



EIGHTH ANNUAL REPORT

Foreigners in the Italian Labour market

SUMMARY OF THE MAIN FINDINGS

Directorate General of Immigration and Integration Policies



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WHAT'S NEWS IN THE EIGHTH ANNUAL REPORT "FOREIGNERS IN THE ITALIAN LABOUR MARKET"

The Annual Report *Foreigners in the Italian labour market* is by now a consolidated tool of collection, analysis and dissemination of data relating to foreign presences in Italy and to the importance that EU citizens and especially non-EU nationals have in the Italian employment system. The report's main characteristic is its ability to summarize, without neglecting deeper looks, the statistical complexity of the sources used, sources of a different nature whose richness casts a light on many aspects of the interaction between migrants and the labour market.

The 2018 Report represents a fruitful and significant form of institutional cooperation between the Directorate General of Immigration and Integration Policies, the Directorate General of Information Systems, Technological Innovation, Data Monitoring and Communication of the Ministry of Labour and Social Policies, INPS, INAIL, Unioncamere and Anpal Servizi SpA.

As usual, also the 2018 Report analyses the reconstruction of the demographic and employment dynamics, labour demand for employees and semi-subordinate workers, pension positions and the passive and welfare policies addressed to foreign workers. Compared to previous editions, some insights have been introduced dedicated to the issues of *educational mismatches*, the relationship between families and the labour market, and companies that have taken on foreign workers; finally, an experimental section has been dedicated to geo-localization on a municipal and sub-municipal scale of recruitment, divided by nationality.

➤ MIGRATORY FLOWS AND POPULATION

The **foreign population resident** in Italy on 1 January 2017 amounted to 5,047 million people, equal to 8.3 % of the total population. Between 2016 and 2017, the resident national population underwent a slight decrease (-0.2%), while the foreign population saw an increase of 0.4%; in 12 months the number of foreign individuals increased by approximately 21 thousand units.

The main communities of non-EU origin resident on 1 January 2017 came from Morocco (455 thousand citizens), Albania (442 thousand), China (319 thousand), Ukraine (234 thousand), the Philippines (162 thousand) and India (158 thousand).

With reference to **legal migratory flows**, the non-EU nationals who entered Italy in 2016, the year which the latest available data refer to, were fewer compared to the previous 12 months. The figure for the last year (226,934 units) is in fact lower than those recorded in 2015 (238,936 units) and 2014 (248,323 units). Specifically, of the approximately 227 thousand individuals who entered, 9.1% were people from Nigeria, 7.7% citizens of Albania and Morocco; followed by Pakistanis (6.9%), Chinese (5.3%), and Indians (4.2%). Over the course of 2016, the male gender component represented 59.9% of the total entries.

➤ THE LABOUR MARKET

In the last few years, the centrality of the foreign component in the labour market has emerged strongly, not only because of the importance that foreign workers have had and continue to have in the performance of specific tasks, but also by virtue of the compensatory effect they have determined: albeit with slight increases, in the economic crisis cycle, up until 2015 the EU and non-EU labour force offset the contraction of employment that was affecting the Italian component. Starting from 2015 and throughout 2016 a reversal of the trend could be observed: the increase in foreign employment showed a synchronic trend with respect to the growth in native employment. The number of employed Italians increased as did the number of employed EU and non-EU citizens, albeit with less

intensity. In 2017, the strengthening of the inclusive capacity of the labour market – parallel to a net re-absorption of the area of unemployment – again affected natives and foreigners alike, but unlike the trend of the previous two years, for the first time the rate of growth of Italian employment was greater than that of foreign employment taken as a whole. In substance, the centrality that the foreign labour force had in supporting the positive levels in employment trends seems to have been reduced, due to a more decisive growth in native employment.

✓ **Employed, unemployed and inactive**

Analysis of the variations found between 2016 and 2017 highlighted three phenomena:

- **An increase in the number of Italians employed** of approximately 243 thousand units within twelve months (+1.2 %), was matched by an increase in the number of employed EU citizens at approximately 1,000 units, (+0.1%) and non-EU nationals at 20,859 units (+1.3%).
- **A clear decrease in the number of foreign citizens in search of work**: from 436,853 people in 2016 to 405,816 in 2017, with a significant contraction of both the EU component (-7.4%) and the non-EU component (-7.0%). This contraction, in percentage terms, was greater than the variation in the negative trend of -2.9% among native citizens.
- **A decrease in inactive foreign citizens**, in absolute terms of 1,712 units among EU citizens (equal to -0.5%) and 30,377 units among non-EU nationals (equal to -3.6%).

As for the **rate of employment** (15-64), for foreign EU citizens there was a value equal to **63.8%** (+0.5% compared to 2016) and a value equal to **59.1%** for **non-EU** (+1.3 %).

In 2017, the **unemployment rate** among the foreign population saw a significant reduction. The percentage of people in search of work with **EU citizenship decreased** from 14.1 % in 2016 to **13.1 %** in 2017; and with reference to **non-EU citizens** from 16.0% in 2016 to **14.9%** in 2017.

✓ **Economic sectors**

The importance of foreign workers is evident in various economic sectors: **the percentage incidence on total employment is currently equal to 10.5%** with significant sectoral differences. In **Other collective and personal services**, the presence of non-native workers is rather high: in 2017 the percentage incidence was equal to **37.3 points**, with a clear preponderance of the non-EU labour force. These were followed by **Hotels and restaurants** (18.5%), **Agriculture** (16.9%) and **Construction** (16.6%).

✓ **Professional profiles and levels of education**

Almost all foreign workers do work as **employees** and **more than 70%** cover positions as a **manual worker**. The professional segmentation, and therefore the preponderance of purely executive profiles among the foreign labour force is clear and is confirmed by the limited presence of workers employed in leadership roles and the like: just 0.4% of those employed are **managers** and 0.7% **executives** compared to 1.9% and 5.8% among Italians.

What emerges clearly is the **dispersion of graduate human capital with foreign citizenship** and especially those in possession of technical-scientific skills. By distributing the employed with tertiary education per disciplinary area of Degrees and the class of *skill* in the position covered, it can be seen that more than 90% of Italians with a STEM qualification (*Science, Technology, Engineering, Mathematics*) perform a "high skill" function which is therefore formally consistent, as well as more than 80% of "Non-STEM"; in the case of non-EU foreign nationals, the percentages fall to 26.0% in the one case, and 24.4 % in the other. **Forty-seven point five per cent of non-EU graduates with a degree in a STEM discipline are employed in low-skilled positions**, compared to 1.8% of Italians and 21.9 % of EU citizens.

✓ **Families and the labour market**

In 2017, there were little more than 1.8 million families composed of only foreign nationals, equivalent to 6.9 % of the total number of families present in Italy. Of these, a little fewer than 570 thousand were composed exclusively of EU citizens (2.2%) and about 1 million, 188 thousand exclusively of non-EU citizens (4.6%).

At the aggregate level, 57.5% of Italian families include among their members at least one worker, compared to the 84.5% of households constituted solely by foreign nationals. The value recorded for the “couples with children” is almost similar (the share of nuclei composed of only individuals with Italian citizenship with at least one person employed is 89.8% against 93.5% relating to the same type with foreigners only), while in the cases of “singles” and “couples without children” participation in the labour market of nuclei constituted by foreign nationals is considerably higher than in the corresponding Italian families. In the case of “singles” the difference is considerable (33.3% against 77.3%), as it is for “couples without children” (38.6% against 89.8%).

However, high participation in the labour market corresponds to greater exposure to the fragility of employment. In 2017, the share of families without sources of economic livelihood arising from any work activities, past or present, was in fact very high among foreign citizens; **237,314 nuclei of only foreign nationals who could not boast of at least one recipient of income from a pension and/or work: they represented 13.5% of the families of EU nationals and 13.4% of the total of non-EU families**, against a national average of 7.6%.

✓ **The question of work: data from Compulsory Communications on employees and semi-subordinate labour**

In 2017, the Statistical Information System of Compulsory Communications recorded a volume of new **working relationships that involved 2,057,584 foreign nationals**, of whom 744,981 were EU workers (36.2% of the total) and 1,312,603 were non-EU (63.8%).

With respect to the volume of recruitment found for 2016, we can observe a **positive variation equal to +1.6% for EU and +13.7% for non-EU citizens**, against +12.3% in the number of employment relationships involving the Italian component. The rise in the number of contracts was the result of an increase in fixed-term employment relationships, a strong expansion in intermittent work, and a net increase in work contracts. In fact, if we disaggregate the volume of employment relationships generated in 2017 by type of contract, we can observe a **net increase in the trend of fixed-term hirings that involved non-EU workers (+20.6%)**, as well as a considerable increase in apprenticeships (+22.9%). In contrast, there was a reduction in the volume of long-term hirings in the case of EU workers of 9.5%, non-EU of 7.1%, and 8.4% in the case of Italians. Equally important, **the trend towards other types of contract, including intermittent work, that involved non-EU workers (+91.8%), EU workers (+49.8%)**, as well as Italians (+57.3%).

Symmetrically to the new employment relationships, **the trend of terminated labour relations** showed, in the last year available, **an overall increase** equal to +11.3%, which, in the case of **EU citizens amounted to +1.9%, +13.0% in the case of non-EU**, and +12.0% among Italians.

