The labour market: data and analysis

March 2023

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 28 February 2023, the second to 31 December 2022. The data are provisional and subject to revision.

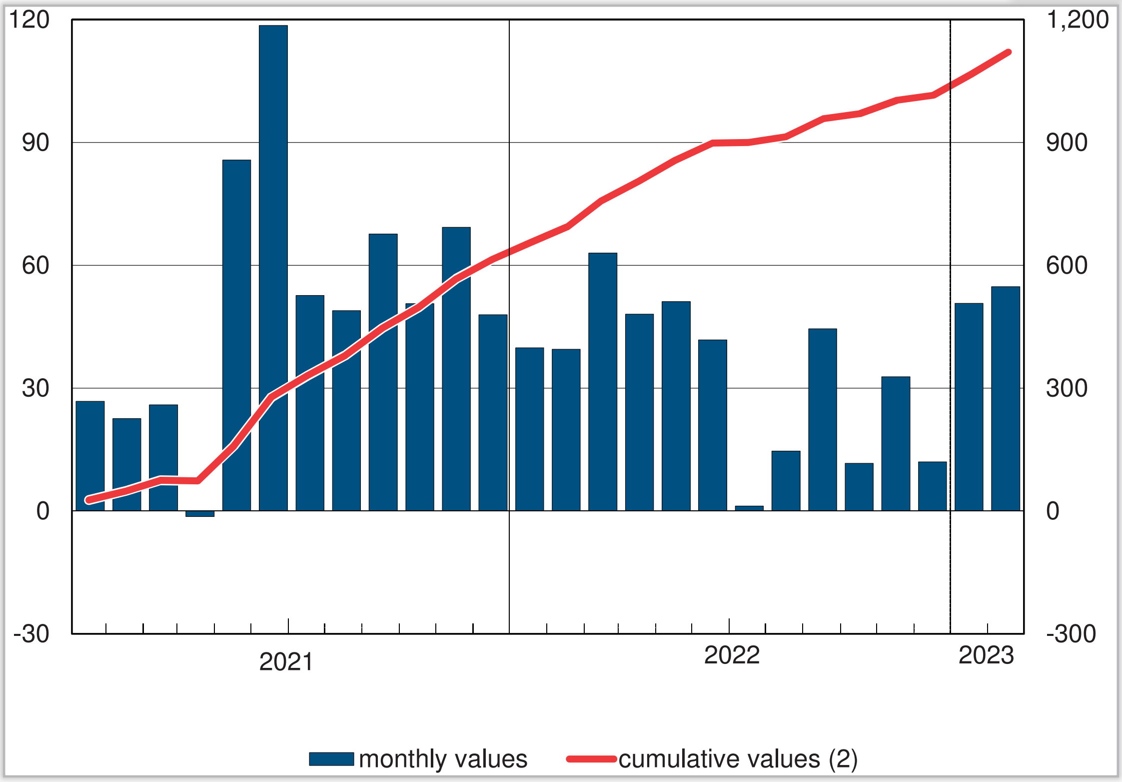
PAYROLL EMPLOYMENT

After stalling in late 2022, employment resumes growth in the first two months of 2023

After curbing sharply in the second half of 2022, labour demand in the non-farm private sector picked up at a rapid pace in the first two months of 2023 (Figure 1). Between January and February, over 100,000 new jobs were created, net of terminations (Table 1). The growth was more than double that of the previous two months and around one third more than in the same period of 2019, before the pandemic.

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.

