

# HALF-YEARLY NOTE

## The foreigners' labour market in Italy

Edited by

Directorate General for Immigration and Integration Policies

SUMMARY OF THE KEY FACTS



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This note was realised by the Studies and Statistical Analysis Directorate –  
Data Science Applications of Anpal Servizi Spa  
January 2020

# Half-yearly note on the foreigners' labour market in Italy

2019

*The Half-yearly note on the foreigners' labour market in Italy gives us an overview of the labour market as a whole up to the entire first half of 2019. In effect, it is an update of the employment trends described in the Ninth Annual Report published last July.*

*In the second quarter of 2019, the data showed a slight increase in the employment rate: the number of people with jobs had increased overall by 0.3% compared to the second quarter of 2018. However, it was only the segment of Italian and non-EU citizens that had grown: in fact, in the case of EU citizens, we can see a contraction in employment levels, matched by an expansion of the segment of unemployed EU foreigners, this latter phenomenon including non-EU citizens.*

*Furthermore, we find a modest growth of labour inflows as recorded by the Statistical Information System of Compulsory Communications. The number of hirings had increased by 0.4%: however, compared to the second quarter of 2018, only the number of work contracts for non-EU citizens and Italians had grown.*

## ➤ Labour market trends

In the second quarter of 2019, the rate of employment of foreign EU workers stood at 60.6%, less than the figure recorded twelve months earlier, but higher than the 59.2% recorded among Italians (an increase compared to the second quarter of 2018), and lower than the 62.9 % of non-EU citizens (a falling trend).

In parallel, the unemployment rate of the foreign population in the second quarter of 2019 was 15.2% in the case of EU citizens and 13.8 % in the case of non-EU citizens, compared with 9.2% of the labour force of Italian nationality. If we consider the same quarter of the previous year, the value of the indicator had grown by 1 point in the case of EU citizens and by 0.2 points in the case of non-EU citizens, while in the case of Italians it had shrunk by 0.9 points.

To sum up, if we consider the period from the second quarter of 2018 to the second quarter of 2019 we can observe:

- an increase in the number of both Italians workers (+54 thousand units approximately, equal to +0.3%), and foreign non-EU workers (+26 thousand units approximately, equal to +1.5%) compared to a decrease of EU workers (-2,400 units approximately, equal to -0.3%).
- a decline in the number of people in search of work of Italian citizenship of 11.6 percentage points, compared to an increase in unemployed EU citizens of 8.2% and non-EU citizens of 3.1%.
- a growth, compared to the second quarter of 2018, in inactive 15- to 64-year-old EU and non-EU citizens of 14,273 units and 30,322 units, respectively.

Considering the trends by gender, we can observe a decrease in the number of EU women in employment (-3.7% compared to the second quarter of 2018), reflected, in contrast, by a significant increase in non-EU women in employment (+7.5%). There is a growing number of EU and non-EU women in search of employment (+0.7% and +4.5%, respectively) and inactive women (+7.1% and +2.5%, respectively). In the case of the men, we find variations in the positive trend of the number of employed and unemployed men for

both groups of citizens considered; while as regards inactive men, we see a significant contraction only among EU citizens.

The increase in the number of foreign workers found in the second quarter of 2019 was only apparent in certain economic sectors and to a different extent among EU and non-EU citizens. For example, by disaggregating the trends for the sector, we can observe:

- ✓ an increase in the number of non-EU foreigners in employment, especially in *Real Estate, Business and other Services*, as well as *Transport and Warehousing*.
- ✓ a boom in EU employment in *Financial and Insurance Activities* and in *Transport and Warehousing*.
- ✓ a dramatic decrease in foreign workers in *Information and Communication Services*.
- ✓ a notable decrease in non-EU workers in *Agriculture, Hunting and Fishing* and *Education, Healthcare and Other Social Services* and a decrease in EU workers in *Commerce* and in the *Construction Industry*.

### ➤ The demand for dependent and semi-subordinate workers

The Compulsory Communication data for the second quarter of 2019 show a rate of change of new contracts intended for EU citizens of -5.2%. On the contrary, as regards the trend of new contracts for non-EU citizens: we find positive growth rates equal to +5.0% compared to the second quarter of 2018. Such variations must be viewed within the overall framework of the demand which sees a slight fall in new fixed-term contracts (+0.4% in the last temporal fraction with respect to the preceding 12 months).

With reference to the patterns of hiring by economic sector and geographical distribution, in the case of the EU component we can observe negative variations in almost all sectors as well as divisions, with the exception of the purely *Industrial Sector* in the North East, *Construction* in the Centre and South and *Other Service Activities* in the North West and North East.

The hiring of non-EU citizens has declined in the purely *Industrial Sector* in subdivisions of the North East, the Centre and the South; in *Construction* in the areas of the North West, North East and Centre; in *Commerce and Repairs* in the central regions.

The sharp decrease in new contracts for EU citizens exclusively concerns the fixed-term kind (-7.4% in the second quarter of 2019 compared to the second quarter of 2018). In contrast; there is a slight increase in long-term contracts (+0.4% in the case of fixed-term and +0.4% in the case of apprenticeships), temporary contracts (+2.4%), and other types of contract (+7.2%). In the case of non-EU citizens, there is a slight increase for all types of contract (in particular of the forms classified in the category "Other" and apprenticeships) with the exception of temporary contracts.

*Administration* shows a negative trend. Compared to the second quarter of 2018, the number of hirings had dramatically decreased: the trend recorded is equal to -32.4 % in the case of non-EU citizens and -38.3% in the case of EU citizens.

The number of terminated contracts saw an increase between the second quarter of 2018 and the second quarter of 2019, 16,211 units (equal to +5.2 percentage points) in the case of EU citizens and 24,490 units (equal to +1.1 points)

in the case of Italian citizens. Instead, in the case of non-EU citizens we can see a reduction of 12,796 units (equal to - 7.7 percentage points).

As regards distribution by motive, there is an increase in the number of *Resignations* (+4,693 units in the case of non-EU citizens and +529 units in the case of EU citizens), as well as a marked reduction in *Redundancies* (-2,087 units) in the case of EU citizens and a slight increase in the case of non-EU citizens (+258 units).