With reference to the causes of termination, *resignations* among non-EU citizens amounted to 16.2% of the total (11.0% in the case of EU citizens), and even higher was the quota of *redundancies* which interested non-EU citizens with respect to EU (respectively 16.3% and 12.8%). Of note, as in 2017, compared with the previous year, there was a **contraction in terminations due to dismissals in the case of EU workers (-1.7%) with an increase in the case of non-EU (+2.2%)**. **Resignations** saw an increase both in the case of EU nationals (+5.3%) and non-EU (+0.4%).

✓ *Employers who hire foreigners*

Excluding Public Administration and private households with employed persons, the employers who, in the course of 2017, hired at least one foreign worker numbered 345,612; they represented 31.5% of the total number of companies that hired new employees overall in the period. The areas of Italy with the highest incidence of employers who hired foreigners were, in order: Trentino-Alto Adige (35.7%), Emilia-Romagna (29.2%), and Tuscany (26.7%). On the contrary, the share of companies concerned was lower in most of Southern Italy and in particular in Sardinia (5.6% of employers), Sicily (10.7%) and Campania (10.0%).

In addition, 44.4% of the 345,612 companies that hired foreigners signed only one contract, while about 18% hired 2 foreigners in the year, and 8.7% more than 11.

➤ **LABOUR POLICIES AND WELFARE SYSTEMS**

✓ *Passive labour policies*

The data from INPS concerning the number of non-EU citizens who benefit from some form of income support provide a composite general framework. For example, compared to 2016, there was a decrease in recipients of mobility allowance (-43.3%) and beneficiaries of ordinary wage subsidies (-15.6%) and extraordinary subsidies (-51.7%). In contrast, there was an increase in recipients of unemployment benefit (+19.4%) and, between 2015 and 2016, recipients of agricultural unemployment allowance (+2.6%).

As for private sector pensions, the IVS (invalidity, old-age and survivors) issued by INPS to non-EU citizens at the end of 2017 numbered 48,813, equal to 0.35% of the total of the INPS pensions of the same type (13,979,136). Between 2015 and 2016 the number of pensions paid out to non-EU citizens saw an increase of 10.6%; between 2016 and 2017 of 11.3% and overall, in the three years, of 23.1%. 88.7% of the pensions paid to non-EU citizens were for beneficiaries resident in Italian territory.

✓ *Occupational accidents*

An analysis of the accidents occurring to foreign workers, in 2016-2017 showed an increase of 2.4% (data still provisional and not consolidated) passing from the more than 95 thousand reported in the period from January to December 2016 to around 98 thousand in the same period of 2017; in particular, there was an increase of 2.9% for non-EU citizens and of 1% for EU. There were 168 reports with a fatal outcome received by INAIL in 2017, an increase of 7% compared to the previous year (+10.2% for non-EU workers, while the situation for those from the EU was unchanged).

In the period from January to December 2017, accidents to foreigners in relation to the total number of employees, represented 15.4 % of the total (97,622 out of 635,433); a percentage that rose to 16.3% in the case of fatal accidents (168 out of 1,029). Among foreign workers, accidents to non-EU nationals accounted for 74.4% (over 72,000) and those to EU nationals the remaining 25.6% (about 25,000); as for deaths, the proportion was respectively 70.8% and 29.2% (119 and 49 cases).

✓ **Access to services and active labour policies**

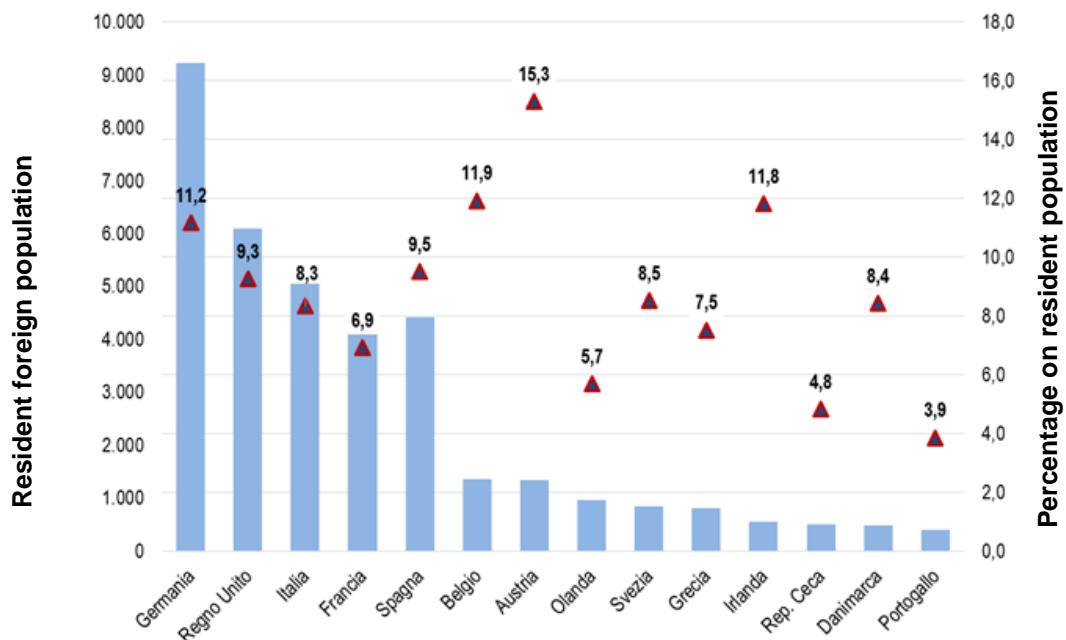
In 2017, **at least one contact with the public employment services was declared by 224,678 foreign citizens in search of work** already present on Italian territory with a regular residence permit, of whom just over 74 thousand were of EU origin and 150,580 were non-EU. **The percentage incidence out of the total number of people in search of work with EU citizenship equalled 60.7%, and 53.1% in the case of non-EU.**

Among those who came into contact with the services, a sizeable proportion had a fairly systematic interaction with them. In fact, **56.6% of foreign citizens in search of work had been to a public structure in the previous 4 months**, a higher value than that seen in the case of unemployed with Italian citizenship (40.2%). In particular **24.2% of non-EU workers in search of work had made contact in the previous month**. Also a significant share of unemployed with EU citizenship had frequent contact with the Centres and in 18.9% of the cases the contact had occurred less than 30 days earlier. Twenty-seven point six per cent of foreign citizens in search of work had had contacts with the network of services for more than one year, while for some (14.8%) the last contact dated back to at least three years earlier, compared to 31.0% of unemployed Italians.

Most of the foreign users in search of employment visited a public Job Centre to *verify the existence of job opportunities* (51.5%), while an equally significant share did so for reasons of an administrative nature i.e. to *confirm their unemployment status* (25.3%), to *renew it* (25.9%); to *register* (12.1%) or to make *their Declaration of Immediate Availability for Work (DID) for the first time* (8.5%).

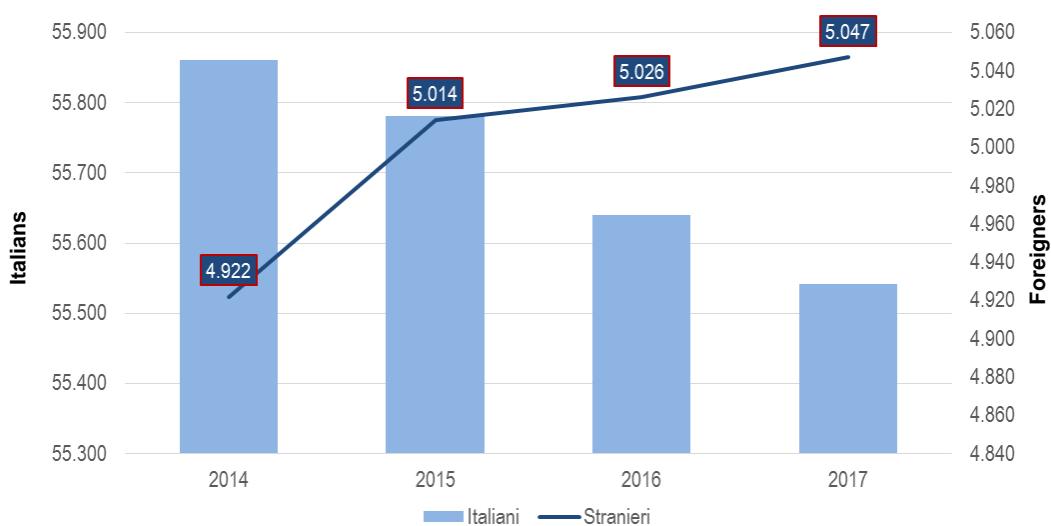
CARTOGRAPHIC APPENDIX

Figure 1. Resident foreign population in millions and % incidence on total population in countries with the greatest presence in absolute terms of foreigners in the EU. Absolute Values in millions and % of resident population as at 1 January 2017



Source: Direzione SAS of Anpal Servizi processing of Eurostat data (*Population*)

Figure 2. Resident population in Italy by citizenship (A.V. in thousands). Years 2014-2017