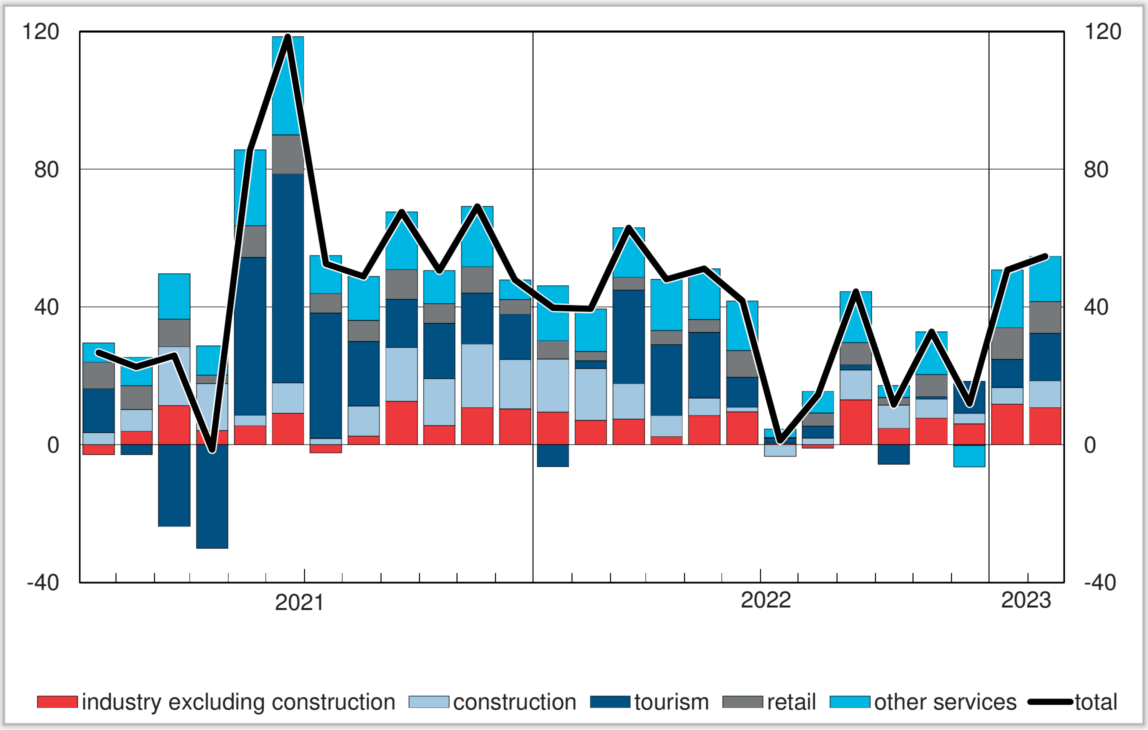
Services boost employment, as manufacturing sectors also rebound.

Labour demand was largely driven by services, whose growth rates were subdued overall in the last stretch of 2022 (Figure 2). Specifically, 22,000 new jobs were created in tourism in the first two months of 2023, i.e. one fifth of total new hires (see the box 'Seasonality in the tourism sector', in 'The labour market: data and analysis, November 2022'). Employment growth continued to strengthen in industry excluding construction, after the slowdown registered in the summer of 2022, also thanks to the recovery in the most energy-intensive sectors[1], which benefited from the drop in energy prices at the end of last year (Figure 3). In construction, employment remained virtually stable.

Monthly net hires by macro-sector (1)

(thousands of jobs)

Figure 2



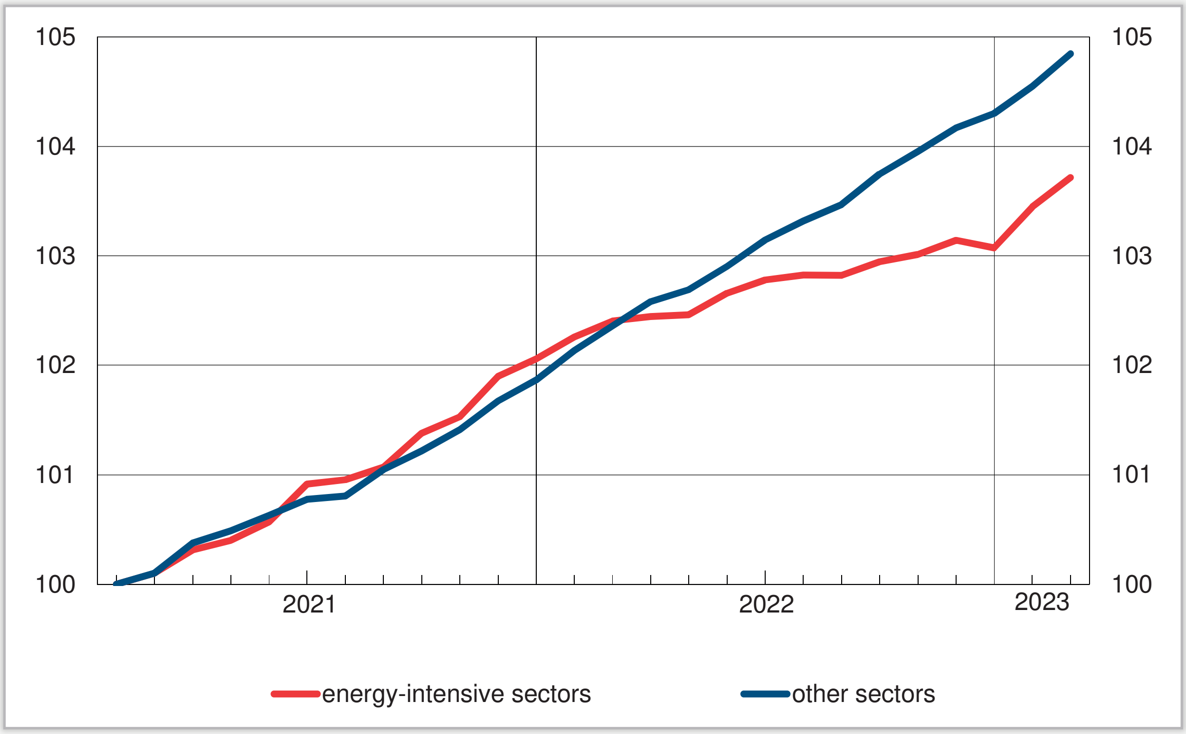
Source: Based on MLPS mandatory reporting data; see the Methodological Note.
(1) Seasonally adjusted data using the TRAMO-SEATS procedure.

