

The labour market: data and analysis

September 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 August 2022, the second to 31 July 2022. The data are provisional and subject to revision.

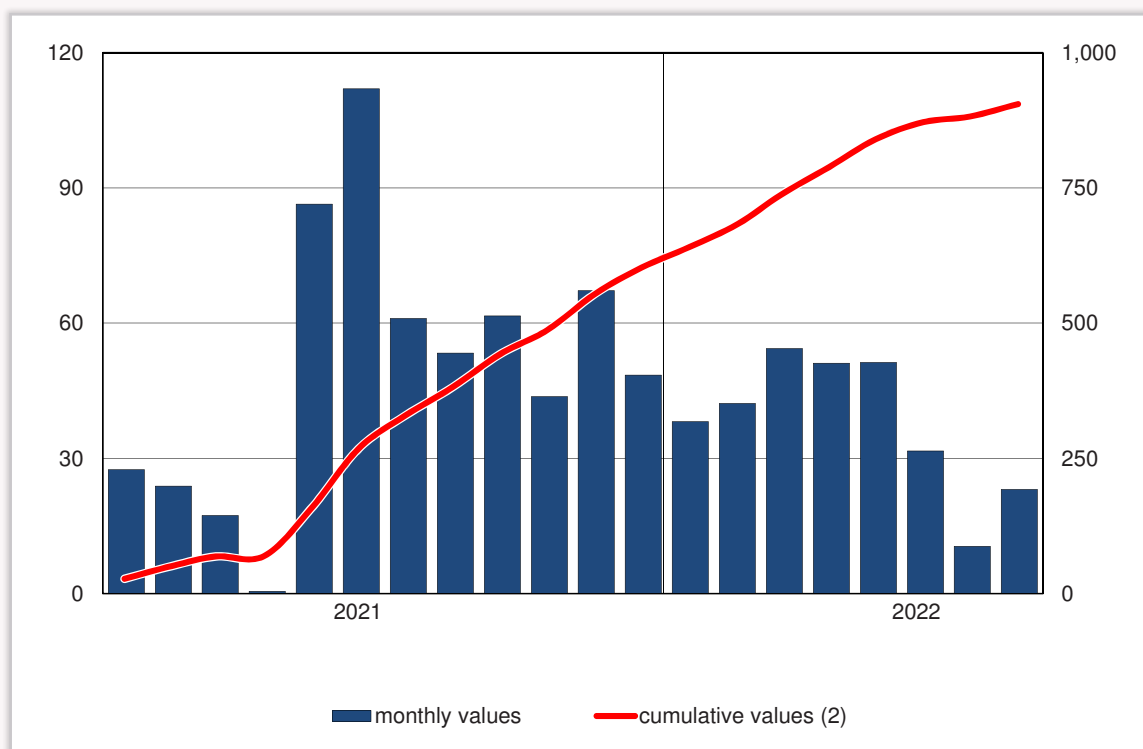
PAYROLL EMPLOYMENT

► Employment slows down in the summer

Around 300,000 payroll positions were created (on a seasonally adjusted basis) in the non-farm private sector in the first eight months of this year (Table 1). However, the growth in employment slowed down significantly in the summer (Figure 1): just short of 35,000 jobs were created between July and August, less than half the 80,000 positions of the previous two-month period and of the 100,000 jobs in March-April.

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.