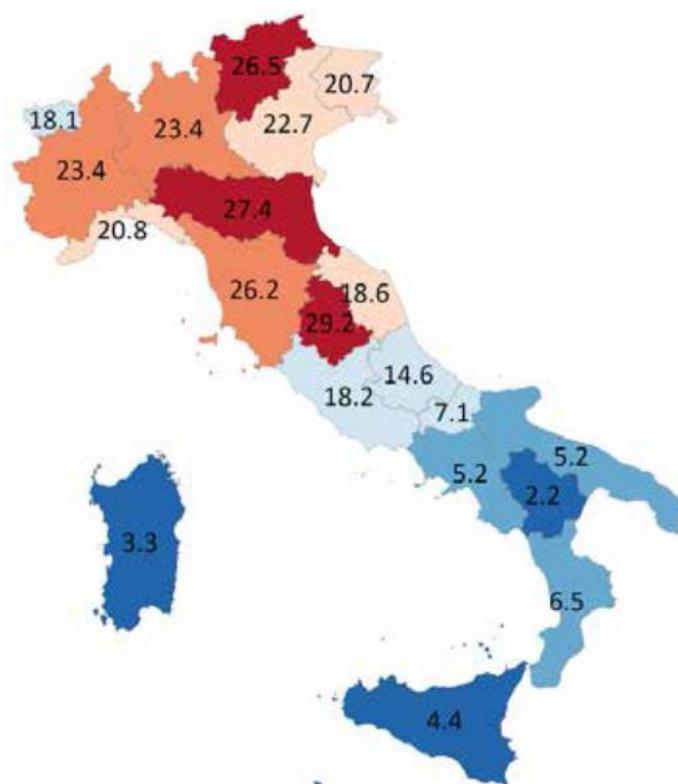
Source: Direzione SAS of Anpal Servizi processing of Eurostat data (*Population*)

Figure 3. Percentage of employed foreigners out of the total number of employees by region. Year 2017



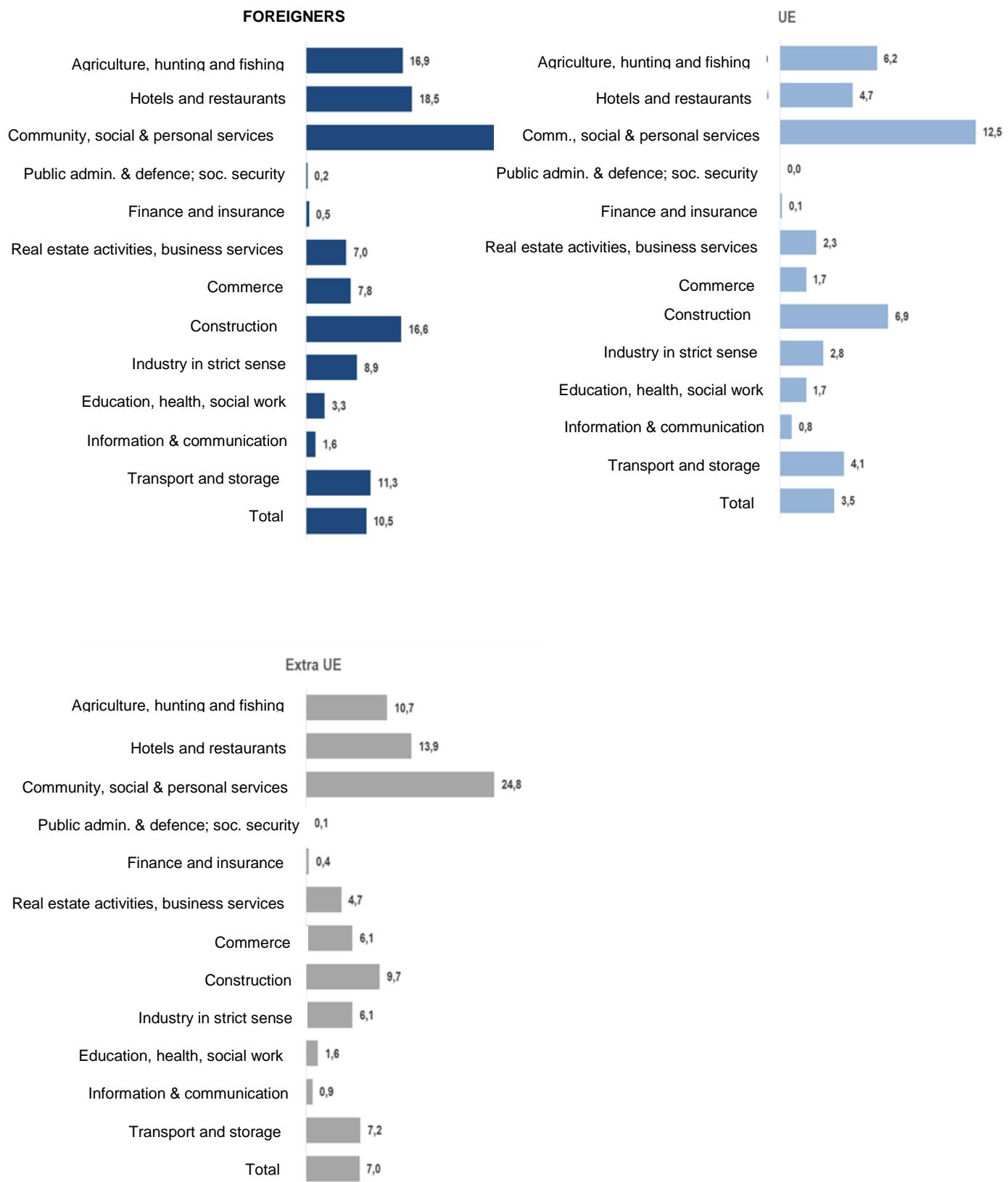
Source: Direzione SAS of Anpal Servizi processing of microdata from RCFL – ISTAT

Figure 4. Percentage of unemployed foreigners out of the total number of unemployed per region. Year 2017



Source: Direzione SAS of Anpal Servizi processing of microdata from RCFL – ISTAT

Figure 5. Percentage of employed foreigners of 15 years and over out of total employees by sector of economic activity. Year 2017



Source: Direzione SAS of Anpal Servizi processing of microdata from RCFL - ISTAT

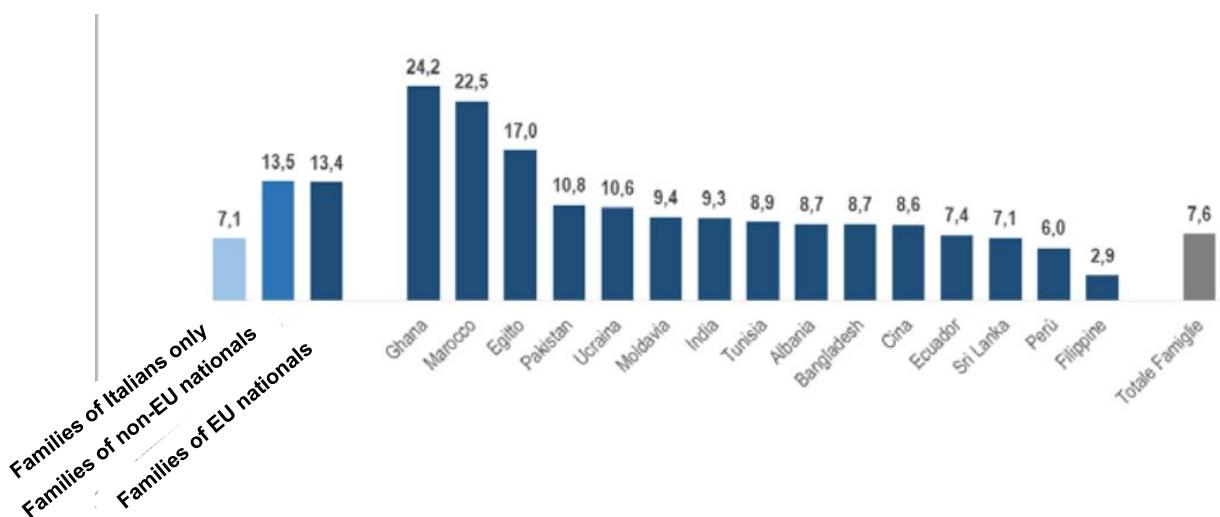
Figure 6. Employed graduates aged 15 years and over per class of professional skills^(a), sector of economic activity and citizenship (comp.%). Year 2017



^(A) Excluding "Armed Forces"