[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.

New jobs (1)

(index: January 2021=100)

Figure 3



Source: Based on MLPS mandatory reporting data and INPS (Observatory on employees in the non-agricultural private sector); see the Methodological Note.

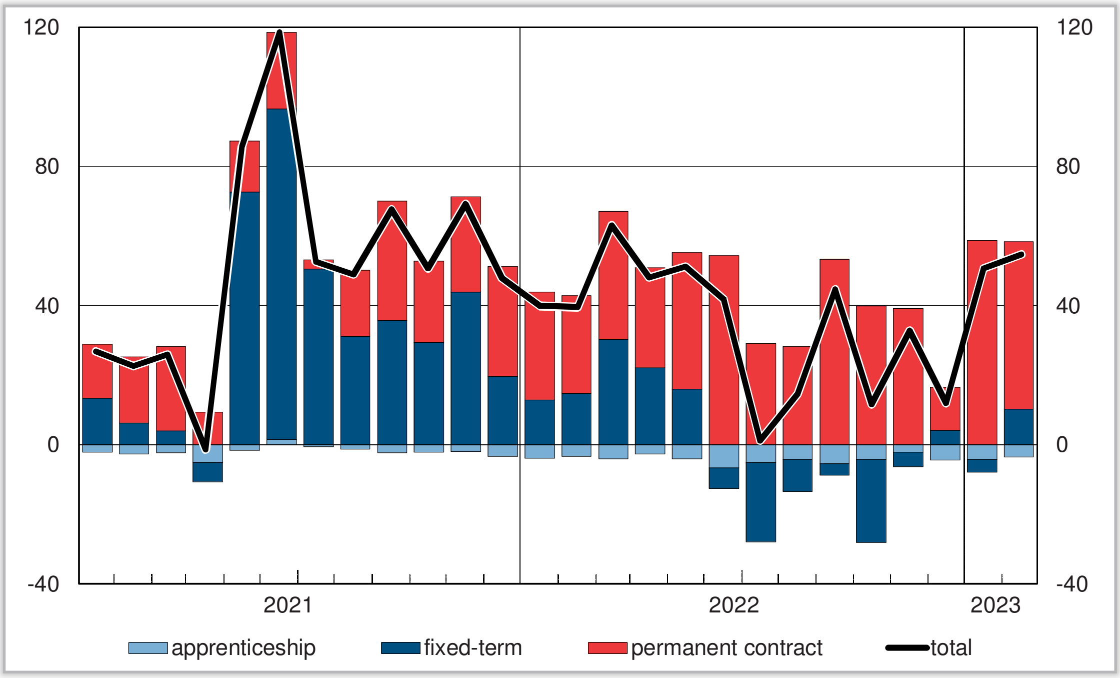
Permanent contracts continue to drive employment growth, as fixed-term contracts recover

In the first two months of 2023, job creation was driven exclusively by permanent contracts, while fixed-term positions remained virtually unchanged and apprenticeships decreased by 8,000 units (Figure 4). The transition to more stable employment relationships, under way since last year, could ease over the next months. The conversion rate of fixed-term contracts into permanent ones has stabilized in the last eight months (Figure 5). The share of new fixed-term contracts out of total new hires has regained pace.

