

LABOUR MARKET

Fourth quarter of 2017

an integrated picture

The year 2017 was characterized overall by a new growth in employment - concerning both absolute values and rate - which involved also young people aged 15-34. Moreover, the sharp drop in unemployed combined with the decrease in the number of inactive persons. On a short-term basis, the dynamics of the labour market emerged within an expansionary macroeconomic framework. In the fourth quarter of 2017 Italian economy experienced a GDP growth by 0.3% quarter on quarter and by 1.6% on an annual basis. Overall, the economy of Euro area countries grew by 0.6% compared to the previous quarter and by 2.7% on the same quarter of 2016. The growth, which was relevant for industry and construction, was associated with a further expansion of the labour input: the hours worked rose by 0.2% on the previous quarter and 1.6% on an annual basis in a context showing a slight growth in labour productivity in the short-term.

On the supply side, in the fourth quarter of 2017 employment grew slightly quarter over quarter (+12 thousand, 0.1%), due to the increase of fixed-term employees (+57 thousand, +2.0%), the downturn/fall of permanent workers (-25 thousand, -0.2%) and of self-employed (-20 thousand, -0.4%). The employment rate stood at 58.1%, a 0.1 percentage points increase compared with the previous quarter. The latest monthly data (January 2018), net of seasonal effect, reported a slight increase in the number of employed persons compared to December 2017. The year on year dynamics showed a growth of 279 thousand employed persons (+1.2% in a year) due to employees (+2.2%) - fixed-term ones in nearly nine out of ten cases - while self-employed reported a new decline (-1.9%). For the thirteenth consecutive quarter full-time employment increased, on the other hand part-time employed decreased after an uninterrupted growth that had started in 2010. On the basis of the flow of data, after twelve months, an increase of the passages from part-time to full-time was estimated, especially for people experiencing involuntary part-time. In the fourth quarter of 2017 the growth of employment and its rate for 15-34 year-olds was still going on. The increase in employment, although concerning all genders and territorial areas, was stronger for women and in the South and Islands.

The unemployment rate declined both in comparison with the previous quarter and with the previous year, while inactivity rate showed a decline compared to one year earlier and a slight increase relative to the previous quarter. Data for January 2018 reported a growth in unemployment rate combined with the reduction of inactivity rate, on a short term basis.

The year over year comparison showed for the third consecutive quarter the decrease in unemployment (-247 thousand in a year) that involved both genders and was particularly significant for young people. The reduction, albeit less intense, for the inactive aged 15-64 (-118 thousand in a year) was due exclusively to those who are available for work (the potential labour force).

Considering flow data the entry in employment increased, solely towards the fixed-term employees component; the increase regarded young people, women and particularly the residents in the South and Islands and individuals with high level of education. Transitions from inactivity into unemployment, especially for potential labour force, grew as well.

In enterprise data short-term signs of growth of labour demand were confirmed, with an increase in employee jobs by 0.5% on the previous quarter and by 3.0% year-on-year, derived from the growth both in industry and services. Also per capita hours worked increased both relative to the previous quarter (+0.5 %) and to the previous year (+0.8%), whereas the decrease in the use of the short-time working allowance hours continued. The vacancy rate, even though stable compared with the previous quarter, increased by 0.2 percentage points year-on-year. Wages remained stable over the previous quarter and showed a slight year-on-year growth (+0.1%). Social security contributions increased by 0.1% on a short-term basis and by 0.9% on a yearly basis. As a result, the cost of labour increased by 0.1% compared to the previous quarter and by 0.3% compared to the same quarter of the previous year.

 NEXT RELEASE: 12 June 2018

TABLE 1. LABOUR INDICATORS. Q4 2017, absolute values, percentage values and index numbers, percentage points changes

	Seasonally adjusted		Not seasonally adjusted data y-o-y (Q4 2017/Q4 2016)
	Value	Percentage changes (Q4 2017/Q3 2017)	
LABOUR INPUT (a) (b)			
<i>National Accounts</i>			
Hours worked (thousands)	10,884,004	0.2	1.6
Agriculture	599,218	1.3	-1.2
Industry excluding construction	1,881,220	0.8	3.0
Construction	708,980	2.4	5.1
Services	7,694,587	-0.2	1.2
LABOUR SUPPLY			
<i>Labour force survey</i>			
Employed (thousands)	23,071	0.1	1.2
Employees	17,775	0.2	2.2
Permanent	14,926	-0.2	0.3
Temporary	2,849	2.0	13.5
Self-employed	5,296	-0.4	-1.9
Employment rate (aged 15-64) (percent and percentage points changes)	58.1	0.1	0.8
15-34 years	40.7	0.0	0.8
35-49 years	72.9	-0.2	0.4
50-64 years	59.7	0.5	1.4
Unemployed (thousands)	2,857	-1.9	-7.8
Unemployment rate (percent and percentage points changes)	11.0	-0.2	-1.0
Inactive population (aged 15-64) (thousands)	13,358	0.2	-0.9
Inactivity rate (aged 15-64) (percent and percentage points changes)	34.5	0.1	-0.2
EMPLOYEE LABOUR DEMAND (a) (c)			
<i>Oros, Large enterprises and Vela Surveys</i>			
Number of jobs (index 2010=100)	105.7	0.5	3.0
Temporary employment agency jobs (d) (index 2010=100)	197.0	6.7	25.2
Hours worked (e) (f) (index 2010=100)	108.7	1.2	5.1
Per capita hours worked (c) (e) (index 2010=100)	100.5	0.5	0.8
Short-time working allowance hours per 1,000 hours worked (e) (absolute changes per 1,000 incidence)	na	na	-4.7
Job vacancy rate (e) (percent and percentage points changes)	1.0	0.0	0.2
EMPLOYEE LABOUR COST			
<i>Oros, Large enterprises and Vela, Contractual Wages and Salaries Survey</i>			
Gross wages and salaries (a) (c) (index 2010=100)	109.7	0.0	0.1
Social security contributions (a) (c) (index 2010=100)	105.2	0.1	0.9
Labour cost (a) (c) (index 2010=100)	108.5	0.1	0.3
Cash wages according to collective labour agreements (monthly average in euros) (g)	2,579	-	0.8

