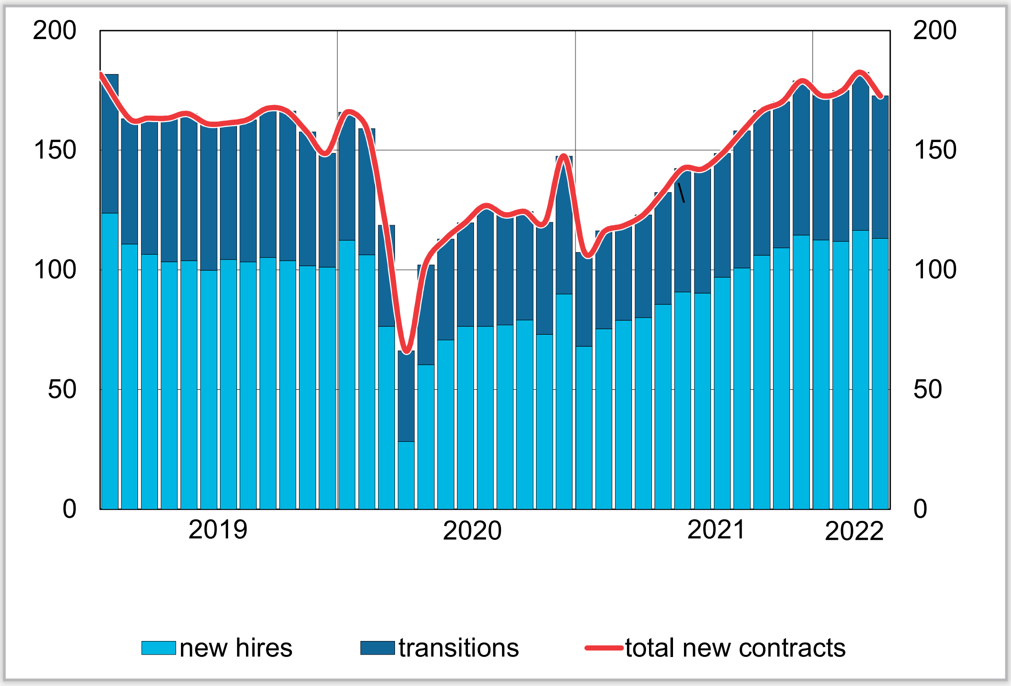
Source: Based on MLPS mandatory reporting data; see the Methodological Note.
(1) Seasonally adjusted data using the TRAMO-SEATS procedure.

Terminations have settled by now at the levels of 2019, although the number of dismissals is still slightly below that preceding the freeze imposed by the government in February 2020 (Figure 3.b and Table 3).