Monthly net hires by type of contract (1)

(thousands of jobs)

Figure 4

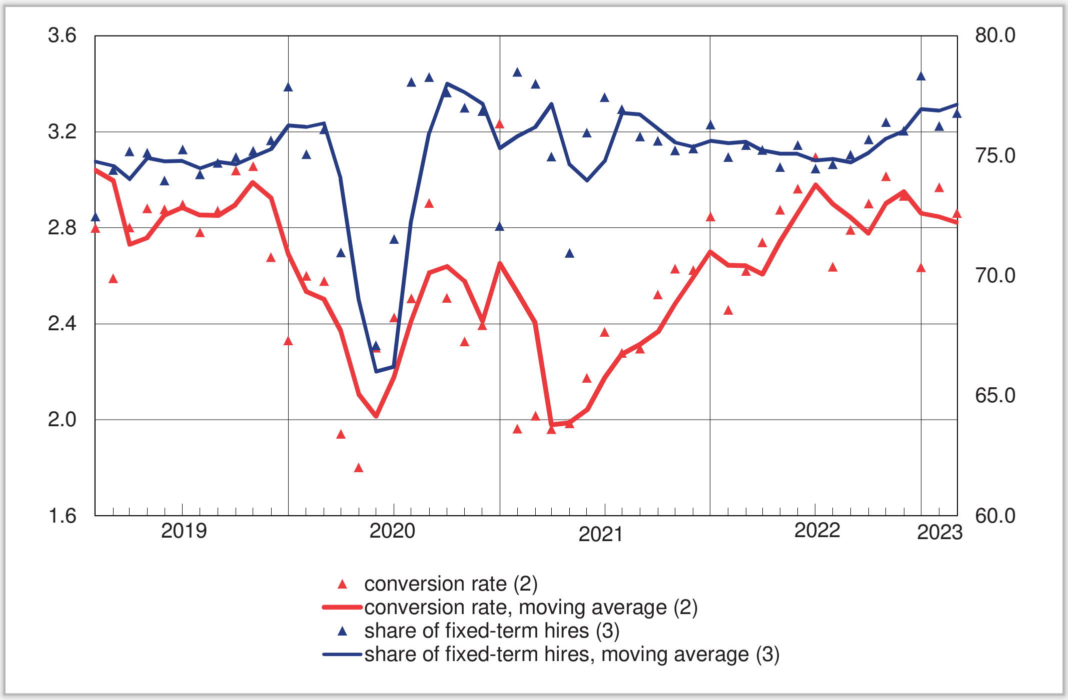


Source: Based on MLPS mandatory reporting data; see the Methodological Note.
(1) Seasonally adjusted data using the TRAMO-SEATS procedure.

Conversion rate and share of fixed-term hires (1)

(percentage values)

Figure 5



Source: Based on MLPS mandatory reporting data and INPS (Observatory on employees in the non-agricultural private sector); see the Methodological Note.
(1) Moving averages are calculated on a quarterly horizon . – (2) Ratio between the number of conversion of fixed-term contracts into permanent ones and the estimate of employment in the same month. – (3) Right-hand scale.

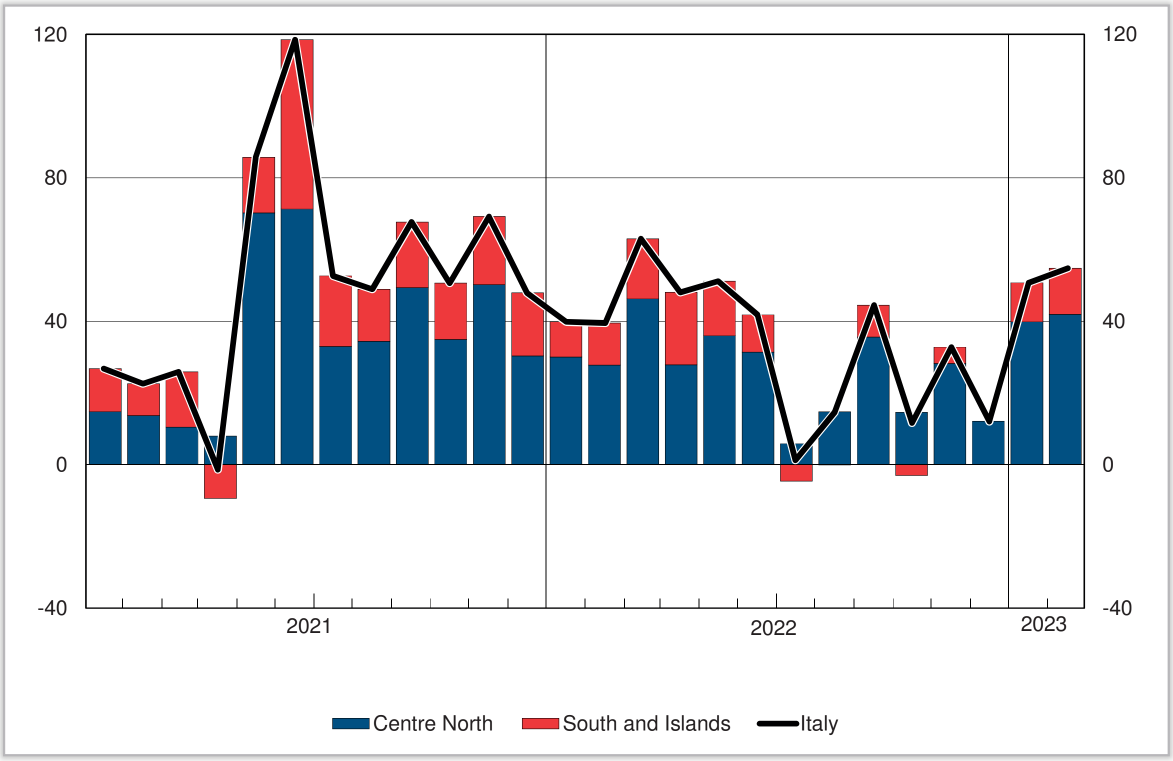
The gender gap narrows. The Centre-North continues to be the engine of job growth.

