The labour market: data and analysis

May 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 30 April 2023, the second to 28 February 2023. The data are provisional and subject to revision.

PAYROLL EMPLOYMENT

▶ *Employment continues to grow at a robust pace*

In March and April of 2023, labour demand in the non-farm private sector continued to increase at a strong pace (Figure 1): more than 100,000 jobs were created in these two months, net of terminations (Table 1), a figure similar to that for the first two months of 2023 and higher than both the average trends in 2022 and those in 2019, prior to the COVID-19 pandemic.

Net hires (1)
(thousands of jobs)

Figure 1
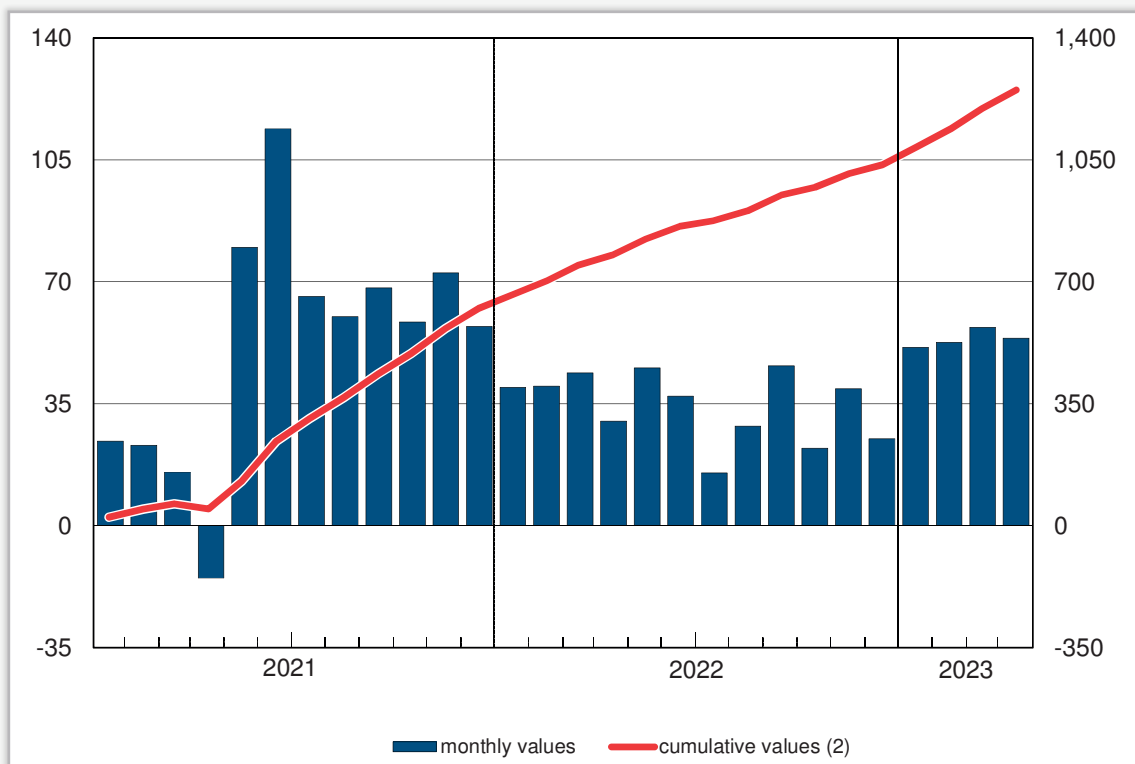
Source: Based on MLPS mandatory reporting data; see the Methodological Note.
(1) Seasonally adjusted data using the TRAMO-SEATS procedure. – (2) Cumulative net hires since January 2021; right-hand scale.
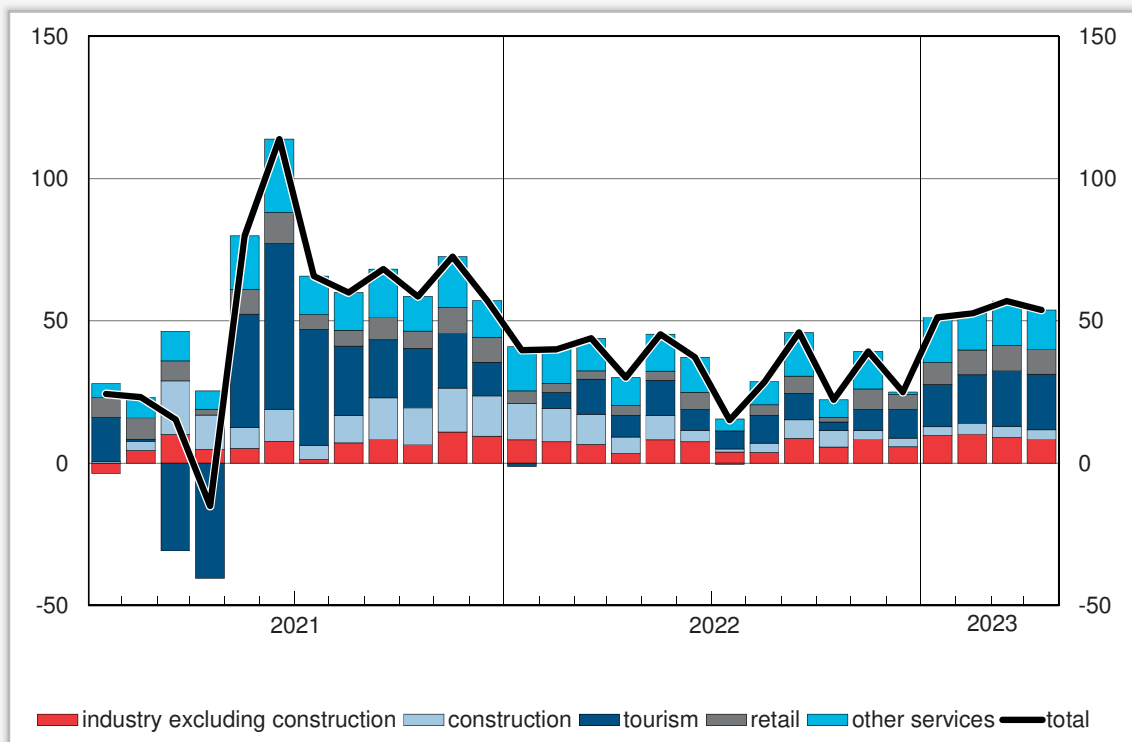
▶ *Services, especially in tourism, sustain the growth in employment*