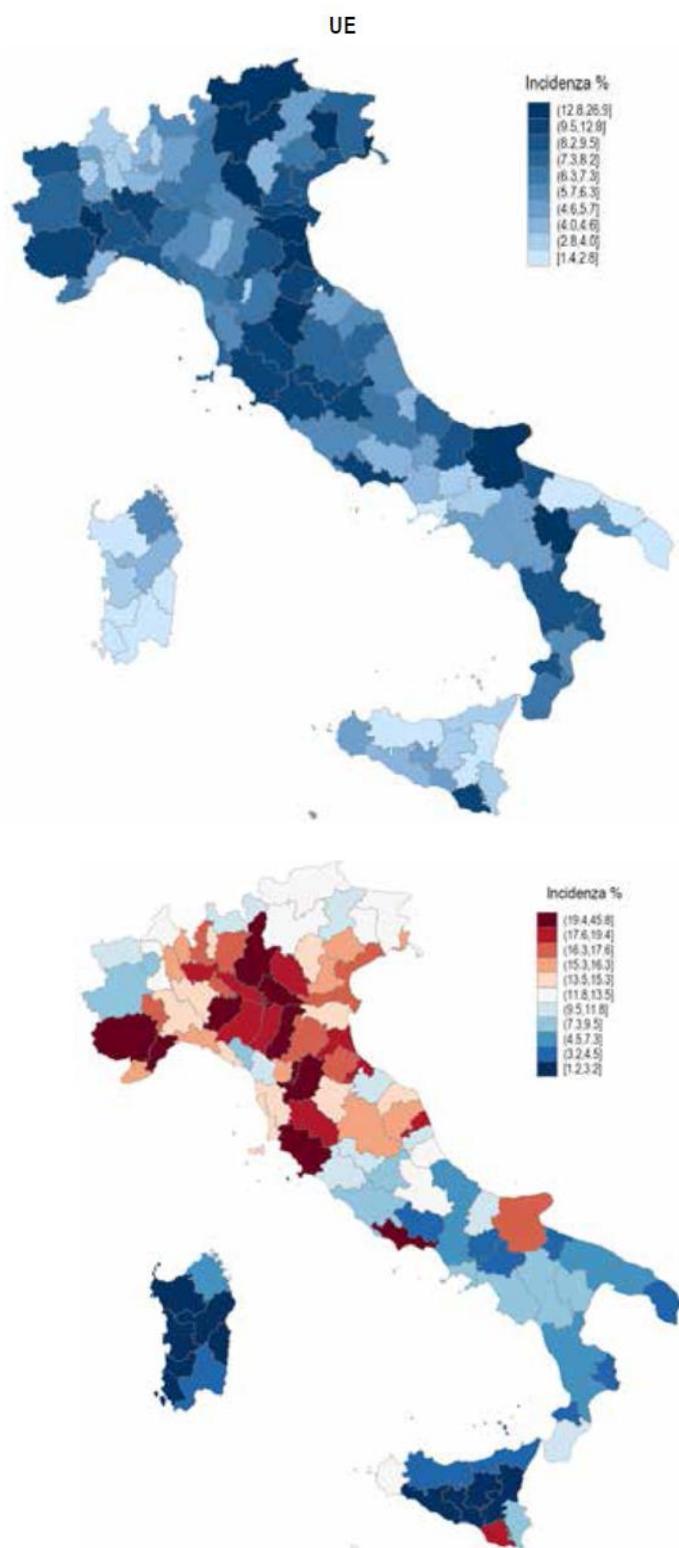
Source: Ministry of Labour and Social Policies - Statistical Information System of Compulsory Communications

Figure 7. Percentage of households without any recipient of income and/or pension from work and without members over 65 out of the total of families per citizenship. Year 2017



Source: Direzione SAS of Anpal Servizi processing of microdata from RCFL – ISTAT

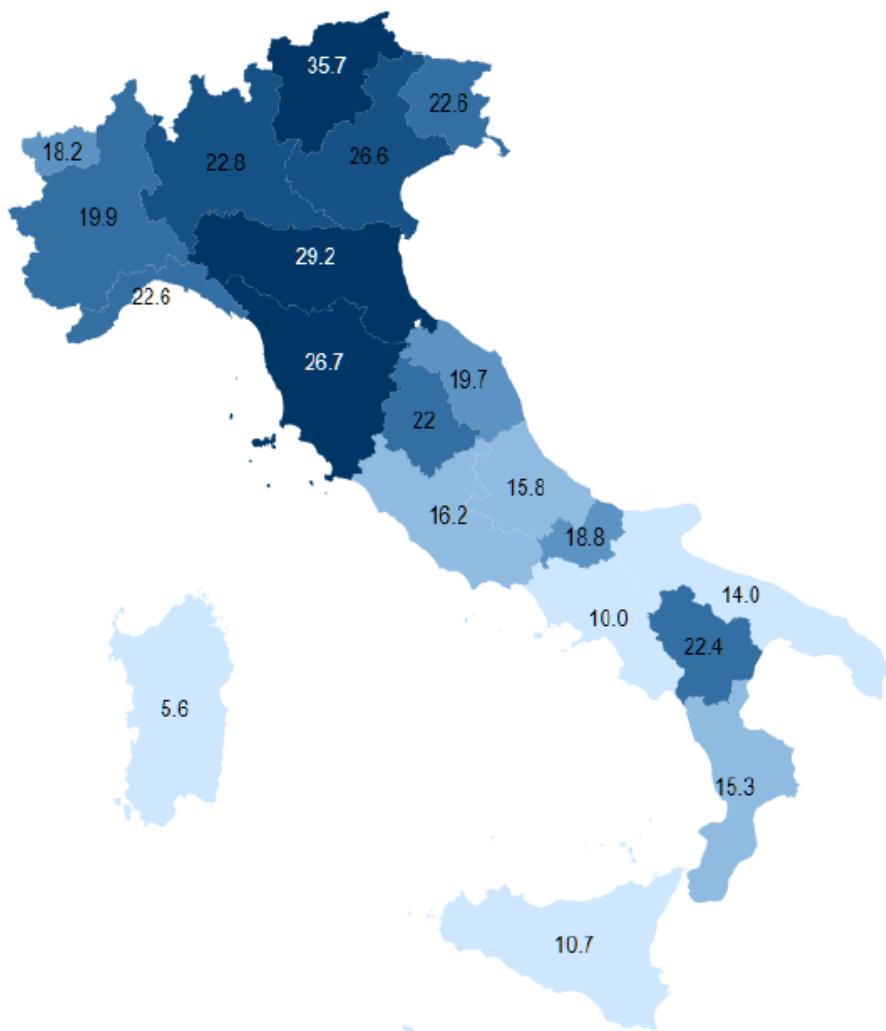
Figure 8. Percentage of new employment relationships involving foreign workers^(a) out of the total new employment relationships per province as place of work. Year 2017



(A) Workers born abroad and of non-Italian citizenship

Source: Ministry of Labour and Social Policies - Statistical Information System of Compulsory Communications

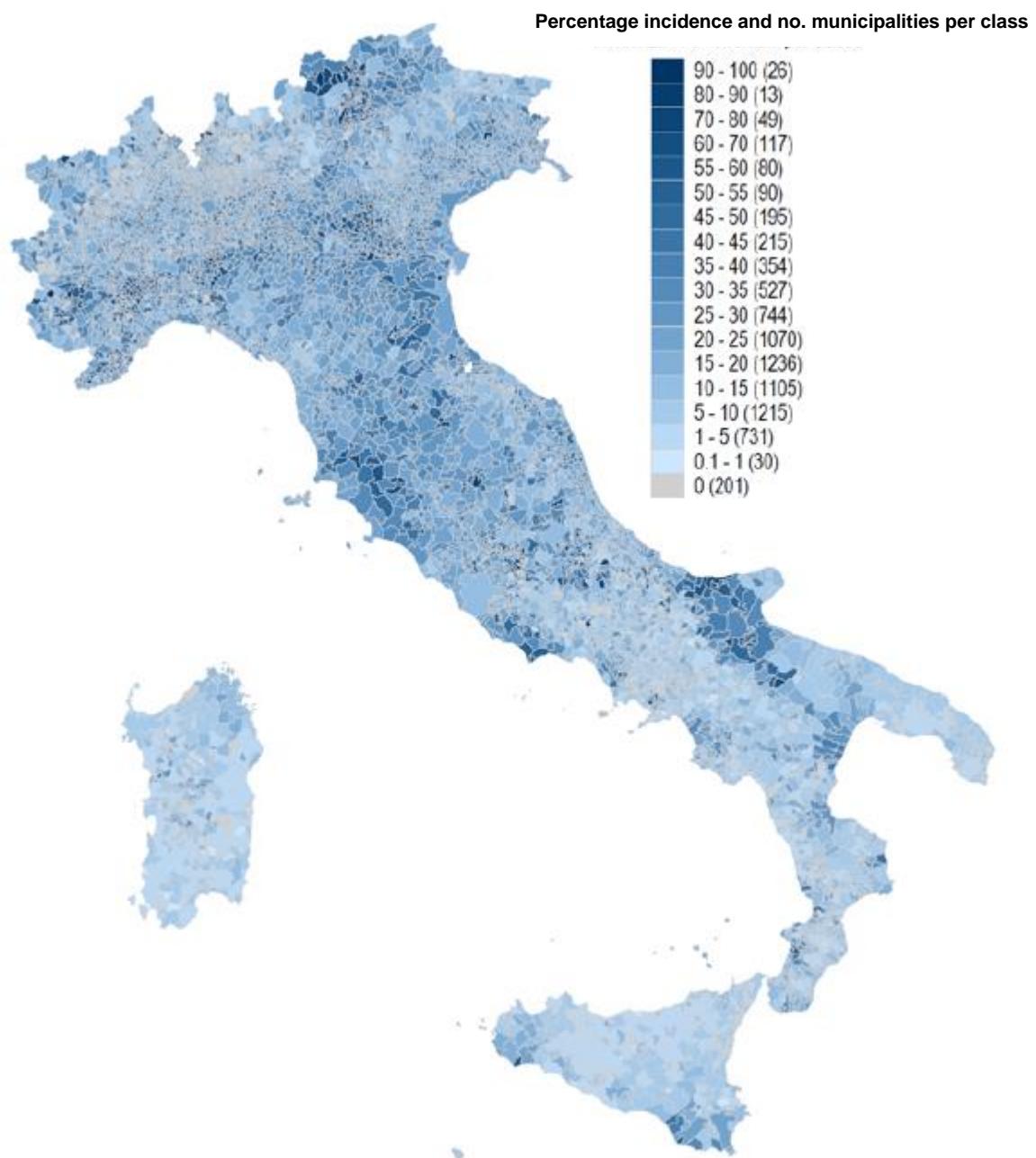
Figure 9. As a proportion of the number of enterprises^(a) which hired at least one foreign citizen^(b) out of the total number of companies that hired at least one person per region as place of work. Year 2017



(A) Excluding new jobs in P.A. and domestic work. (B) Workers born abroad and of non-Italian citizenship