After stalling at the end of 2022, female employment turned upwards again in January and February (see the box 'Gender gaps and performance across sectors during and after the pandemic'). Labour demand increased especially in the Centre and North of Italy, which accounted for more than 80 per cent of new jobs in the first two months of 2023. Nonetheless, the southern regions overcame the stagnation observed in the second half of 2022, showing signs of slight expansion (Figure 6).

Monthly net hires by area (1)

(thousands of jobs)

Figure 6



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

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

FOCUS

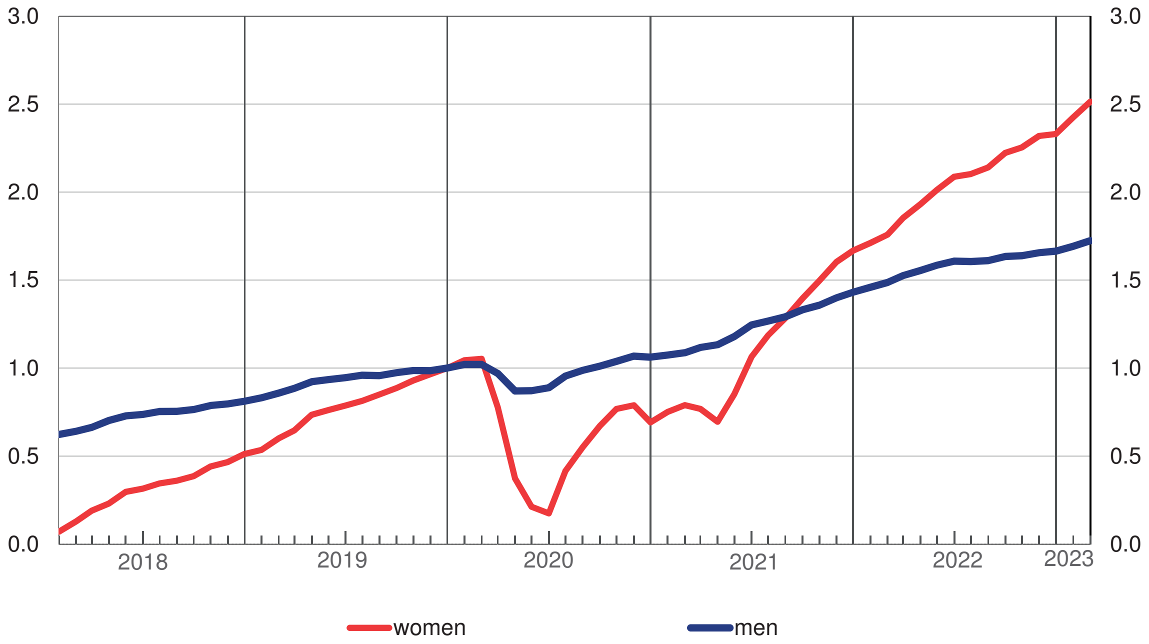
GENDER GAPS AND PERFORMANCE ACROSS SECTORS DURING AND AFTER THE PANDEMIC

Three years ago, the COVID-19 emergency caused the gender gap in the Italian labour market to widen (see the box 'Gender gaps: demand and supply' in 'The labour market: data and analysis, March 2021'). In 2020, women lost more than 70,000 jobs, while the number of payroll jobs for men increased by more than 60,000. Since the end of 2021, female employment has stepped up to historically high levels (see Istat, 'Labour market - Q4 2022', press release, 15 March 2023; Figure A). Over the past 18 months, women contributed nearly 40 per cent to job creation, 2.5 percentage points more than in 2018-19.

