



HALF-YEARLY NOTE

The foreigners' labour market in Italy

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SUMMARY OF THE KEY FACTS



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Half-yearly Note on the Foreigners' Labour Market in Italy | 2018

This Half-yearly Note on the Foreigners' Labour Market provides an overview of the labour market during the first six-month period of 2018, updating the employment dynamics described in the Eighth Annual Report, published in July 2018.

Compared to the second quarter of 2017, the main statistical indicators in the second quarter of 2018 registered a sharp increase in employment rates equal to about +387 thousand units (of whom +60.6 thousand foreigners). At the same time, a considerable decrease in unemployment rates was registered for an amount equal to about -34.3 thousand units (of whom a little less than 20 thousand non-EU citizens). On the contrary, the EU citizens' unemployment rates increased by about 4 thousand units.

Moreover, the Statistical Information System on Mandatory Communications (Sistema Statistico Informativo delle Comunicazioni Obbligatorie - SISCO) registered a sensible increase in both labour inflows and outflows. In particular, compared to the second quarter of 2017, employments increased with regard to fixed-term contracts, contracts entered into during apprenticeship and supply contracts. The balance between activations and terminations is positive for both EU and non-EU workers

➤ Labour market trends in the second quarter of 2018

In the second quarter of 2018, the EU workers' employment rate was equal to 64.3%, a percentage 58.7% higher than the Italians' employment rate – in increase compared to the second quarter of 2017 – and 61.2% higher than that of the Non-EU workers, in increase as well.

At the same time, the foreign population's unemployment rate was equal to 14.2% with regard to EU citizens and 13.6% to Non-EU citizens, against 10.3% for the Italian labour force. Comparing these data with those of the same quarter of 2017, the percentage concerning the EU component remained the same, while the percentages concerning Italians and Non-EU citizens dropped by 0.2% and 1.2% respectively.

Basically, when comparing the second quarter of 2017 with that of 2018, it is possible to observe the following trends:

- an increase in the number of employments with regard to Italians (about +326 thousand units, equal to +1.6%), EU citizens (about +21 thousand units, equal to +2.6%) and Non-EU citizens (about +40 thousand units, equal to +2.4%).
- a decrease in the number of individuals in search of a job equal to 6.8% for Non-EU citizens, and 0.8% for Italian citizens, against a 2.9% increase of unemployed EU citizens.
- a decrease in the number of inactive foreigners aged 15-64, passing from a little more than 1.156 million in the second quarter of 2017 to about 1.095 million in the same period of 2018, with a 3.3% decrease with regard to EU citizens and a 6.1% decrease with regard to Non-EU citizens.

Moreover, with reference to age brackets, the employment rate involving the “15-24 year olds” increased among Non-EU citizens for a value equal to +3.6%; whereas, EU citizens underwent an 0.5% decrease. Considering the “25-34 year olds,” employments decreased both for Non-EU citizens (-4.7%) and EU citizens (-4.1%). With reference to the “45-54 year olds,” a decrease was registered only in the employment of EU citizens (-5.8%), while Non-EU citizens experienced an increase equal to +9.7%. Finally, an increase was registered in all values involving the “55 year olds and over.”

A relevant increase was registered with reference to the number of EU citizens under 25 years of age in search of a job (+7,923 units), against a sharp decrease in the number of unemployed Non-EU youngsters (-10,108 units). With regard to the 25-34 year old age bracket, decreases were registered with regard both to EU citizens (-13,588 units) and Non-EU citizens (-11,429 units). Whereas, there was a relevant increase in the trend relating to foreign citizens above 45 years of age.

Lastly, dividing the trends per sectors, it is possible to observe:

- ✓ an increase in the employment of Non-EU citizens especially in *Other collective and personal services* and in *Financial and Insurance activities*.
- ✓ a strong increase in the employment of EU citizens in *Financial and Insurance activities* and in *Commerce*.
- ✓ a sharp decrease in the employment of foreigners in the *Public Administration* and in the *Defence of mandatory social insurance*.
- ✓ a decrease in the number of Non-EU workers in particular in the *Commerce* sector, as well as in *Transport and Warehousing, Information and Communication services, Real Estate, Services to enterprises, etc.*.

➤ Demand for dependent and semi-subordinate workers

The data collected on Mandatory Communications during the second quarter of 2018 highlighted a decrease in the employment of EU citizens equal to -2.6% and an increase in the employment of Non-EU citizens equal to +10.3%. Starting from the second quarter of 2017, only the employment rate of the Non-EU citizens and of the Italian component registered positive values; whereas, the trend of EU citizens' employment contracts fluctuated between increases and decreases.

With reference to employment rates per economic sector and geographical area, the EU component registered positive variations in the *Construction* sector in all geographical areas except Southern Italy, in *Agriculture* only in the North-West and North-East of the Country, and in the *Industry in the strict sense* in all regions except the Southern ones. In fact, all Southern labour markets registered negative trends.

Moreover, in the *Commerce and repairing* sector the values were all negative with the exception of the north-western area of the Country, while in *Other Services* the decrease was generalised. On the other hand, the Non-EU citizens' employment rate increased in all economic sectors and areas; the sectors with a higher trend were as follows: *Agriculture* in the North-East (+30.0%), *Industry in the strict sense* in the North-West (+25.8%), *Construction* in the North-East (28.5%) and *Other Services* in the South (+8.6%).

The firm increase in the Non-EU citizens' employment rate involved almost all contractual typologies with the exception of some residual ones. Between the second quarter of 2018 and the same period of the previous year, Non-EU workers experienced a relevant increase in the number of collaboration contracts (+11.8%), fixed-term contracts (+15.1%), contracts entered into during apprenticeship (+23.4%). Whereas, EU citizens experienced a +6.2% increase only with regard to contracts entered into during apprenticeship, while they underwent a drop in all other contract typologies.

Also supplies registered a positive trend. In fact, compared to the second quarter of 2017, the number of employments increased by 16.2% with regard to Non-EU citizens and by 2.7% with regard to EU citizens.

Alongside the overall increase in employments, a rise in the number of terminated contracts was registered, highlighting a greater dynamicity of the labour demand. In fact, in the second quarter of 2018, the number of foreign citizens involved in the termination of a job relationship amounted to 474,115, that is an additional 44,052 compared to the same quarter of 2017.

With regard to the reasons for said terminations, about 1 contract out of 2 involved the *natural expiry* of the job relationship. Moreover, in the second quarter of 2018, terminations due to *resignation* – in increase – involved 18.8% of the total amount of Non-EU citizens, against 13.9% of the EU component. Also the amount of dismissals was higher among Non-EU citizens (15.8%) compared to EU citizens (13.5%).

With reference to trend variations, an increase in the number of resignations was registered (+5,238 units in the case of Non-EU citizens and +1,194 in the case of EU citizens), as well as a sharp decrease in dismissals in the case of EU citizens (-1,085 units) and a substantial standstill in the case of Non-EU citizens.

The concomitant increase of employments and terminations in the first six months of 2018 highlighted a substantial dynamicity of the labour market. In particular, a decrease in employments was registered with regard to EU citizens, against the general trend. Lastly, balancing the first quarter of 2018, net of transformations, a positive value was registered also with regard to EU citizens (+102,554 job relationships) and Non-EU citizens (+207,640 job relationships), with a total overall balance of +310,194 employments.