As in the first two months of the year, labour demand was driven by services and above all by tourism, where just under 40,000 jobs were created, corresponding to around one third of the total (Figure 2 and Table 2). Employment continued to grow in industry excluding construction and in construction at rates in line with those of the previous two months. The recovery continued in the most energy-intensive manufacturing sectors,[1] which benefited from the fall in energy prices (Figure 3).

Monthly net hires by macro-sector (1)
(thousands of jobs)

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

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[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 sectors are: food, beverages and tobacco products (Ateco codes 10-12); wood and wood products (Ateco code 16); manufacture of paper and paper products (Ateco code 17); manufacture of coke and refined petroleum products (Ateco code 19); chemicals (Ateco code 20); manufacture of rubber and plastic products (Ateco code 22); manufacturing of other non-metallic mineral products (Ateco code 23); basic metals (Ateco code 24). These sectors employ around one third of the labour force in manufacturing.

Figure 3

Job positions in manufacturing
(index: January 2021=100)
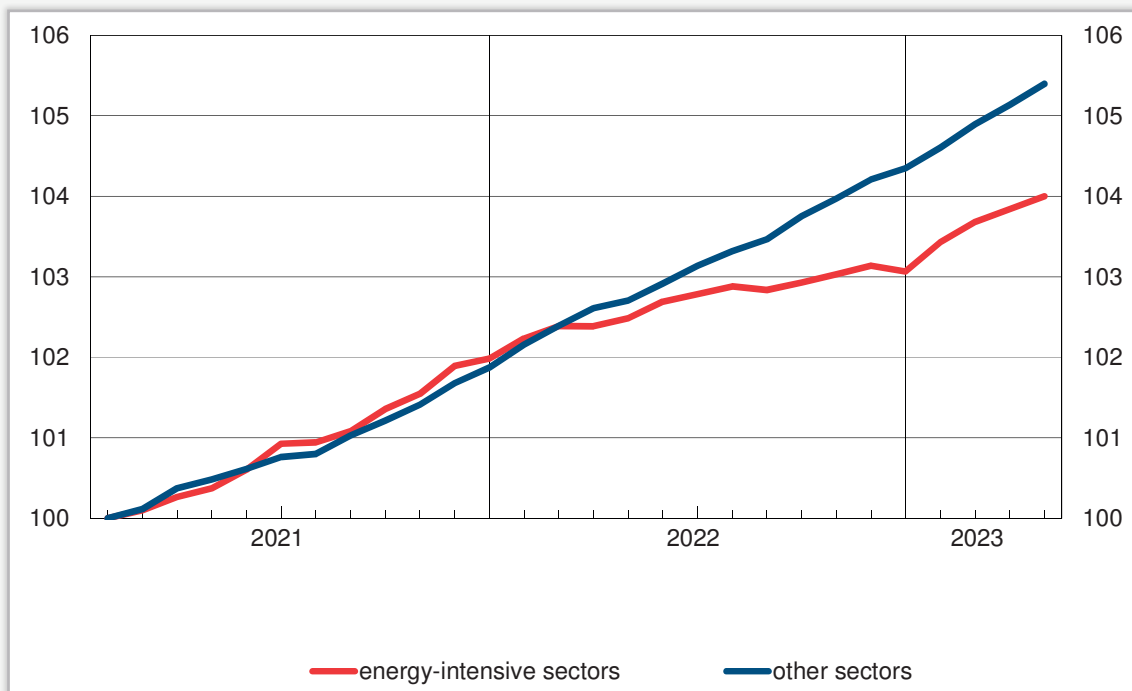