New jobs (1)

(cumulative net hires since January 2018; index: December 2019=1)

Figure A



Source: Based on MLPS mandatory reporting data and INPS (Observatory on employees in the non-agricultural private sector); see the Methodological Note.

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

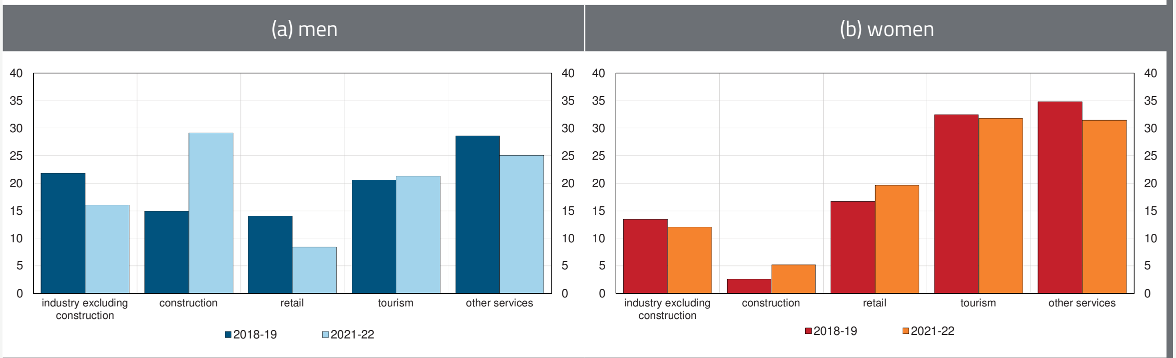
This is partly due to sectoral composition shifts (see the box 'Sectoral shifts in the composition of the labour market after the pandemic' in 'The labour market: data and analysis, January 2023'). Nearly one third of the new jobs created for men in 2021-22 were in construction, whose contribution to overall male employment growth basically doubled compared with 2018-19, eroding the share held by retail trade and industry excluding construction (panel (a) of Figure B). Conversely, the sector's share of female new hires continues to be marginal, about 5 per cent: more than half of all new jobs for women were in retail trade and tourism (panel (b) of Figure B).

In the last two years, women have filled about half of new fixed-term positions but

Share of net hires by gender and macro-sector (1)

(percentage values)

Figure B



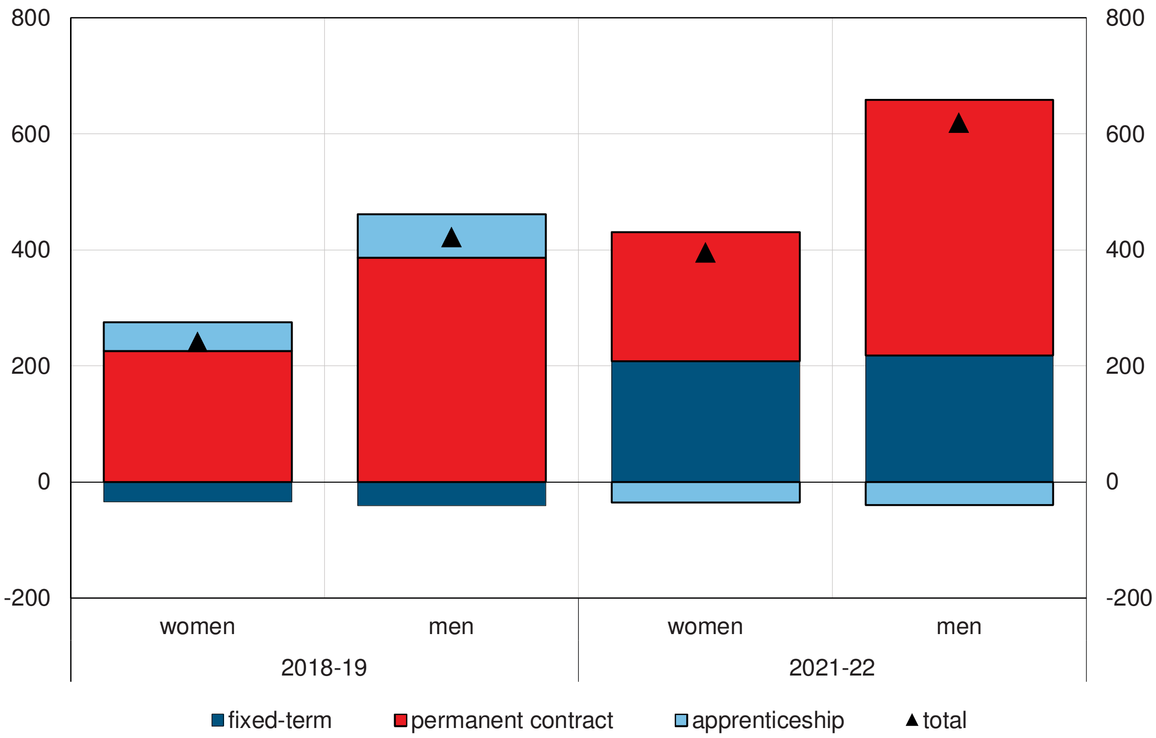
Source: Based on MLPS mandatory reporting data; see the Methodological Note.
(1) Seasonally adjusted data using the TRAMO-SEATS procedure.