(a) Provisional data.

(b) For the hours worked (National Accounts) the change over the same period of the previous year is computed on seasonally adjusted data.

(c) Section from B to S (excluding O) of the Nace Rev 2 classification of economic activities.

(d) Number of jobs relating to hires by employment agencies.

(e) Enterprises with at least 10 employees.

(f) The change over the same period of the previous year is computed on calendar day adjusted data.

(g) Not seasonally adjusted data calculated with a fixed employment structure (base December 2010).

Main results (fourth quarter of 2017)

In the fourth quarter of 2017 the short-term dynamics of the labour market showed a slight growth of employment, a fall in unemployment and a modest increase in inactivity. The labour input used in the economic system (expressed by the hours worked as estimated in the national accounts) registered an increase by 0.2% on a quarter over quarter basis and 1.6% year over year.

Employment estimated in the Labour Force Survey, net of seasonal effects, was 23,071 thousand people, an increase of 12 thousand units (+0.1%) compared with the previous quarter. The growth affected only women (+0.2% vs. -0.1% of men) and the North-Centre area compared with the decrease in the South and Islands area.

The employment rate rose to 58.1% (+0.1 points); also in this case the increase concerned only women and involved individuals aged 50-64, compared to the stability for 15-34 year-olds and 35-49 year-olds.

The short-term increase in employment was the result of another increase of fixed-term employees (+57 thousand, 2.0%) compared with a fall in permanent contracts (-25 thousand, -0.2%) and self-employed (-20 thousand, -0.4%).

The unemployment rate, after two consecutive drops and a stability in the third quarter, decreased by 0.2 points compared with the previous quarter and arrived at 11.0%. The inactivity rate rose to 34.5% (+0.2 points) in three months.

In industrial and service enterprises the employee jobs increased by 0.5% on a quarter over quarter basis and 3.0% on a year on year basis; the number of hours worked rose by 1.2% compared to the previous quarter and by 5.1% compared to the same quarter of the previous year. The per capita hours worked increased respectively by 0.5% and 0.8%. At the same time short-time working allowance hours fell from 11.6 to 6.9 per thousand hours worked. Temporary employment agency jobs showed a further acceleration, growing by 6.7% on a short-term basis and 25.2% year-on-year.

Job vacancy rate in enterprises with at least 10 employees remained unchanged with reference to the previous quarter and increased by 0.2 percentage points year-on-year.

The seasonally adjusted index of labour costs per full time equivalent (FTE) increased on a short term basis by 0.1%, as a result of a zero variation of wages and salaries and a 0.1% increase of social security contributions. On a yearly basis an increase by 0.3% can be observed in the labour costs, with a 0.1% growth of wages and salaries and 0.9% of contributions.

In this quarter the "Focus on" of pages 5-6 treats the evolution of key indicators on labour supply at the territorial level through the analysis of the annual data from the Labour Force Survey (LFS).

The methodological note (in Italian only) gives the confidence intervals of sample estimates of not seasonally adjusted key indicators on labour supply and some indicators on labour demand.

The Italian version of this press release presents also data on the labour supply and demand related to annual average for 2017. Labour supply data are disseminated also at the provincial, metropolitan cities and municipalities level.

FIGURE 1. HOURS WORKED - TOTAL ECONOMY Q1 2012–Q4 2017, seasonally adjusted data, percentage change over the same quarter of the previous year

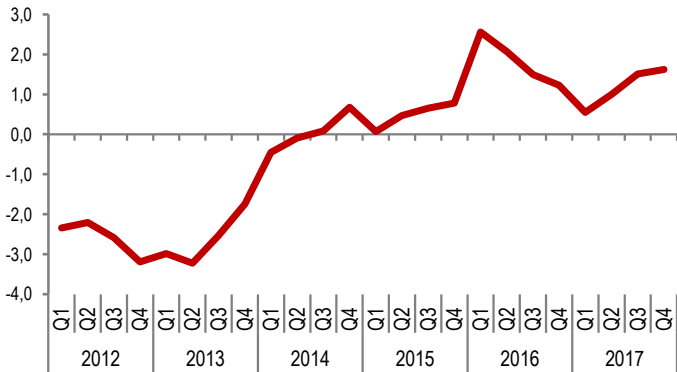


FIGURE 2. EMPLOYED (left scale) AND UNEMPLOYMENT RATE (right scale) Q1 2013– Q4 2017, seasonally adjusted data, thousand and percentage rates