energy-intensive sectors   other sectors

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, but fixed-term contracts have increased*

In March and April, most of the jobs created, around 70 per cent, were permanent contracts (Figure 4). The gradual reduction in the dismissal rate, which began in mid-2022, has continued in line with the marked growth in employment (Figure 5); resignations, due above all to transitions from one job to another, remained at higher levels than in the period prior to the health crisis (see the box '*Why are resignations rising*?', The labour market: data and analyses, November 2021). In the last two months, however, the recourse to fixed-term employment has strengthened, and its balance has more than doubled compared with the previous two months (up from 15,000 to around 35,000 jobs). This recovery has been influenced by the strong growth in the tourism sector, where short-term employment contracts are more widespread, but also by the greater propensity of firms to create new fixed-term contracts, after many of them had been transformed into permanent ones in 2022 (Figure 6). The contribution of apprenticeships was essentially nil.

Monthly net hires by type of contract (1)
(thousands of jobs)
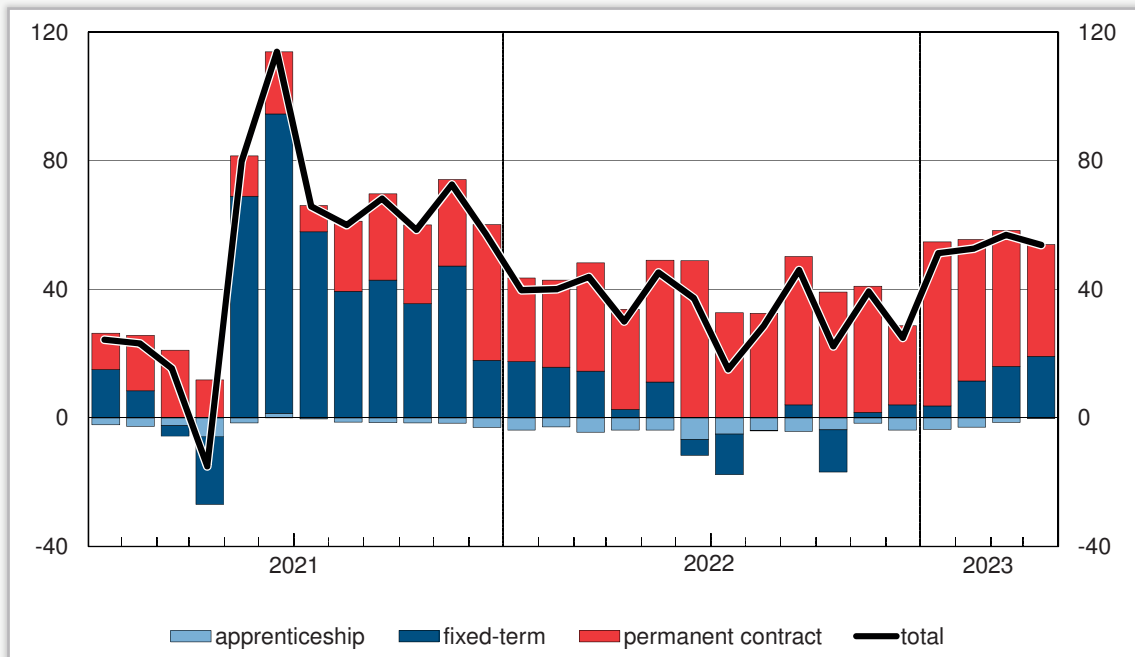
Legend: apprenticeship — fixed-term — permanent contract — total