only one third of permanent ones (Figure C). The gap, abundantly clear before the pandemic, is attributable to the strong representation of women in accommodation and catering services, where more than half of the jobs created in the last two years were for fixed-term employment, compared with one quarter in the rest of the economy.

Net hires by gender and type of contract (1)

(thousands of jobs)

Figure C



Source: Based on MLPS mandatory reporting data and INPS (Observatory on employees in the non-agricultural private sector); see the Methodological Note.
(1) Seasonally adjusted data using the TRAMO-SEATS procedure.

ADMINISTRATIVE UNEMPLOYMENT

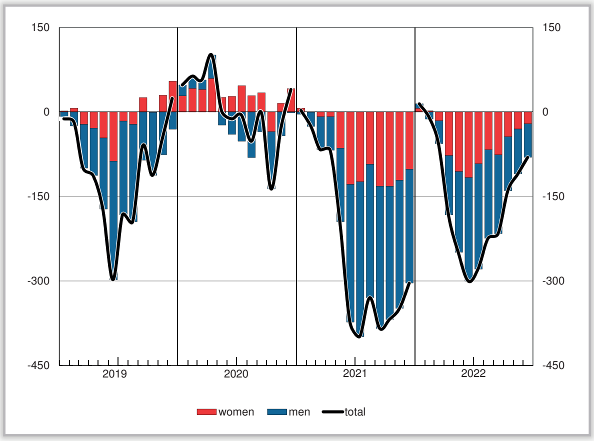
In 2022, administrative unemployment, measured by the number of declarations of immediate availability to work (Dichiarazione di immediata disponibilità al lavoro, DIDs) continued to decline. At the end of the year, DIDs dropped by 80,000 units from the preceding twelve months (Figure 7.a). This trend was markedly weaker than in 2021 (-300,000 people), also due to a tightening of the services labour market in the second half of 2022. Furthermore, broad intra-country differences emerged. Among the largest regions, the decrease in administrative unemployment eased in Campania and stopped in Lombardy, Lazio, Emilia-Romagna and Sicily, while it intensified in Veneto. In the second half of 2022, the drop in the number of people entering the job market (around one fifth fewer than in the same period of 2021) was met by an increase in the number of workers submitting a new DID every month (nearly 10 per cent more than in the preceding year; Figure 7.b). In line with Istat's data, which point to widespread growth in labour market participation rates, these flows have intensified across all age groups, especially in the South.

Administrative unemployment

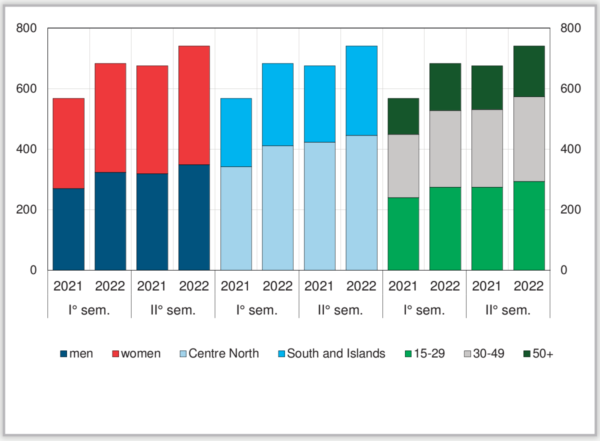
Figure 7

(thousands of people)

(a) cumulative balance since 1th January of each year (1)



(b) inflows by gender, area and age class (2)



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

(1) 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. – (2) Inflows refer to the activation of new DIDs and do not include the reactivation of those temporarily suspended.