Source: Direzione SAS of Anpal Servizi processing of microdata from Ministry of Labour and Social Policies - Statistical Information System of Compulsory Communications (SISCO)

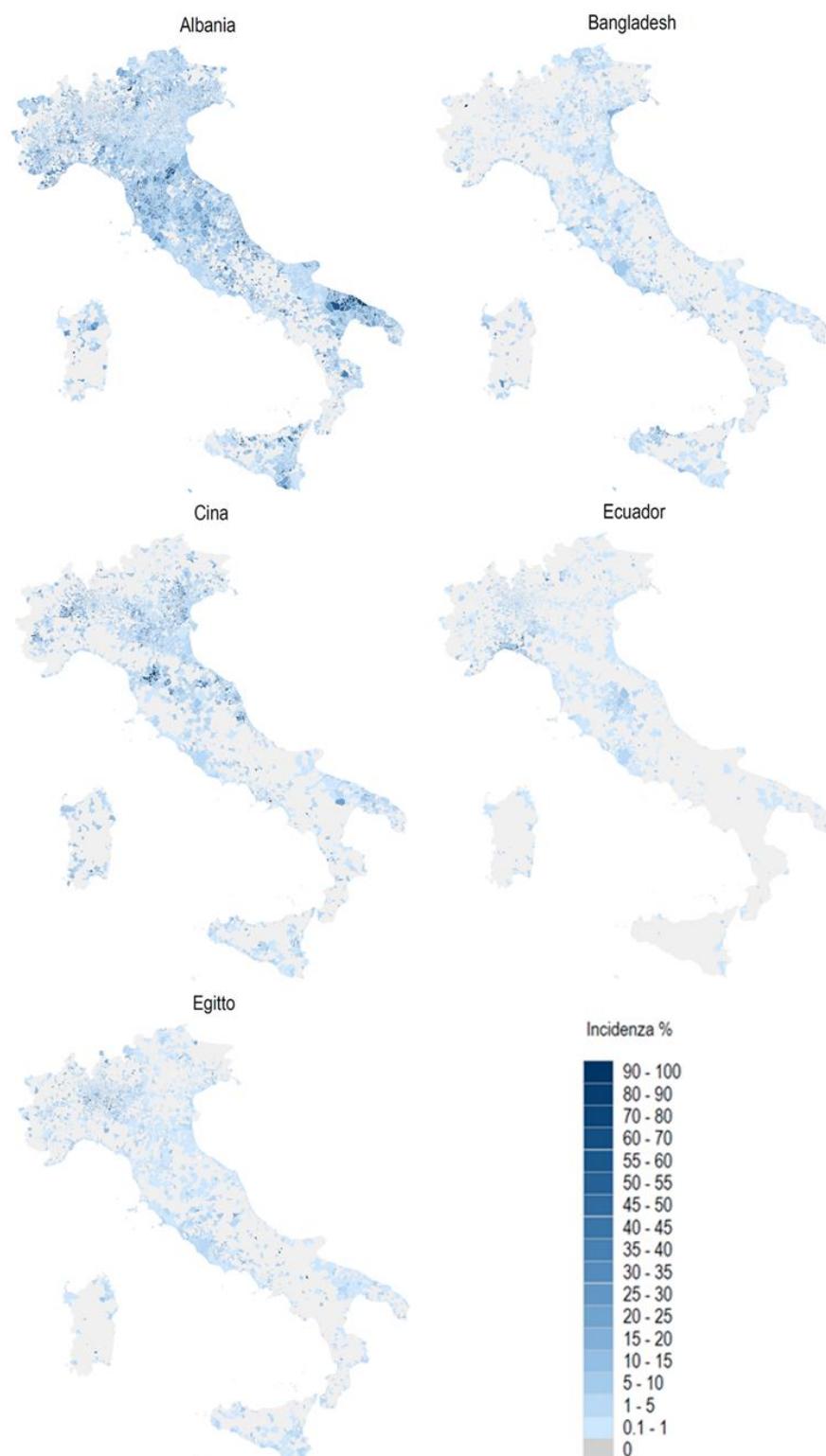
Figure 10. Percentage of new employment relationships involving foreign workers^(a) out of the total new employment relationships per common work location^(b). Year 2017



(A) Workers born abroad and of non-Italian citizenship. (B) Excluding relations with place of work "Abroad"

Source: Direzione SAS of Anpal Servizi processing of microdata from Ministry of Labour and Social Policies - Statistical Information System of Compulsory Communications

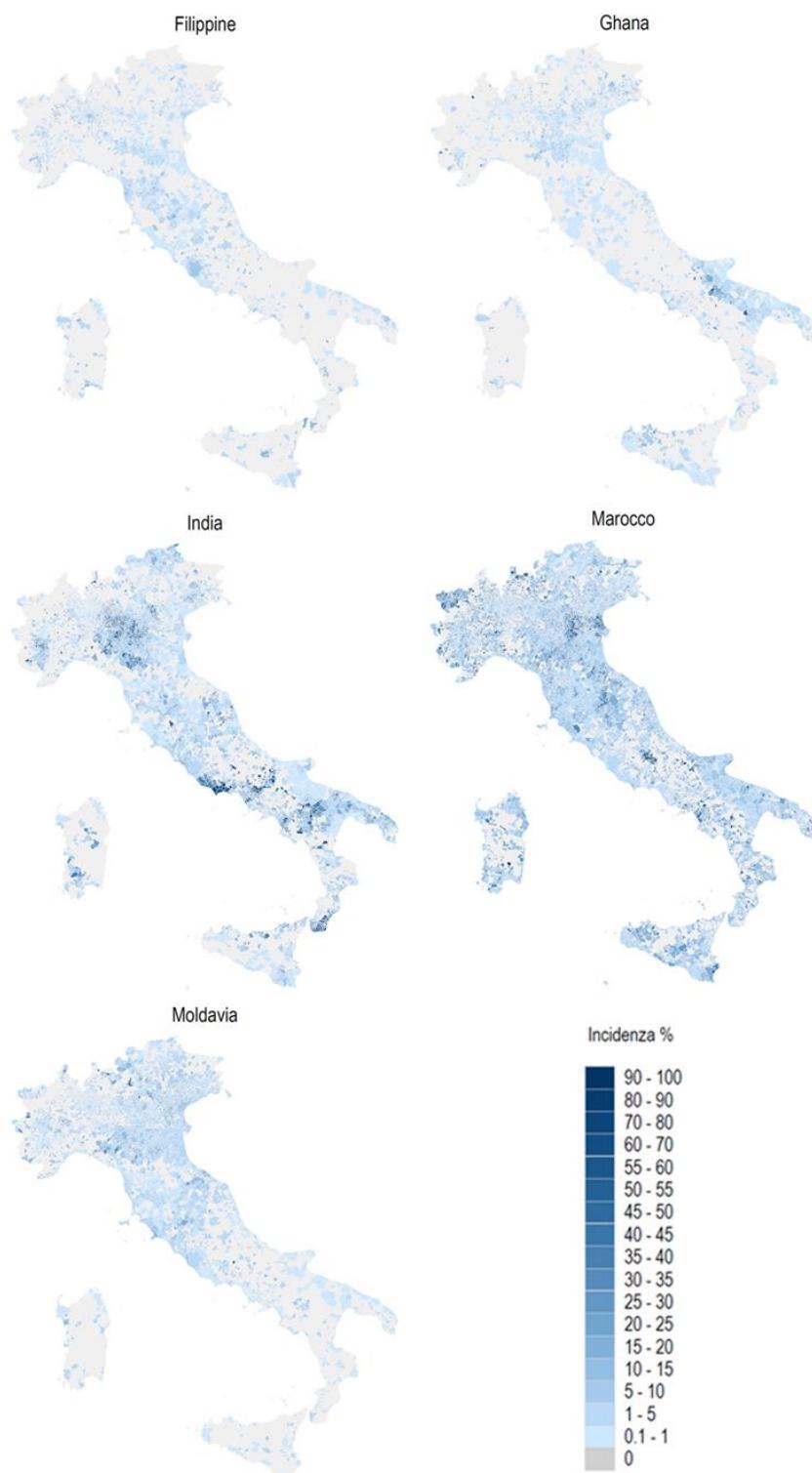
Figure 11. Percentage of new employment relationships involving workers of different communities out of the total new employment relationships involving foreign workers^(a) per municipality - work location^(B). Year 2017



(A) Workers born abroad and of non-Italian citizenship. (B) Excluding relations with place of work "Abroad"

Source: Direzione SAS of Anpal Servizi processing of microdata from Ministry of Labour and Social Policies - SISCO

