

The labour market: data and analysis

July 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 June 2022, the second to 31 May 2022. The data are provisional and subject to revision.

PAYROLL EMPLOYMENT

► Labour demand remains high, but is slowing down

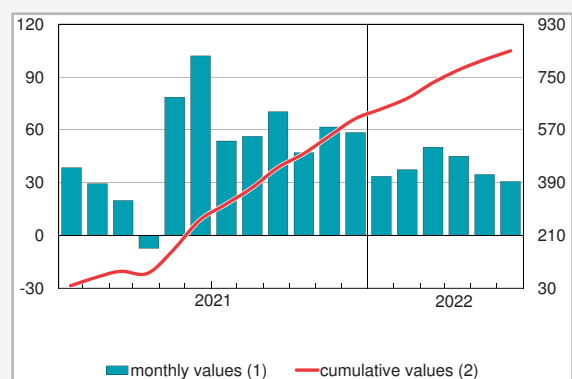
Around 230,000 payroll positions were created (on a seasonally adjusted basis) between January and June of this year, almost 100,000 more than during the same period of 2019 (see *The labour market: data and analysis*, May 2022), prior to the pandemic. The growth in employment started slowing down in the spring months: the difference between new hires and terminations narrowed, while remaining firmly positive (Figure 1).

► Employment holds stable in industry and slows down in construction; the number of new permanent contracts increases

The number of new positions has remained stable in industry, while in construction growth continued to be sharply curbed, as was already reported during the March-April period (Figure 2). Signs of weakening employment growth emerged in May and June in retail and wholesale trade and in tourism as well; however, in the first six months of the year, more than 90,000 jobs were created in these sectors, around 29,000 more than in 2019.

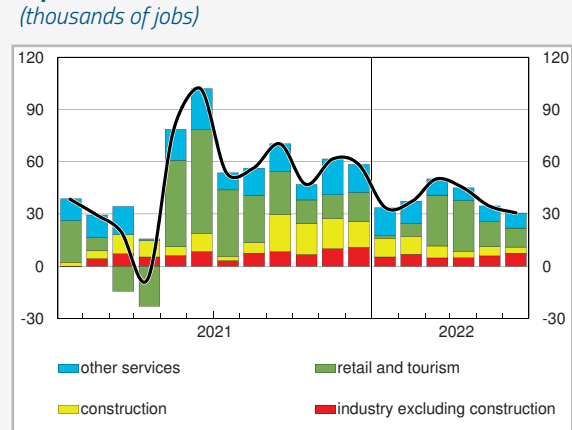
The recent slowdown in tourism and in retail and wholesale trade – sectors that make significant use of short-term employment contracts – is reflected in an overall falloff in growth in fixed-term positions. In the first six months of the year,

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.

Monthly net hires by macro-sector (1)
(thousands of jobs) **Figure 2**

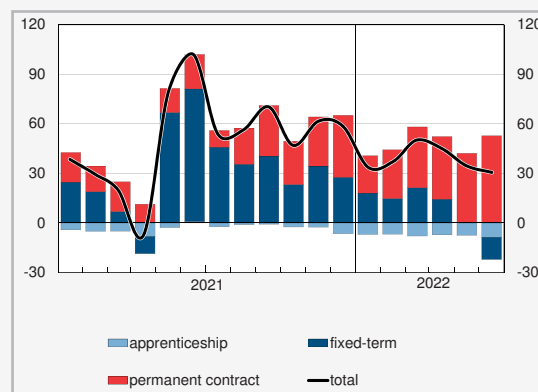


Source: Based on MLPS mandatory reporting data; see the Methodological Note.
(1) Seasonally adjusted data using the TRAMO-SEATS procedure.

they made up around one fourth of net new contract activations, on a seasonally adjusted basis (Figure 3; see Table 1 in the Appendix). By contrast, permanent employment benefited from the continuous rise in the number of conversions of temporary contracts into permanent ones, which returned to 2019 levels in recent months. Compared with the steady trend in hirings and redundancies, there was a slight decrease in resignations; the latter rose rapidly in 2021, when the recovery in the labour market encouraged workers to switch jobs (see *The labour market: data and analysis*, May 2022). The number of apprenticeship contracts also continued to fall, markedly so from December 2021 onward.