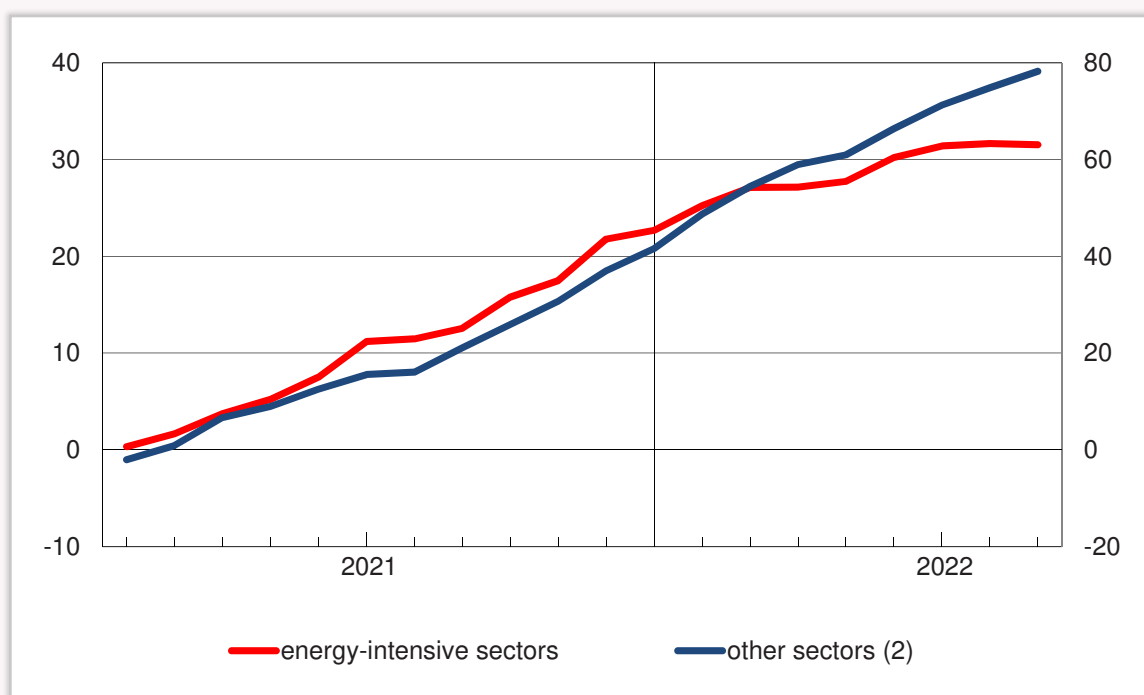
► **Growth weakens in both industry and services. Fixed-term employment curbs**

The manufacturing industry shows a high level of heterogeneity across sectors, also owing to the different effects that rising energy prices have on each industry. Since 2022, the ten most energy-intensive manufacturing sectors, based on the ratio of energy consumption to value added,¹ have slowed down significantly (Figure 2). In the summer, they were held back mainly by the food sector which was penalized by the difficulties to procure raw materials. Labour demand contracted sharply in construction as well, thus confirming Istat data on the job vacancy rate, which has been declining since the second quarter of 2022 (see Istat’s Quarterly survey on job vacancies and hours worked). Services were affected by the more moderate growth registered over the past two months in the trade and tourism sectors, following the strong expansion of the past spring (Figure 3).

Monthly net hires in the manufacturing sector (1)

(cumulative net hires since January 2021; thousands of jobs)

Figure 2



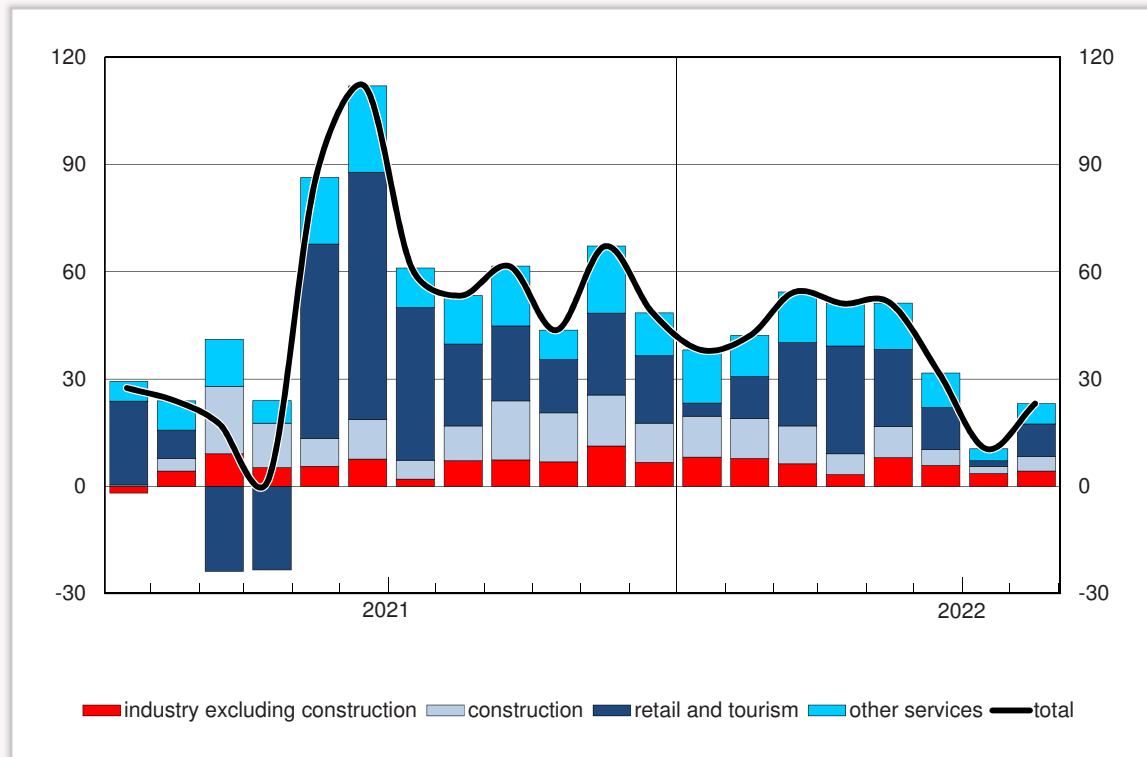
Source: Based on MLPS mandatory reporting data; see the Methodological Note.
 (1) Seasonally adjusted data using the TRAMO-SEATS procedure. – (2) Right-hand scale.