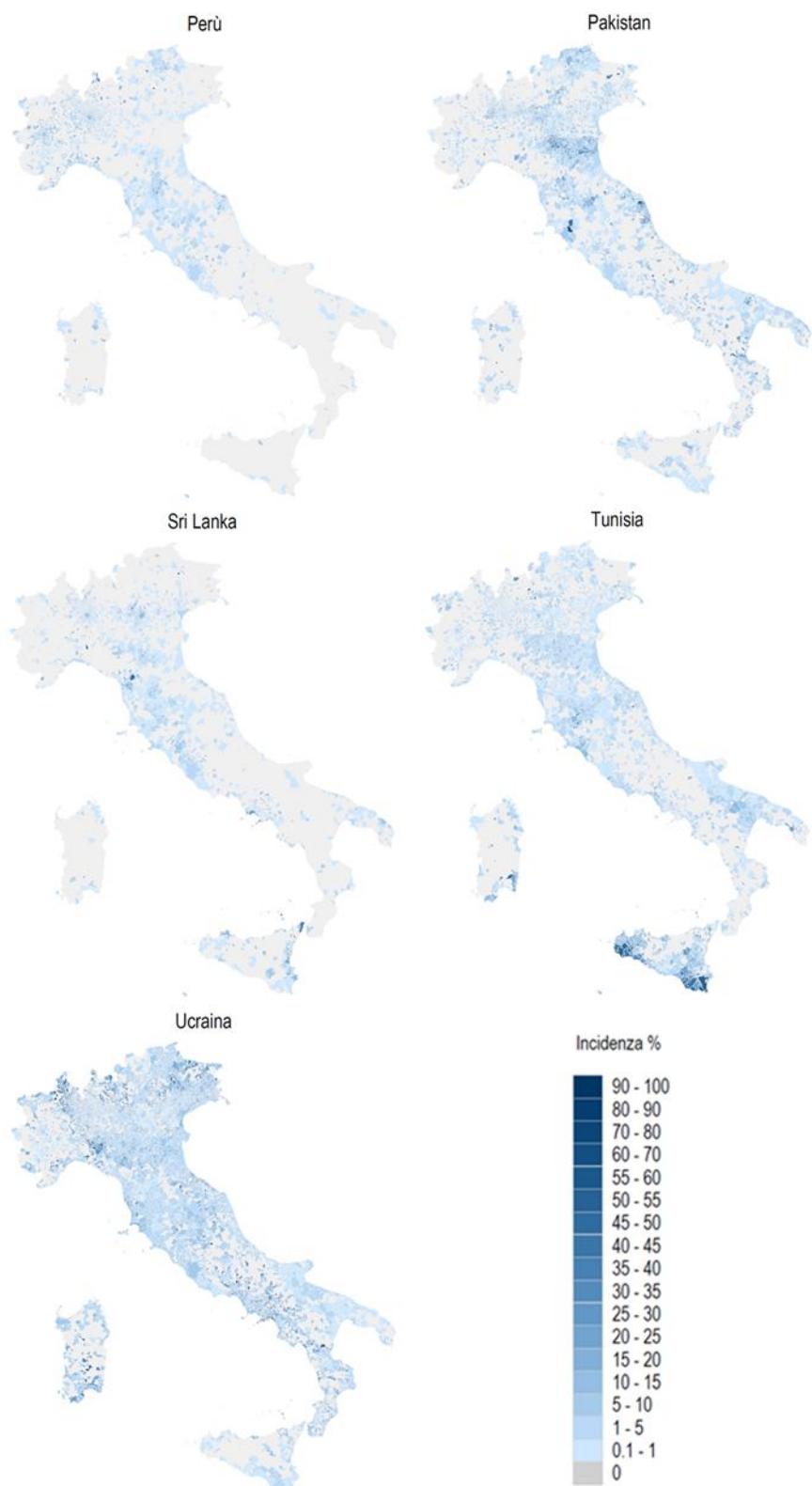
Figure 12. Percentage of new employment relationships involving workers of different communities out of the total new employment relationships involving foreign workers^(a) per municipality - work location^(B). Year 2017



(A) Workers born abroad and of non-Italian citizenship. (B) Excluding relations with place of work "Abroad"

Source: Direzione SAS of Anpal Servizi processing of microdata from Ministry of Labour and Social Policies – SISCO

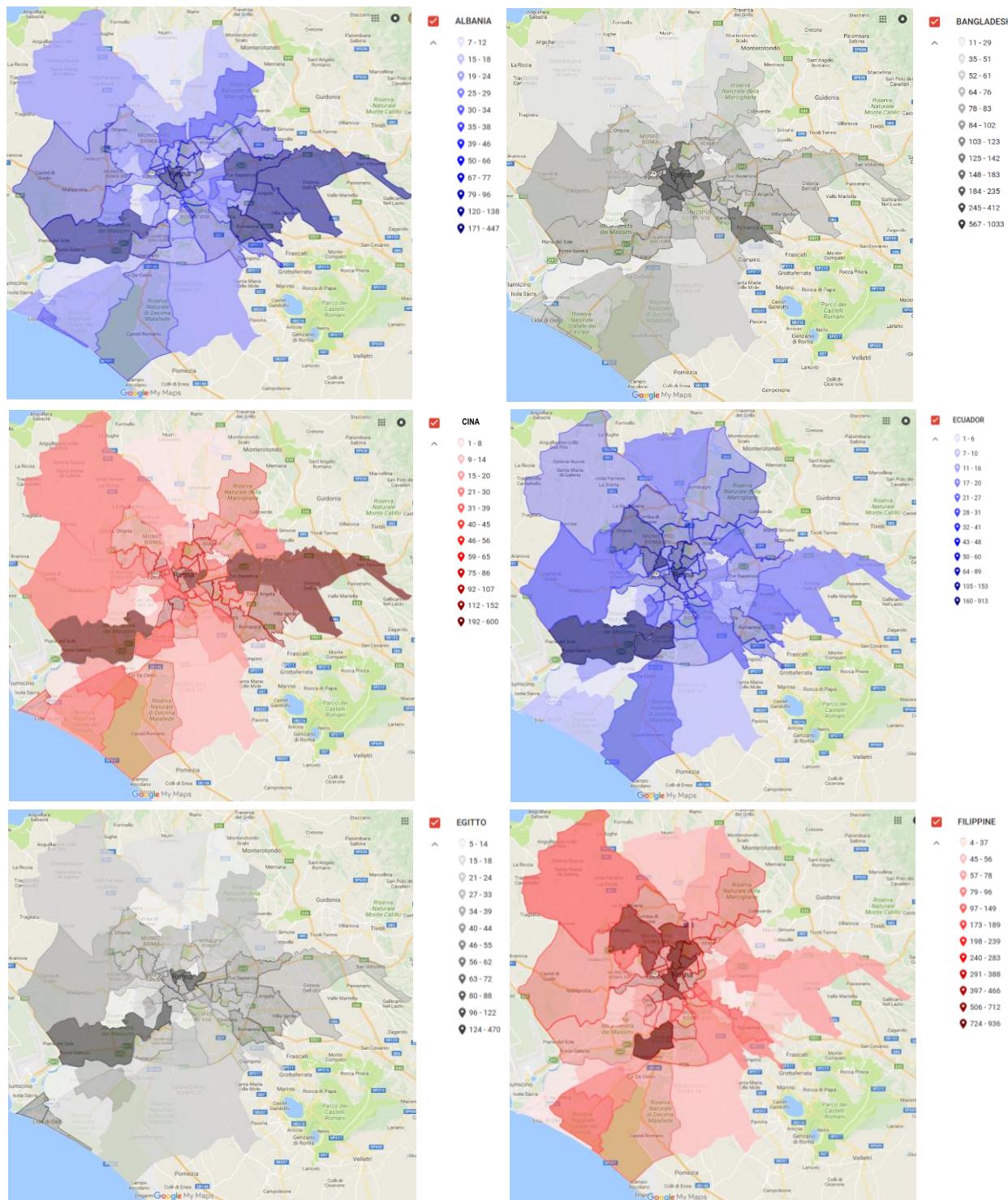
Figure 13. Percentage of new employment relationships involving workers of different communities out of the total new employment relationships involving foreign workers^(a) per municipality - work location^(b). Year 2017



(A) Workers born abroad and of non-Italian citizenship. (B) Excluding relations with place of work "Abroad"

Source: Direzione SAS of Anpal Servizi processing of microdata from Ministry of Labour and Social Policies - SISCO

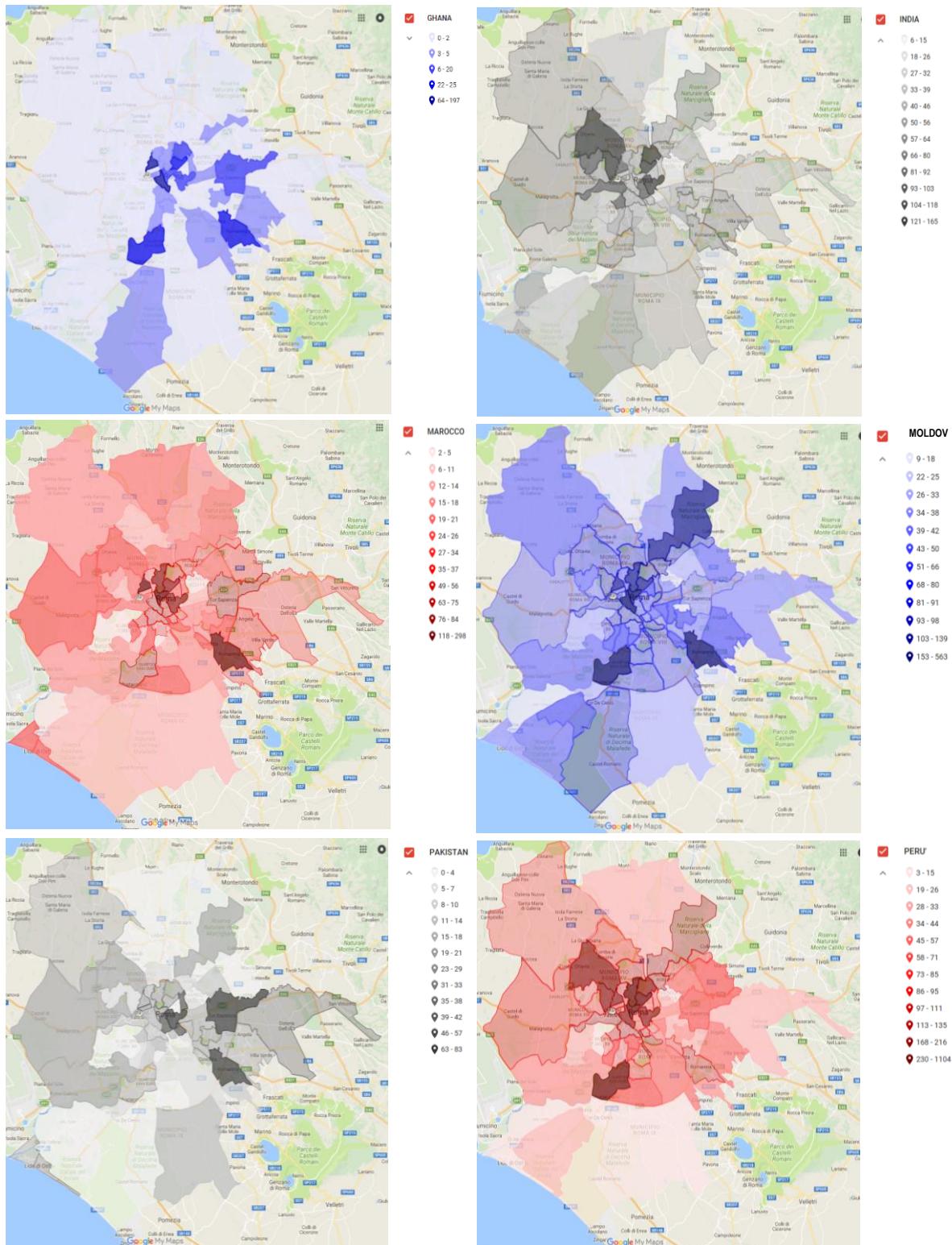
Figure 14. New employment relationships involving foreign workers (major non-EU communities)^(a) per postal code of the Municipality of Rome (A.V.). Year 2017