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.

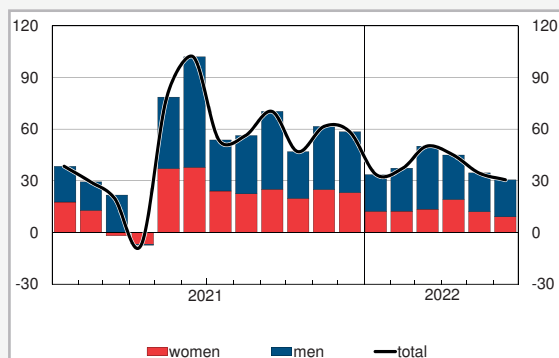
► **The gender employment gap widens slightly; the Centre-North continues to be the engine of job growth**

The slowdown in job growth affected both genders (Figure 4.a; see Table 2 in the Appendix), but the contribution of the female component in the first six months of the 2022 was less than that of the previous year. Growth weakened in the May-June period, especially in the Centre-North regions, while in the South it remained rather low. Since January, jobs created (net of terminations) in the South and Islands accounted for barely 20 per cent of total activations (Figure 4.b).

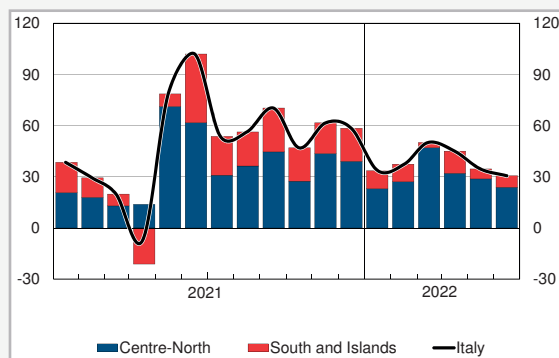
Monthly net hires (1)
(thousands of jobs)

Figure 4

(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

Between April and May administrative unemployment, measured by the number of declarations of immediate availability to work (*Dichiarazione di immediata disponibilità al lavoro*, DIDs) continued to decline (see Methodological Note; Figure 5). Since the start of the year, there has been a drop of

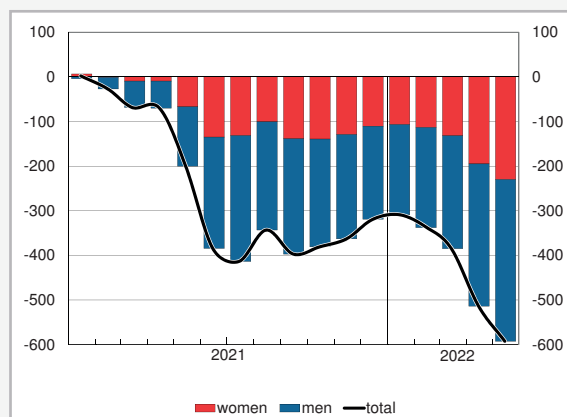
more than 270,000 in the number of unemployed persons in administrative unemployment, a larger decrease than in the same period of 2021 (see Table 3 in the Appendix). It is mainly attributable to the higher number of women who exited from unemployment owing to the activation of new contracts, which were up by more than 15 per cent compared with the first five months of 2021.

On the inflows side, the activation of new declarations submitted by persons indicating their availability to work continued to rise (over 100,000 per month on average, compared with 90,000 for the previous year). Compared with 2021, there was a decline in the number of employees who returned to unemployment after a period of employment of no longer than six months, indicating longer contract durations. The ratio of the newly unemployed to those returning to employment decreased primarily in the Centre-North (Figure 6), falling close to pre-pandemic levels.