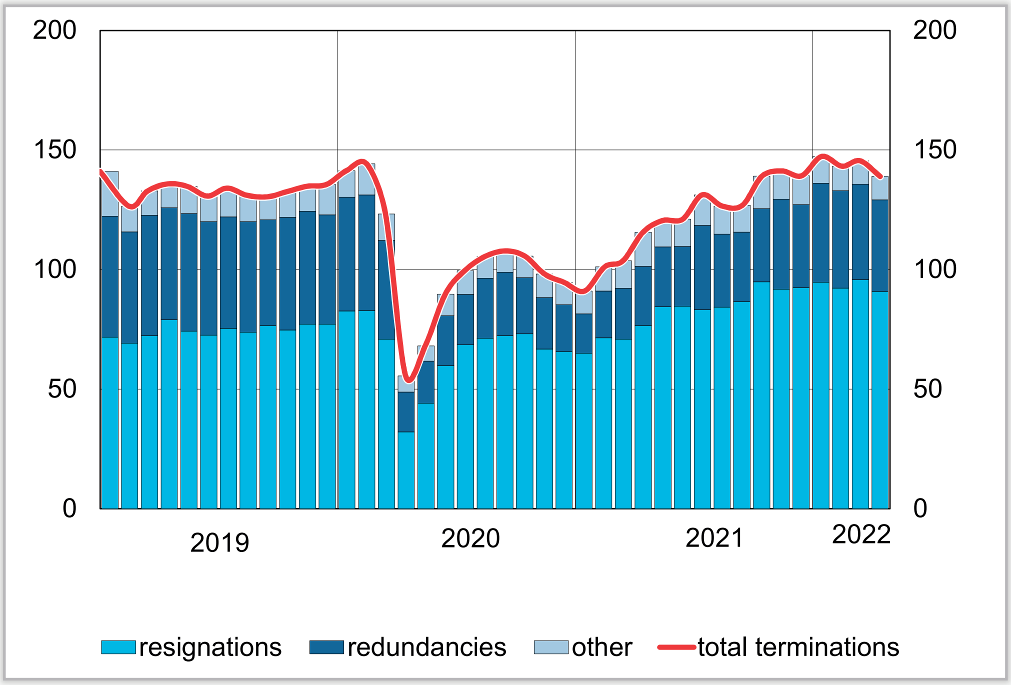
Permanent contracts (1) **Figure 3**

(thousands of jobs)

(a) New contracts



(b) Terminations



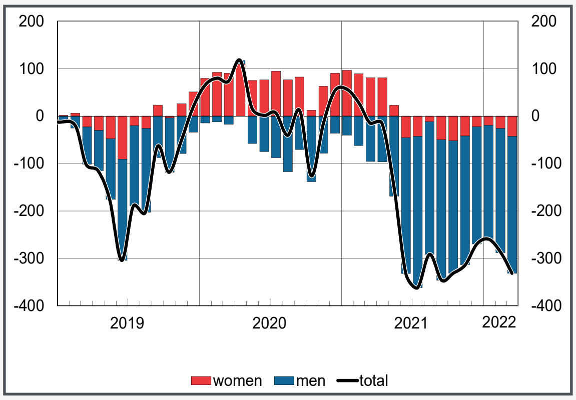
Source: Based on MLPS mandatory reporting data; see the Methodological Note.
(1) Seasonally adjusted data using the TRAMO-SEATS procedure.

ADMINISTRATIVE UNEMPLOYMENT

Unemployment according to administrative data, measured by the number of declarations of immediate availability to work (*Dichiarazione di immediata disponibilità al lavoro*, DIDs), remained on a downward path (Figure 4). Based on this definition, in the quarter January-March the number of unemployed individuals declined by 62,000 units. In the same period, both outflows from unemployment, owing to the activation of new contracts, and inflows, rose markedly, suggesting that there are still ample margins of spare labour capacity.

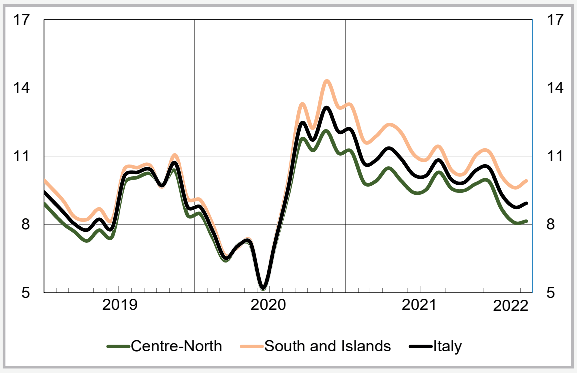
The number of persons re-entering unemployment after a period of continuous employment no longer than six months reflects trends in fixed-term hires. After registering a marked expansion from the second half of 2020, associated with rapid growth in fixed-term contracts, the ratio of the newly unemployed to those returning to employment is falling gradually, suggesting longer average contract durations (Figure 5). In the South and Islands, this ratio remains higher than in the rest of the country.

Administrative unemployment **Figure 4**
(Cumulative balance since 1 January 2019)



Source: Based on ANPAL's DID data. The balance between entries into and exits from administrative unemployment status represents the variation in the number of people declaring themselves to be available to work; see the Methodological Note.