(A) Workers born abroad and of non-Italian citizenship

Source: Direzione SAS of Anpal Servizi processing of microdata from Ministry of Labour and Social Policies - Statistical Information System of Compulsory Communications

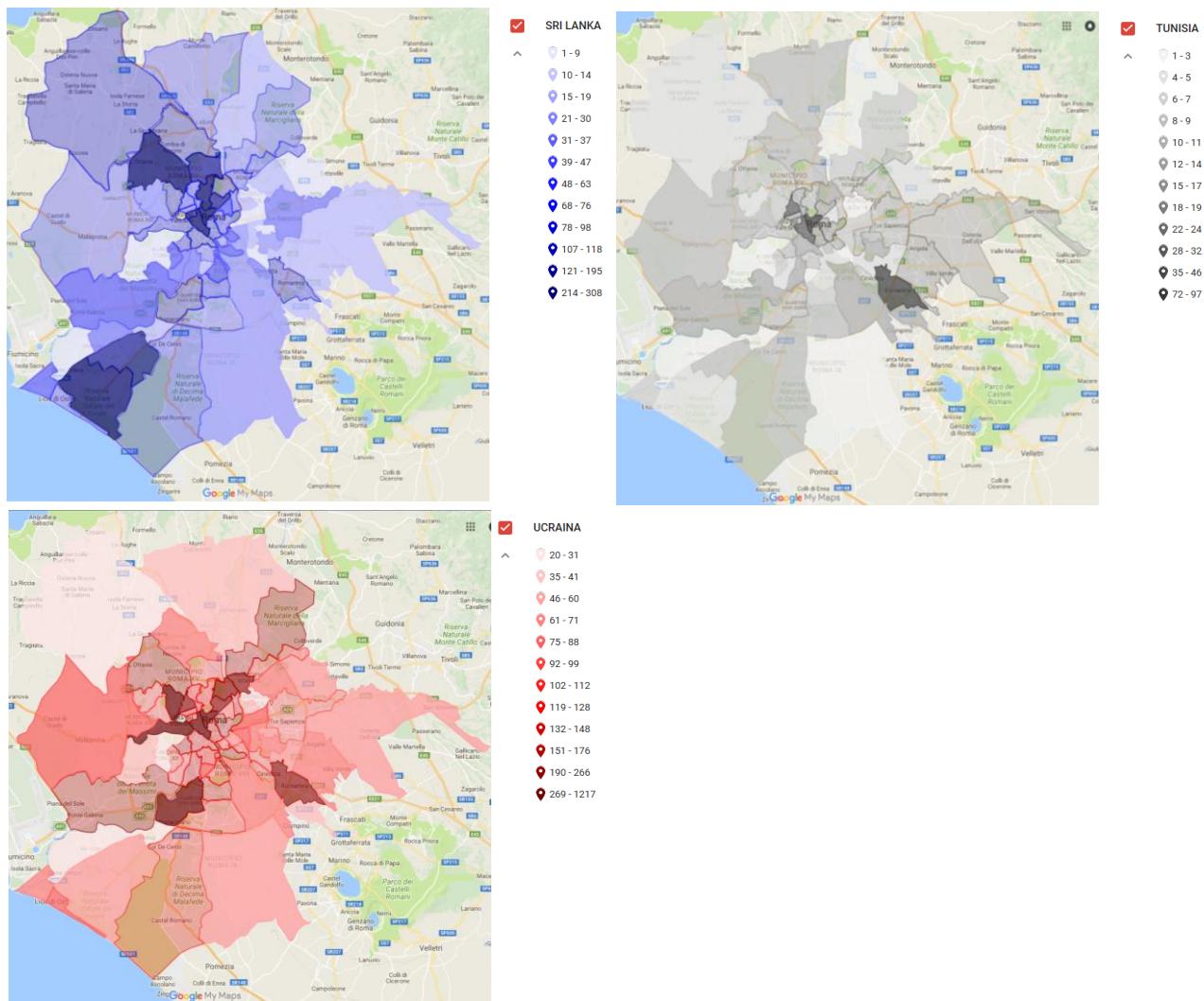
Figure 15. New employment relationships involving foreign workers (major non-EU communities)^(a) per postal code of the Municipality of Rome (A.V.). Year 2017



(A) Workers born abroad and of non-Italian citizenship

Source: Direzione SAS of Anpal Servizi processing of microdata from Ministry of Labour and Social Policies - Statistical Information System of Compulsory Communications

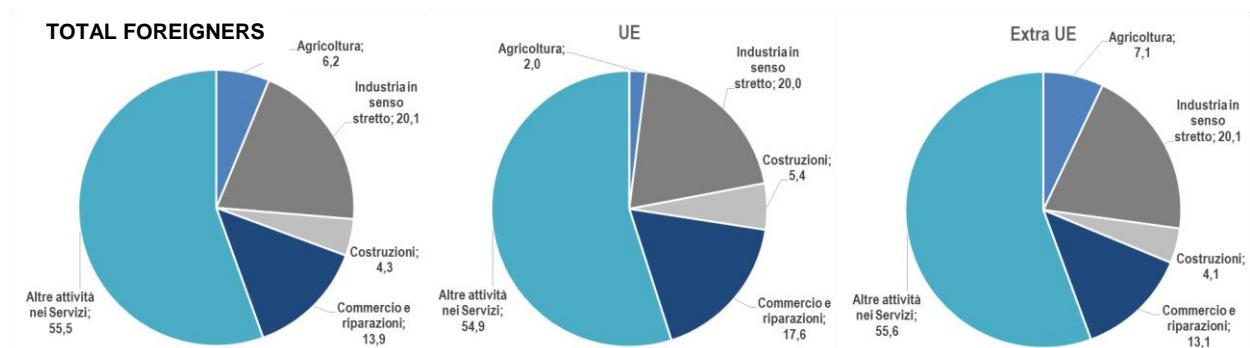
Figure 16. New work relations involving foreign workers (major non-EU communities) ^(a) per postal code of the Municipality of Rome (A.V.). Year 2017



(A) Workers born abroad and of non-Italian citizenship

Source: Direzione SAS of Anpal Servizi processing of microdata from Ministry of Labour and Social Policies - Statistical Information System of Compulsory Communications

Figure 17. Percentage distribution of new extra-curricular traineeships per sector of economic activity and nationality of the individuals concerned. Year 2017



Agricoltura / Agriculture

Industria in senso stretto / Industry in strict sense

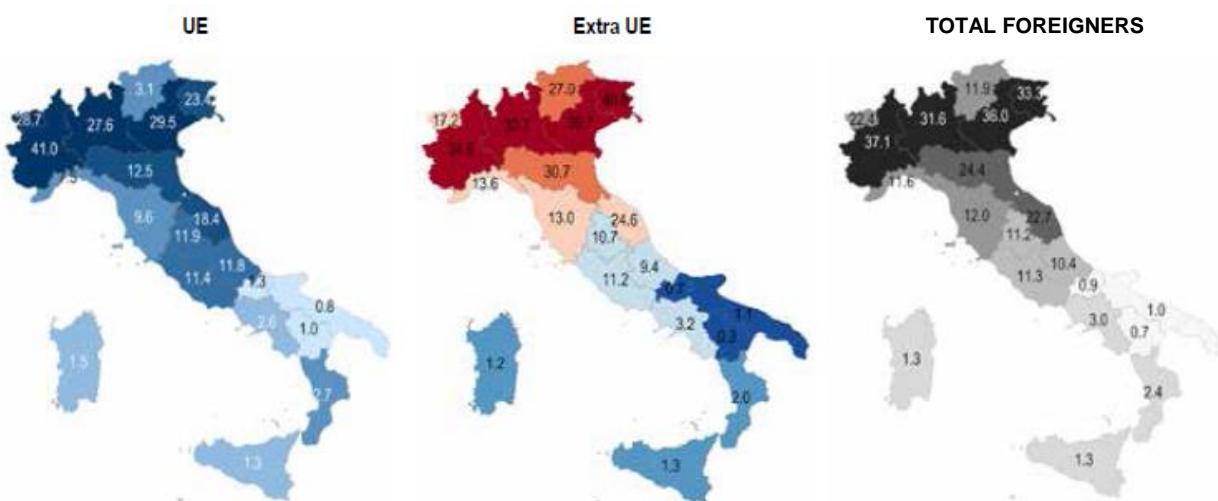
Costruzioni / Construction

Commercio e riparazioni / Commerce and repairs

Altre attività nei servizi / Other service activities

Source: Ministry of Labour and Social Policies - Statistical Information System of Compulsory Communications