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

Dismissal and resignation rates (1)
(percentage values)

Legend:
▲ dismissal rate
— dismissal rate, moving average
▲ resignation rate
— resignation rate, moving average

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. Ratio between the number of dismissals or resignations and the estimate of permanent employment in the same month.

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

(percentage values)

Figure 6

Legend:
- ▲ conversion rate (2)
- — conversion rate, moving average (2)
- ▲ share of fixed-term hires (3)
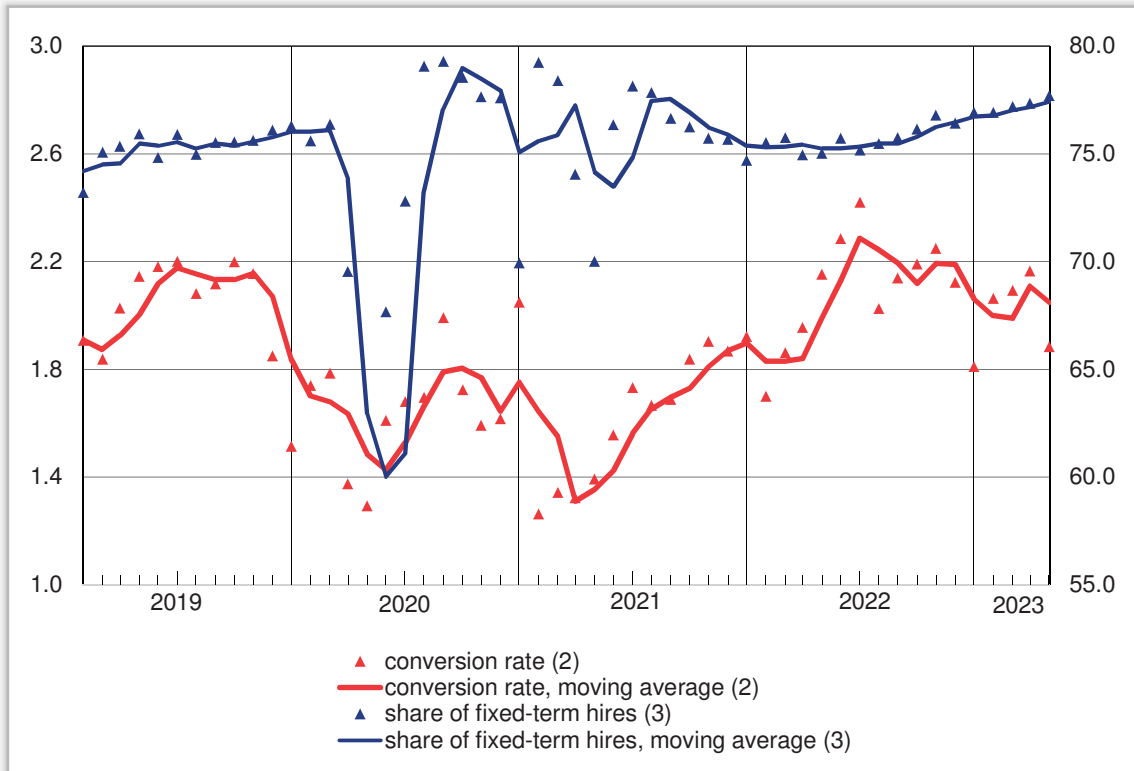- — share of fixed-term hires, moving average (3)