Ratio of returns to unemployment to outflows to employment in the six previous months **Figure 5**
(monthly data; percentage points)



Source: Based on ANPAL DID data. The indicator is equal to ratio of returns to unemployment (moving 5-month averages) and exits in the last six months. See the Methodological Note.

FOCUS

EMPLOYMENT IN THE MOST ENERGY-INTENSIVE SECTORS

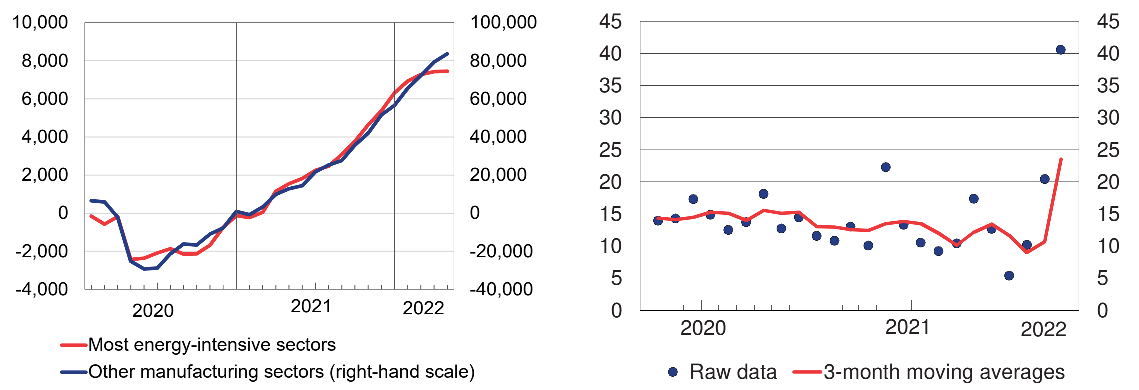
In 2021, there was a gradual and unexpected acceleration in oil and especially in gas prices; this trend intensified in 2022 with the invasion of Ukraine by Russia.

The impact of this phenomenon on employment appears limited for the time being, also thanks to the government measures aimed at energy-intensive firms, including the possibility of accessing incentivized wage supplementation schemes. During 2021, the most energy-intensive manufacturing sectors[1] continued to grow in line with the rest of the sector (see panel (a) of the figure). There were signs of a slight slowdown in the early months of 2022.

Energy-intensive sectors are likely adjusting the labour input, above all through a contraction in the number of hours worked, by recurring to wage supplementation (CIG), while safeguarding employment positions. Based on INPS data, these sectors absorbed around 15 per cent of applications for CIG in the manufacturing sector since the start of the pandemic; this share rose to 20 per cent in February and exceeded 40 per cent in March (see panel (b) of the figure).

Trends in employment in the most energy-intensive manufacturing sectors **Figure**

(a) Cumulative net hires since January 2020 (1) | (b) Share of hours of authorized wage supplementation (cassa integrazione guadagni, CIG) (2)



Sources: Based on MLPS mandatory reporting data and on the hours of authorized wage supplementation (CIG) by INPS; see the Methodological Note. (1) Seasonally adjusted data. – (2) Share of authorized wage supplementation for firms in energy-intensive sectors over total authorized hours.

1 The energy-intensive sectors are defined based on the ratio of energy consumption to value added measured by Istat in the Physical Energy Flows Accounts and National Accounts, respectively. The highest values of this indicator are in the sectors corresponding to the two-digit ATECO codes 17, 19, 20, 23 and 24.