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.

Monthly net hires by macro-sector (1)

(thousands of jobs)

Figure 3



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

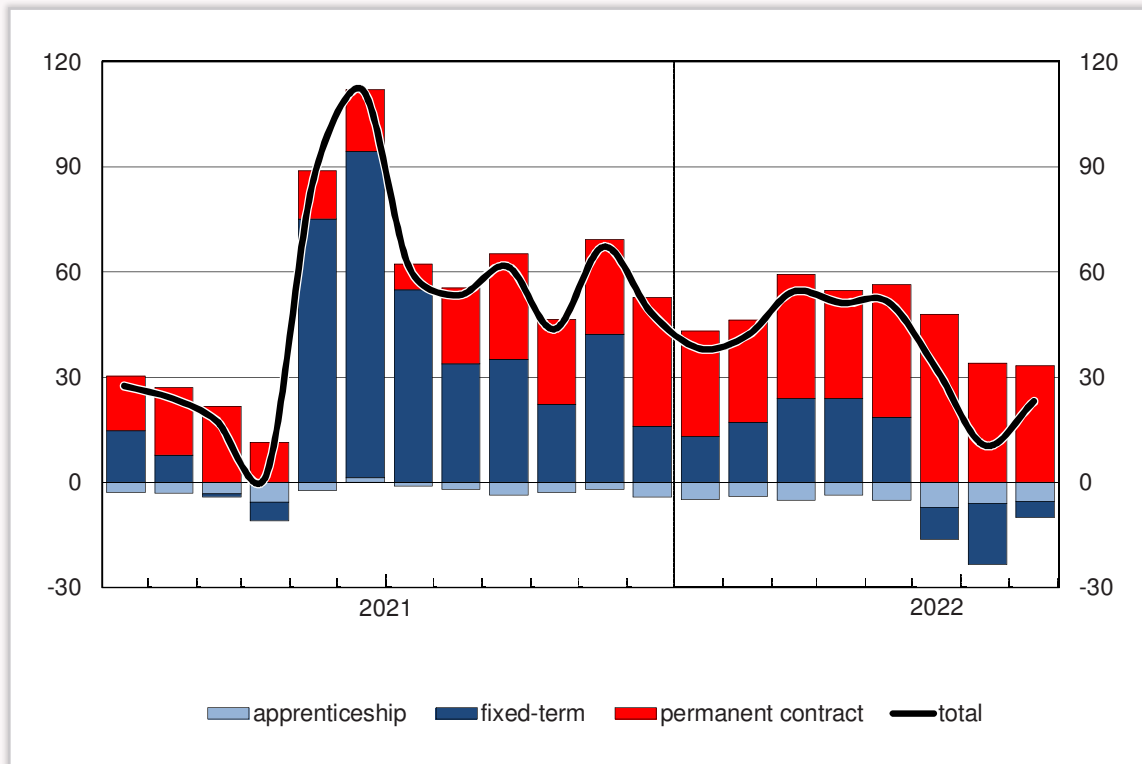
(1) Seasonally adjusted data using the TRAMO-SEATS procedure.

Fixed-term contracts, which are better suited to meet the cyclical conditions, showed a negative balance over the past three months (Figure 4, Table 1). Since the beginning of the year, they contributed only 20 per cent to the increase in declared employment, compared with 70 per cent in the first eight months of 2021. By contrast, the growth in permanent contracts continued, driven also by the number of conversions of pre-existing fixed-term contracts. Apprenticeship contracts confirmed their negative trend.

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.