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 fixed-term employment (including seasonal jobs) in the same month. – (3) Right-hand scale.
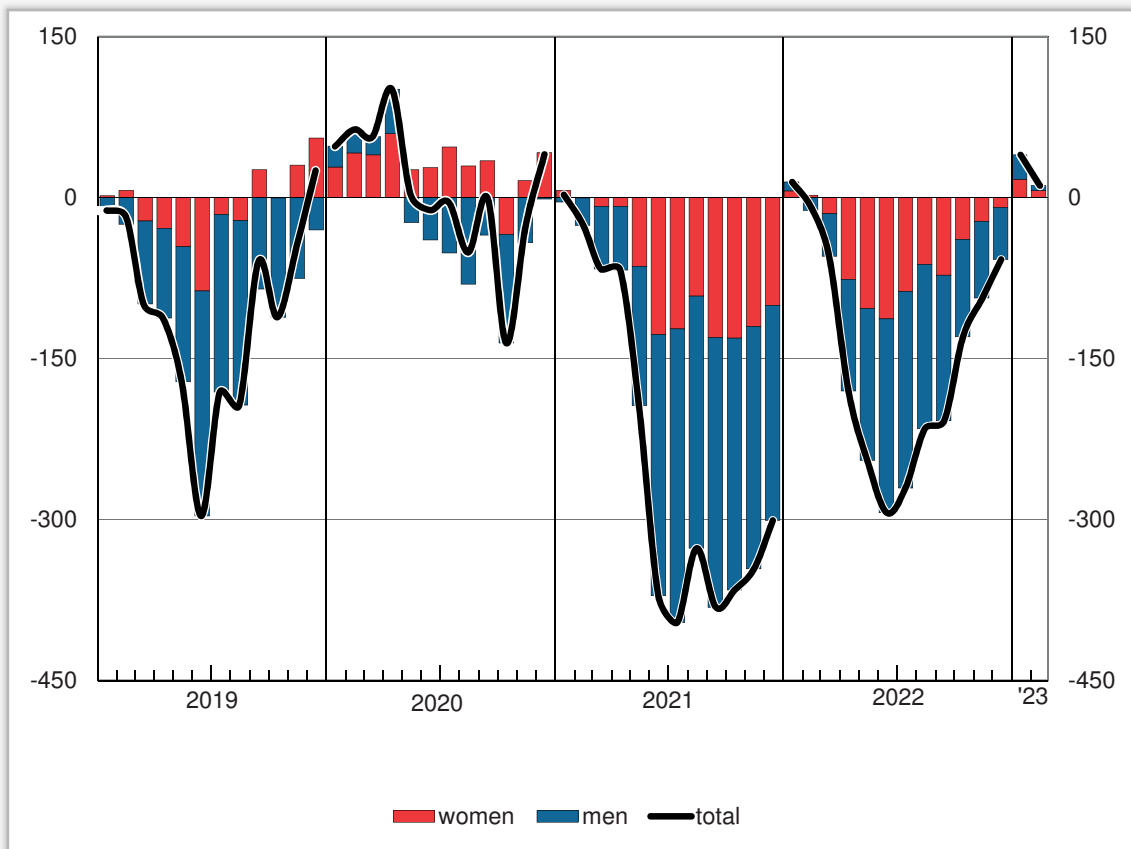
ADMINISTRATIVE UNEMPLOYMENT FIGURES

In the first two months of 2023, the rise in participation rates (0.3 percentage points higher than in the previous two months[2]) slowed the fall in statistical unemployment, recorded by Istat, and in administrative unemployment,[3] measured by the number of declarations of immediate availability to work (Dichiarazione di immediata disponibilità al lavoro, DID), both of which remained broadly stable (Figure 7 and Table 3).

Administrative unemployment (1)   **Figure 7**

(cumulative balance since 1th January of each year thousands of people)

legend: women — men — total

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.

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[2] For further details, see Istat, Occupati e disoccupati (Employed and unemployed figures, only in Italian), press release, February 2023.

[3] For details on how to measure statistical and administrative unemployment, see the section on 'Administrative and statistical unemployment' 'Labour market data and analyses', January 2022. For the definition of administrative unemployment, see the Methodological Note.