Administrative unemployment (1)

Figure 5

(Cumulative balance since 1 January 2021; thousands of people)



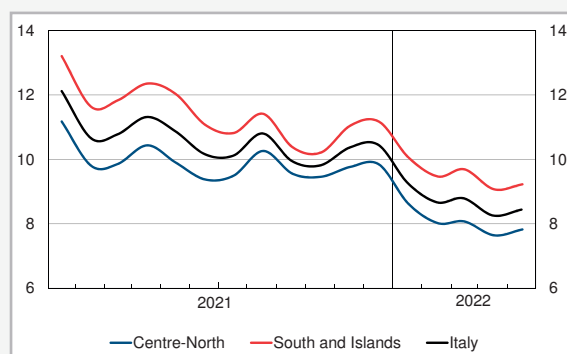
Source: Based on ANPAL's DID data.

(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; see the Methodological Note.

Ratio of returns to unemployment to outflows to employment in the six previous months (1)

Figure 6

(monthly data; percentage points)



Source: Based on ANPAL DID data.

(1) 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.

APPENDIX

Table 1

New contracts, transitions, and terminations by type of contract (1) (seasonally adjusted data; thousands)

Fixed-term contracts				
	Gross new contracts (A)	Transitions from fixed- term to permanent contracts (B)	Terminations (C)	Net new contracts (A-B-C)
2021	4,622	458	3,776	389
2022 – Jan.-Apr.	1,761	193	1,500	68
2022 – May	460	58	402	1
2022 – June	433	56	391	-13
Apprenticeships				
	Gross new contracts (D)	Transitions from apprenticeships to permanent contracts (E)	Terminations (F)	Net new contracts (D-E-F)
2021	362	157	239	-35
2022 – Jan.-Apr.	136	67	98	-29
2022 – May	35	17	25	-8
2022 – June	34	19	24	-9
Permanent contracts				
	Gross new contracts (G)	Transitions to permanent contracts (B+E)	Terminations (H)	Net new contracts (G+B+E-H)
2021	1,084	615	1,451	248
2022 – Jan.-Apr.	446	260	579	127
2022 – May	112	75	145	42
2022 – June	113	75	134	53
Total				
	Gross new contracts (I)		Terminations (L)	Net new contracts (I-L)
2021	6,068		5,465	603
2022 – Jan.-Apr.	2,343		2,177	166
2022 – May	607		572	35
2022 – June	580		549	31

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 and gender (1) <i>(seasonally adjusted data; thousands)</i>						
	Industry excluding construction	Construction	Retail and wholesale trade	Tourism services	Other services	Total
Total						
2021	71	125	83	168	157	603
2022 – Jan.-Apr.	22	32	17	51	45	166
2022 – May	6	5	1	14	9	35
2022 – June	7	4	4	7	9	31
Women						
2021	21	10	50	81	69	230
2022 – Jan.-Apr.	10	4	8	17	18	57
2022 – May	2	1	0	6	3	12
2022 – June	2	1	2	0	4	9
Men						
2021	50	114	33	87	88	372
2022 – Jan.-Apr.	11	28	9	33	28	109
2022 – May	4	4	1	8	6	23
2022 – June	5	3	2	7	4	21

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>							
	Entries into unemployment status			Exits from unemployment status			Balance
	Total	Entries	Re-entries	Total	Suspensions	Withdrawals	
Total							
2021	3.552.199	1.237.007	2.315.192	3.871.397	3.629.654	241.743	-319.198
2021 – Jan.-May	1.291.959	452.392	839.567	1.491.993	1.391.573	100.420	-200.034
2022 – Jan.-May	1.332.629	534.912	797.717	1.605.943	1.442.201	163.742	-273.314
Women							
2021	1.677.476	650.542	1.026.934	1.787.977	1.665.286	122.691	-110.501
2021 – Jan.-May	596.819	232.679	364.140	664.055	614.130	49.925	-67.236
2022 – Jan.-May	647.158	276.755	370.403	766.607	679.854	86.753	-119.449
Men							
2021	1.874.723	586.465	1.288.258	2.083.420	1.964.368	119.052	-208.697
2021 – Jan.-May	695.140	219.713	475.427	827.938	777.443	50.495	-132.798
2022 – Jan.-May	685.471	258.157	427.314	839.336	762.347	76.989	-153.865

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, relating to the non-farm private sector¹. 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.

Contacts:

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