APPENDIX

Table 1

New contracts, transitions, and terminations by type of contract

	Gross new contracts	Transitions	Terminations	Net new contracts
Fixed-term contracts				
	Gross new contracts (A)	Transitions from fixed-term to permanent contracts (B)	Terminations (C)	Net new contracts (A+B+C)
2019	4,988,674	568,980	4,512,788	-93,094
2020	3,600,419	442,699	3,406,813	-249,093
2021	4,620,121	457,372	3,776,109	386,640
2019 – Jan.-Apr.	1,541,644	180,044	1,284,315	77,285
2020 – Jan.-Apr.	978,154	133,445	1,111,986	-267,277
2021 – Jan.-Apr.	1,021,018	103,230	826,338	91,450
2022 – Jan.-Apr.	1,560,596	165,755	1,234,645	160,196
Apprenticeships				
	Gross new contracts (D)	Transitions from apprenticeships to permanent contracts (E)	Terminations (F)	Net new contracts (D-E-F)
2019	395,475	116,112	230,046	49,317
2020	271,747	122,863	179,283	-30,399
2021	361,517	160,639	239,013	-38,135
2019 – Jan.-Apr.	128,711	25,654	68,691	34,366
2020 – Jan.-Apr	85,317	31,296	60,336	-6,315
2021 – Jan.-Apr.	85,930	39,082	56,078	-9,230
2022 – Jan.-Apr.	130,393	51,537	90,499	-11,643
Permanent contracts				
	Gross new contracts (G)	Transitions to permanent contracts (B+E)	Terminations (H)	Net new contracts (G+B+E-H)
2019	1,275,625	685,092	1,605,219	355,498
2020	932,574	565,562	1,241,078	257,058
2021	1,082,149	618,011	1,450,121	250,039
2019 – Jan.-Apr.	505,107	205,698	562,104	148,701
2020 – Jan.-Apr.	369,876	164,741	486,675	47,942
2021 – Jan.-Apr.	334,800	142,312	423,074	54,038
2022 – Jan.-Apr.	499,409	217,292	605,213	111,488
Total				
	Gross new contracts (I)		Terminations (L)	Net new contracts (I-L)
2019	6,659,774		6,348,053	311,721
2020	4,804,740		4,827,174	-22,434
2021	6,063,787		5,465,243	598,544
2019 – Jan.-Apr.	2,175,462		1,915,110	260,352
2020 – Jan.-Apr.	1,433,347		1,658,997	-225,650
2021 – Jan.-Apr.	1,441,748		1,305,490	136,258
2022 – Jan.-Apr.	2,190,398		1,930,357	260,041

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

Table 2

Net hires by sector of economic activity and type of contract (1)

	Industry *of which*:	*Industry without construction*	*Construction*	Services *of which*:	*Retail and wholesale trade*	*Tourism services*	*Other*
				Fixed-term contracts			
2019	-42,093	-37,514	-4,579	-51,001	-19,308	-566	-31,127
2020	-21,298	-27,731	6,433	-227,795	-35,162	-144,157	-48,476
2021	106,647	56,724	49,923	279,993	57,805	138,685	83,503
2019 – Jan.-Apr.	25,954	8,322	17,632	51,331	-27,381	61,524	17,188
2020 – Jan.-Apr	-28,369	-15,441	-12,928	-238,908	-52,665	-124,450	-61,793
2021 – Jan.-Apr.	79,707	40,174	39,533	11,743	-5,687	-11,282	28,712
2022 – Jan.-Apr.	57,223	30,946	26,277	102,973	-12,372	70,476	44,869
				Apprenticeships			
2019	16,654	10,709	5,945	32,663	9,277	8,617	14,769
2020	-3,704	-9,086	5,382	-26,695	-3,558	-18,562	-4,575
2021	-3,828	-10,377	6,549	-34,307	-11,457	-12,218	-10,632
2019 – Jan.-Apr.	9,839	7,232	2,607	24,527	5,440	10,929	8,158
2020 – Jan.-Apr	-41	-800	759	-6,274	-468	-5,949	143
2021 – Jan.-Apr.	838	-2,056	2,894	-10,068	-1,417	-6,898	-1,753
2022 – Jan.-Apr.	-1,826	-3,502	1,676	-9,817	-6,798	350	-3,369
				Permanent contracts			
2019	109,586	75,454	34,132	245,912	56,805	81,345	107,762
2020	108,710	42,123	66,587	148,348	48,050	24,406	75,892
2021	91,492	23,577	67,915	158,547	35,555	40,654	82,338
2019 – Jan.-Apr.	62,227	41,195	21,032	86,474	22,122	25,920	38,432
2020 – Jan.-Apr	28,280	13,798	14,482	19,662	11,288	-680	9,054
2021 – Jan.-Apr.	25,032	6,211	18,821	29,006	11,156	-5,429	23,279
2022 – Jan.-Apr.	65,652	25,430	40,222	45,836	13,882	3,581	28,373
				Total			
2019	84,147	48,649	35,498	227,574	46,774	89,396	91,404
2020	83,708	5,306	78,402	-106,142	9,330	-138,313	22,841
2021	194,311	69,924	124,387	404,233	81,903	167,121	155,209
2019 – Jan.-Apr.	98,020	56,749	41,271	162,332	181	98,373	63,778
2020 – Jan.-Apr	-130	-2,443	2,313	-225,520	-41,845	-131,079	-52,596
2021 – Jan.-Apr.	105,577	44,329	61,248	30,681	4,052	-23,609	50,238
2022 – Jan.-Apr.	121,049	52,874	68,175	138,992	-5,288	74,407	69,873