APPENDIX

Table 1

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

(seasonally adjusted data; thousands)

PERIOD	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	4,990	576	4,513	-100
2020	3,589	432	3,398	-242
2021	4,627	443	3,788	396
2022	5,284	632	4,621	31
2022 – November	448	54	397	-4
2022 – December	447	49	394	4
2023 – January	457	55	405	-4
2023 – February	459	53	395	10
Apprenticeships				
	Gross new contracts (D)	Transitions from apprenticeships to permanent contracts (E)	Terminations (F)	Net new contracts (D-E-F)
2019	398	109	234	55
2020	272	119	176	-22
2021	360	148	235	-24
2022	406	176	281	-50
2022 – November	35	14	23	-2
2022 – December	33	15	23	-4
2023 – January	34	16	23	-4
2023 – February	34	16	22	-4
Permanent contracts				
	Gross new contracts (G)	Transitions to permanent contracts (B+E)	Terminations (H)	Net new contracts (G+B+E-H)
2019	1,272	685	1,602	356
2020	923	551	1,220	253
2021	1,102	591	1,450	243
2022	1,308	807	1,695	420
2022 – November	107	69	136	39
2022 – December	90	64	141	12
2023 – January	108	71	120	59
2023 – February	105	69	126	48
Total				
	Gross new contracts (I)		Terminations (L)	Net new contracts (I-L)
2019	6,660	–	6,350	311
2020	4,783	–	4,794	-10
2021	6,089	–	5,474	615
2022	6,997	–	6,597	400
2022 – November	589	–	556	33
2022 – December	570	–	558	12
2023 – January	599	–	548	51
2023 – February	597	–	543	55

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. Minor discrepancies between raw data and seasonally adjusted data are due to the TRAMO-SEATS procedure.

Table 2

Net hires by sector of economic activity, gender and geographical area (1)

(seasonally adjusted data; thousands)

PERIOD	Industry without construction	Construction	Retail and wholesale trade	Tourism services	Other services	**Total**
			Total			
2019	49	35	48	86	92	**311**
2020	7	78	11	-136	30	**-10**
2021	71	125	84	175	160	**615**
2022	76	76	46	82	120	**400**
2022 – November	8	5	6	1	12	**33**
2022 – December	6	3	0	9	-6	**12**
2023 – January	12	5	9	8	17	**51**
2023 – February	11	8	9	14	13	**55**
			Women			
2019	14	4	20	41	39	**118**
2020	-1	6	-10	-65	-5	**-74**
2021	21	10	51	83	70	**236**
2022	26	10	27	43	54	**160**
2022 – November	2	1	4	2	7	**16**
2022 – December	2	0	0	3	-3	**3**
2023 – January	4	1	4	5	9	**23**
2023 – February	4	1	5	6	6	**22**
			Men			
2019	35	32	28	45	54	**193**
2020	9	71	21	-72	35	**64**
2021	50	115	33	92	90	**379**
2022	49	66	19	40	66	**240**
2022 – November	5	5	3	-2	6	**17**
2022 – December	4	3	-1	6	-4	**9**
2023 – January	7	4	5	4	8	**28**
2023 – February	7	7	5	8	7	**33**
			Centre North			
2019	36	26	32	64	73	**231**
2020	-8	42	-8	-112	14	**-71**
2021	55	69	56	125	116	**421**
2022	66	51	33	64	95	**310**
2022 – November	6	5	5	2	10	**28**
2022 – December	5	3	0	10	-7	**12**
2023 – January	9	4	5	8	14	**40**
2023 – February	8	6	6	13	10	**42**
			South and Islands			
2019	13	9	17	22	19	**79**
2020	15	36	19	-25	16	**61**
2021	16	57	28	51	43	**194**
2022	10	24	13	18	25	**90**
2022 – November	1	1	1	-2	3	**5**
2022 – December	1	0	0	-1	0	**0**
2023 – January	3	1	4	1	3	**11**
2023 – February	3	2	3	1	4	**13**

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. Minor discrepancies between raw data and seasonally adjusted data are due to the TRAMO-SEATS procedure.

Table 3

Declarations of immediate availability to work (1) *(raw data)*							
PERIOD	Entries into unemployment status			Exits from unemployment status			**Balance**
	Total	Entries	Re-entries	Total	Suspensions	Withdrawals	
Total							
2021	3,515,770	1,245,860	2,269,910	3,819,453	3,573,896	245,557	**-303,683**
2022	3,368,705	1,429,144	1,939,561	3,449,253	3,173,624	275,629	**-80,548**
Women							
2021	1,659,435	655,555	1,003,880	1,761,369	1,636,456	124,913	**-101,934**
2022	1,654,822	754,684	900,138	1,675,796	1,530,307	145,489	**-20,974**
Men							
2021	1,856,335	590,305	1,266,030	2,058,084	1,937,440	120,644	**-201,749**
2022	1,713,883	674,460	1,039,423	1,773,457	1,643,317	130,140	**-59,574**

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 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, 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.

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

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