► *Male employment slows down; employment growth comes to a halt in the South and Islands*

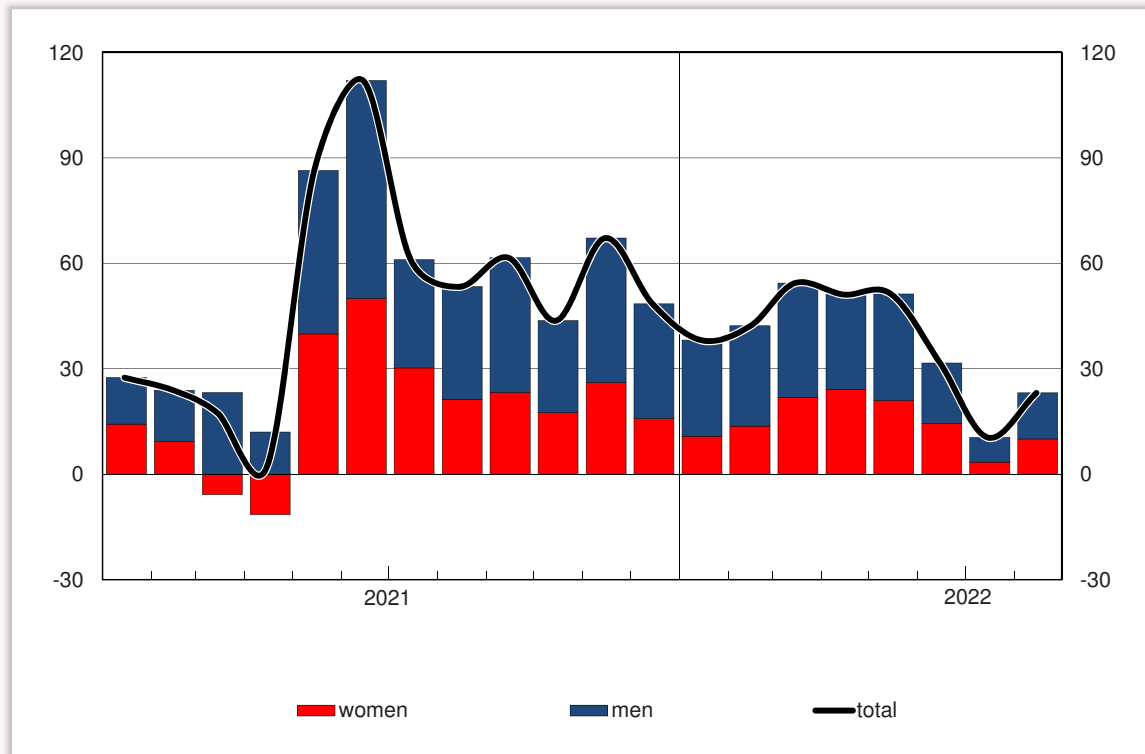
The easing in the labour market observed in the past two months affected both genders (Figure 5.a; Table 2), reflecting the deceleration in services and, especially for the male component, in construction.

Between July and August, employment grew mainly in the Centre and North of Italy, whereas it came to a halt in the South, once the boost from construction and tourism ended (Figure 5.b; Table 2). In line with the Italian average, fixed-term employment contracts registered a negative balance in the summer. Permanent contracts declined and, contrary to the rest of Italy, remained well below pre-pandemic levels.