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

Table 3

Declarations of immediate availability to work (1)

	Entries into unemployment status			Exits from unemployment status			Balance
	Total	Entries	Re-entries	Total	Suspensions	Withdrawals	
Total							
2019	3,886,280	2,008,923	2,008,923	3,869,281	3,374,997	494,284	**16,999**
2020	2,657,981	1,521,940	1,521,940	2,621,062	2,359,671	261,391	**36,919**
2021	3,559,849	2,327,583	2,327,583	3,883,398	3,645,147	238,251	**-323,549**
2019 – Jan.-Mar.	815,489	320,839	320,839	916,843	757,986	158,857	**-101,354**
2020 – Jan.-Mar.	832,164	461,036	461,036	776,176	694,295	81,881	**55,988**
2021 – Jan.-Mar.	685,779	398,468	398,468	754,585	694,463	60,122	**-68,806**
2022 – Jan.-Mar.	822,489	485,128	485,128	884,345	819,716	64,629	**-61,856**
Women							
2019	1,834,152	957,687	876,465	1,783,320	1,538,177	245,143	**50,832**
2020	1,252,155	585,947	666,208	1,212,759	1,082,660	130,099	**39,396**
2021	1,681,268	647,987	1,033,281	1,794,338	1,673,372	120,966	**-113,070**
2019 – Jan.-Mar.	392,492	243,702	148,790	415,496	338,832	76,664	**-23,004**
2020 – Jan.-Mar.	388,321	182,755	205,566	348,788	308,188	40,600	**39,533**
2021 – Jan.-Mar.	326,450	146,490	179,960	335,812	306,253	29,559	**-9,362**
2022 – Jan.-Mar.	397,524	172,866	224,658	417,711	383,809	33,902	**-20,187**
Men							
2019	2,052,128	919,670	1,132,458	2,085,961	1,836,820	249,141	**-33,833**
2020	1,405,826	550,094	855,732	1,408,303	1,277,011	131,292	**-2,477**
2021	1,878,581	584,279	1,294,302	2,089,060	1,971,775	117,285	**-210,479**
2019 – Jan.-Mar.	422,997	250,948	172,049	501,347	419,154	82,193	**-78,350**
2020 – Jan.-Mar.	443,843	188,373	255,470	427,388	386,107	41,281	**16,455**
2021 – Jan.-Mar.	359,329	140,821	218,508	418,773	388,210	30,563	**-59,444**
2022 – Jan.-Mar.	424,965	164,495	260,470	466,634	435,907	30,727	**-41,669**

Source: Based on MLPS mandatory reporting raw data; see the Methodological Note.
(1) Minor discrepancies between aggregates referring to the same phenomenon are due to the absence, in some of the DIDs, 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,[1] relating to the non-farm private sector. 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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