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	4,997	582	4,514	-99
2020	3,595	433	3,405	-243
2021	4,622	446	3,774	402
2022	5,288	639	4,608	41
2023 - January	461	53	405	4
2023 - February	461	54	396	12
2023 - March	469	56	397	16
2023 - April	468	49	400	19

Apprenticeships

	Gross new contracts (D)	Transitions from apprenticeships to permanent contracts (E)	Terminations (F)	Net new contracts (D–E–F)
2019	397	110	232	55
2020	273	117	176	-20
2021	361	147	236	-22
2022	405	173	280	-47
2023 - January	34	15	22	-4
2023 - February	33	14	22	-3
2023 - March	34	13	23	-1
2023 - April	33	11	22	0

Permanent contracts

	Gross new contracts (G)	Transitions to permanent contracts (B+E)	Terminations (H)	Net new contracts (G+B+E–H)
2019	1,275	691	1,615	351
2020	934	551	1,233	252
2021	1,111	593	1,460	244
2022	1,314	812	1,707	419
2023 - January	107	68	124	51
2023 - February	106	68	130	44
2023 - March	106	68	132	42
2023 - April	104	60	129	35

Total

	Gross new contracts (I)		Terminations (L)	Net new contracts (I-L)
2019	6,669	–	6,362	307
2020	4,802	–	4,813	-11
2021	6,093	–	5,470	624
2022	7,008	–	6,596	412
2023 - January	602	–	551	51
2023 - February	600	–	548	53
2023 - March	609	–	552	57
2023 - April	605	–	551	54

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	34	46	87	91	**307**
2020	7	78	11	-138	31	**-11**
2021	72	125	86	181	160	**624**
2022	77	76	47	90	122	**412**
2023 - January	10	3	8	15	16	**51**
2023 - February	10	4	9	17	13	**53**
2023 - March	9	4	9	20	16	**57**
2023 - April	8	3	9	20	14	**54**
Women						
2019	14	4	19	40	38	**115**
2020	-2	6	-10	-65	-4	**-74**
2021	21	11	52	85	70	**240**
2022	27	10	27	46	55	**164**
2023 - January	4	1	3	7	8	**23**
2023 - February	3	1	4	8	6	**23**
2023 - March	3	1	5	9	7	**25**
2023 - April	4	1	5	9	5	**23**
Men						
2019	35	31	28	47	52	**192**
2020	9	71	21	-73	35	**63**
2021	51	114	33	95	90	**384**
2022	50	66	20	45	67	**248**
2023 - January	6	2	5	8	7	**28**
2023 - February	7	3	4	9	7	**30**
2023 - March	6	3	4	10	8	**32**
2023 - April	5	3	4	11	8	**30**
Centre North						
2019	37	25	30	65	72	**227**
2020	-7	41	-8	-111	15	**-70**
2021	56	69	58	125	117	**424**
2022	67	52	34	67	97	**317**
2023 - January	7	3	5	11	12	**37**
2023 - February	8	3	5	13	9	**38**
2023 - March	6	3	6	13	12	**39**
2023 - April	6	3	6	13	11	**38**
South and Islands						
2019	12	9	17	22	19	**80**
2020	15	36	19	-27	16	**59**
2021	16	56	28	55	43	**200**
2022	10	24	13	23	25	**95**
2023 - January	3	0	3	4	4	**14**
2023 - February	3	0	3	4	4	**14**
2023 - March	3	1	3	7	4	**17**
2023 - April	2	1	3	7	3	**15**

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							
2022	3,382,571	1,458,880	1,923,691	3,440,108	3,160,712	279,396	**-57,537**
2022 – Jan.-Feb.	564,577	243,019	321,558	574,303	523,897	50,406	**-9,726**
2023 – Jan.-Feb.	504,103	228,704	275,399	492,813	457,523	35,290	**11,290**
Women							
2022	1,663,209	770,477	892,732	1,672,345	1,524,978	147,367	**-9,136**
2022 – Jan.-Feb.	271,578	123,853	147,725	269,279	242,830	26,449	**2,299**
2023 – Jan.-Feb.	245,602	113,140	132,462	239,140	220,951	18,189	**6,462**
Men							
2022	1,719,362	688,403	1,030,959	1,767,763	1,635,734	132,029	**-48,401**
2022 – Jan.-Feb.	292,999	119,166	173,833	305,024	281,067	23,957	**-12,025**
2023 – Jan.-Feb.	258,501	115,564	142,937	253,673	236,572	17,101	**4,828**

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.[4] 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.

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