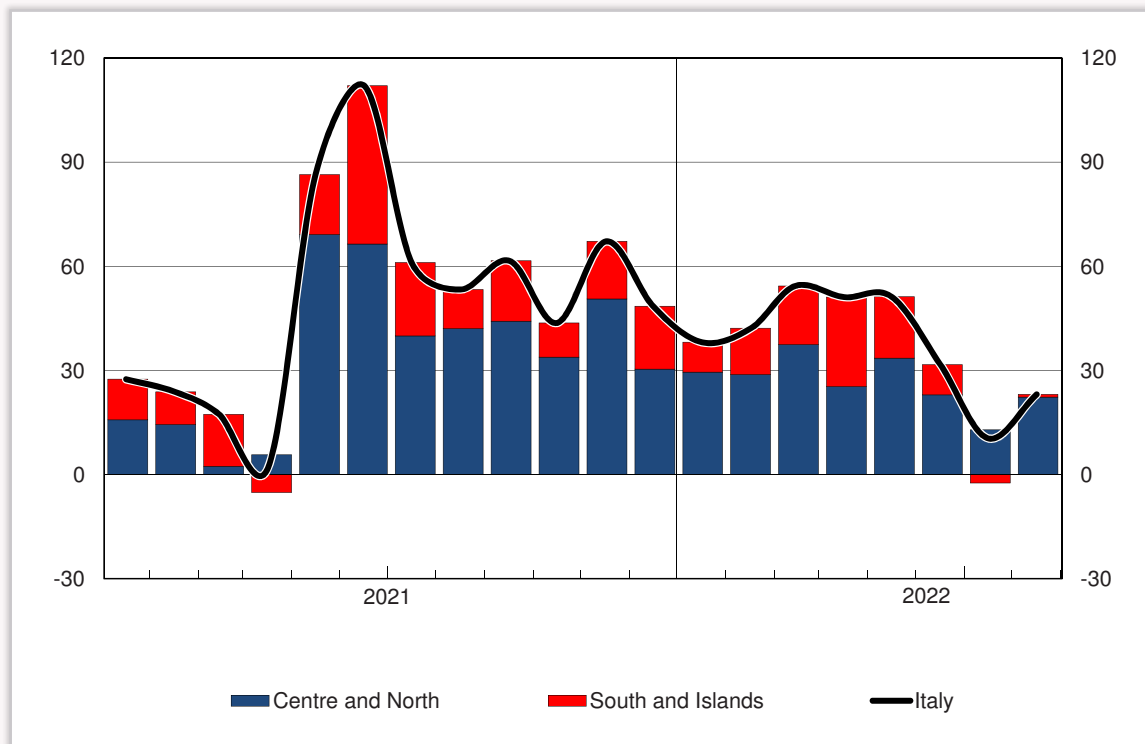
Monthly net hires (1)
(thousands of jobs)

Figure 5

(a) by gender



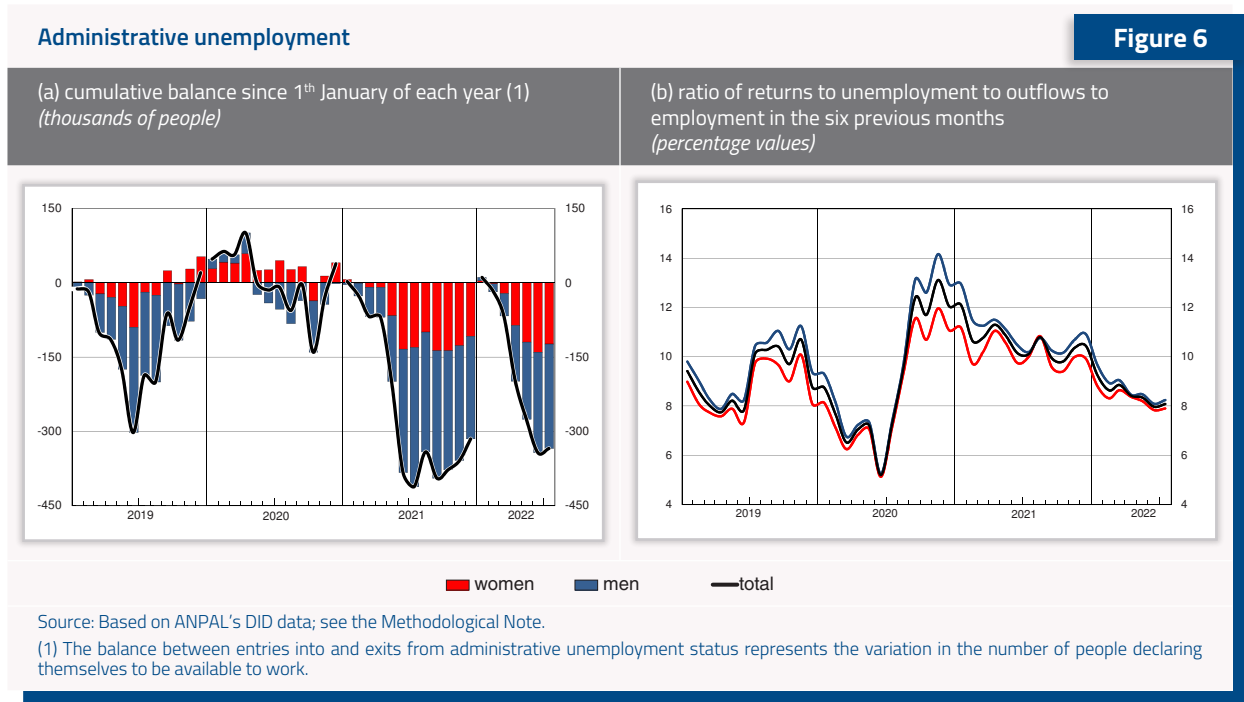
(b) by area



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

ADMINISTRATIVE UNEMPLOYMENT

Administrative unemployment, measured by the number of declarations of immediate availability to work (Dichiarazione di immediata disponibilità al lavoro, DIDs) continued to decline in June-July period (Figure 6.a). The falloff was less sharp in the first seven months of 2022 compared with the year-earlier period, in particular for the male component; this is likely attributable to the decline in labour demand in the manufacturing and construction sectors. The number of women who exited from unemployment after finding a job remained slightly increased, while the same indicator decreased by almost 9 per cent for the male component (Table 3).