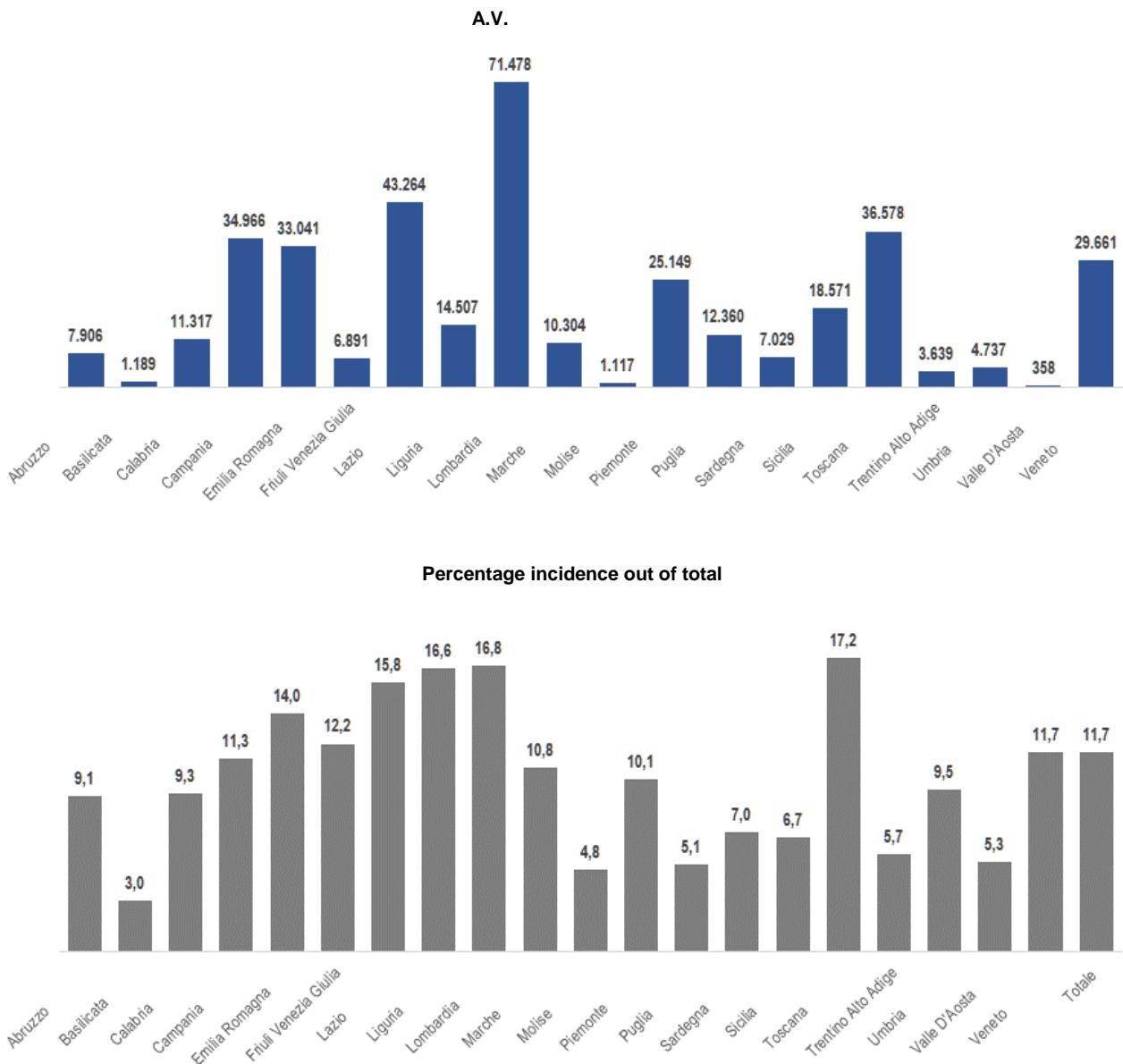
Figure 18. Percentage of new work contracts involving foreign workers^(b) out of the total number of new relations^(a) per region as place of work. Year 2017



^(a) The total of new employment relationships is given by the sum of the hirings made using the UNILAV form (with the exception of traineeships) and the UNISOMM form; ^(b) Workers born abroad and of non-Italian citizenship

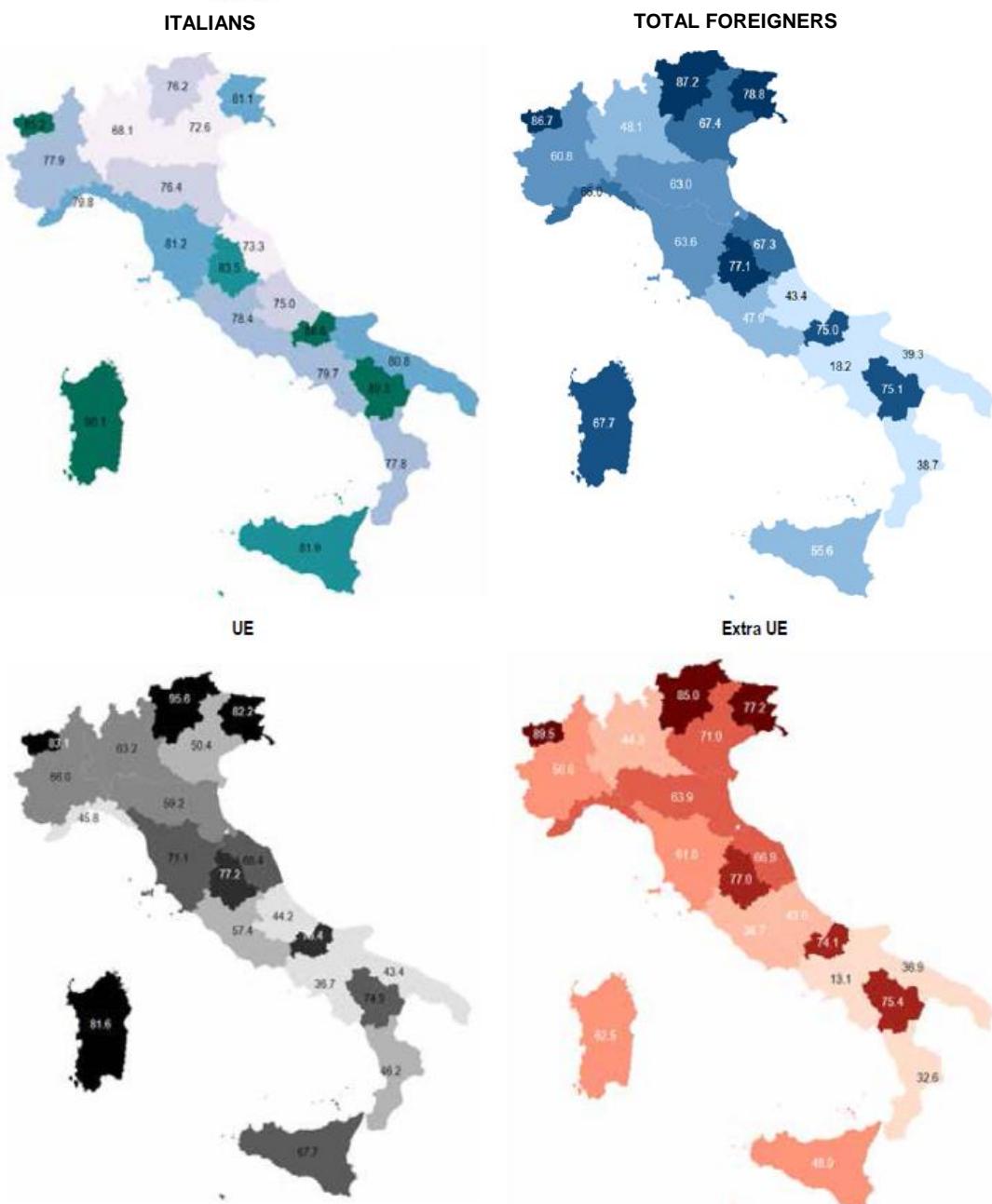
Source: Ministry of Labour and Social Policies - Statistical Information System of Compulsory Communications

Figure 19. Company owners born in a country outside the EU per region (A.V. and % incidence out of total). Year 2017



Source: Unioncamere-InfoCamere

Figure 20. Percentage of people in search of employment (15 years and over) who had contact with a Job Centre out of the total per region and citizenship. Year 2017



Source: Direzione SAS of Anpal Servizi processing of microdata from RCFL - ISTAT