At the same time, the flow of new declarations of immediate availability to work has intensified, showing similar trends for both genders and averaging 113,000 DIDs per month since the beginning of 2022, compared with 100,000 a year earlier. The ratio of newly unemployed – following an employment contract of no more than six months – to employment in the previous semester stabilized at 2019 levels, thus confirming a trend in favour of longer contract durations (Figure 6.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)
2021	4,624	458	3,775	391
2022 – Jan.-Jun.	2,628	311	2,230	87
2022 – July	415	51	382	-18
2022 – August	420	50	374	-5

Apprenticeships				
	Gross new contracts (D)	Transitions from apprenticeships to permanent contracts (E)	Terminations (F)	Net new contracts (D-E-F)
2021	362	155	239	-32
2022 – Jan.-Jun.	202	97	135	-30
2022 – July	32	16	22	-6
2022 – August	33	15	23	-6

Permanent contracts				
	Gross new contracts (G)	Transitions to permanent contracts (B+E)	Terminations (H)	Net new contracts (G+B+E-H)
2021	1,085	613	1,451	247
2022 – Jan.-Jun.	670	409	868	211
2022 – July	108	67	141	34
2022 – August	106	66	139	33

Total				
	Gross new contracts (I)		Terminations (L)	Net new contracts (I-L)
2021	6,071	–	5,465	605
2022 – Jan.-Jun.	3,501	–	3,232	269
2022 – July	555	–	544	10
2022 – August	559	–	536	23

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						
2021	71	125	83	168	158	605
2022 – Jan.-Jun.	39	52	24	78	75	269
2022 – July	4	2	-1	3	3	10
2022 – August	4	4	3	6	6	23
Women						
2021	21	10	50	81	69	232
2022 – Jan.-Jun.	14	6	12	38	36	106
2022 – July	1	1	0	1	1	3
2022 – August	1	1	2	3	3	10
Men						
2021	50	115	33	87	89	374
2022 – Jan.-Jun.	25	47	12	40	39	163
2022 – July	2	1	-1	1	2	7
2022 – August	3	3	0	3	3	13
Centre and North						
2021	54	68	55	123	116	417
2022 – Jan.-Jun.	33	32	14	41	58	177
2022 – July	5	1	-0	4	3	13
2022 – August	5	3	3	7	4	22
South and Islands						
2021	17	57	28	45	42	188
2022 – Jan.-Jun.	7	20	10	37	17	91
2022 – July	-1	1	-1	-2	0	-2
2022 – August	-1	1	-0	-1	2	1

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	3,547,015	1,239,298	2,307,717	3,862,299	3,619,380	242,919	-315,284
2021 – Jan.-Jul.	1,902,777	707,719	1,195,058	2,314,571	2,173,515	141,056	-411,794
2022 – Jan.-Jul.	1,892,870	787,857	1,105,013	2,227,493	2,032,647	194,846	-334,623
Women							
2021	1,674,710	651,833	1,022,877	1,782,923	1,659,467	123,456	-108,213
2021 – Jan.-Jul.	904,778	381,200	523,578	1,035,537	963,233	72,304	-130,759
2022 – Jan.-Jul.	935,350	420,701	514,649	1,059,156	955,214	103,942	-123,806
Men							
2021	1,872,305	587,465	1,284,840	2,079,376	1,959,913	119,463	-207,071
2021 – Jan.-Jul.	997,999	326,519	671,480	1,279,034	1,210,282	68,752	-281,035
2022 – Jan.-Jul.	957,520	367,156	590,364	1,168,337	1,077,433	90,904	-210,817

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.² 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.

Contacts:

Raffaella Nizzi, Banca d'Italia (raffaella.nizzi@bancaditalia.it); Libero Calvitto, Ministero del Lavoro e delle Politiche Sociali (LCalvitto@lavoro.gov.it);
Giovanna Linfante, ANPAL (Giovanna.Linfante@anpal.gov.it)