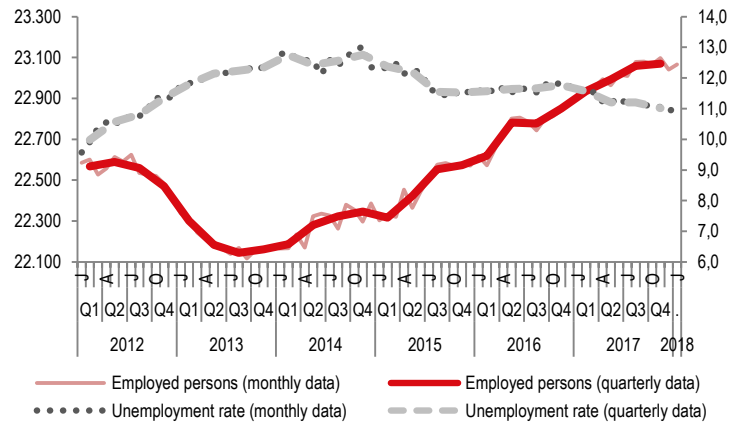


FIGURE 3. EMPLOYEES (PERMANENT AND TEMPORARY) AND SELF-EMPLOYED

Q1 2012–Q4 2017, seasonally adjusted data, values (left scale) and absolute changes over previous period (right scale)

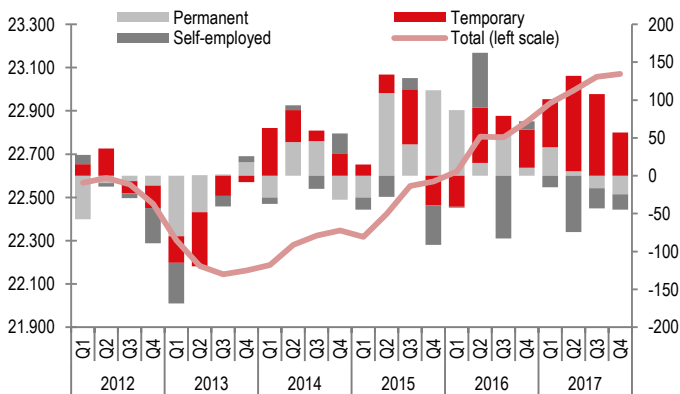


FIGURE 4. NUMBER OF JOBS IN INDUSTRY AND MARKET SERVICES (B-N) Q1 2012 – Q4 2017, not seasonally adjusted data,

percentage change over the same quarter of the previous year (2010=100)

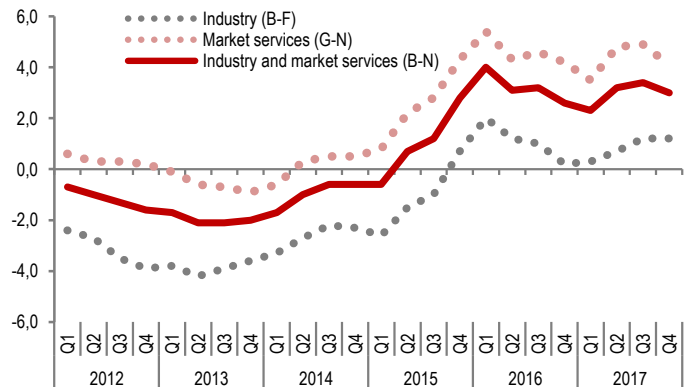


FIGURE 5. PER CAPITA HOURS WORKED (left scale) AND PERCENTAGE OF SHORT-TIME WORKING ALLOWANCE HOURS (right scale) FOR ENTERPRISES WITH AT LEAST 10 EMPLOYEES IN INDUSTRY AND SERVICES (B-S) Q1 2012 – Q4 2017, seasonally adjusted indices (2010=100) and percentage on 1,000 hours worked

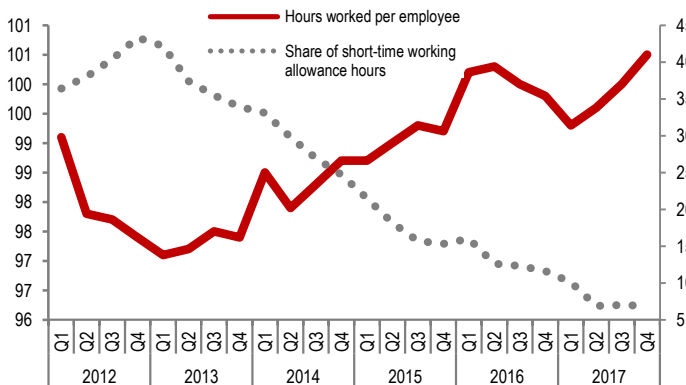
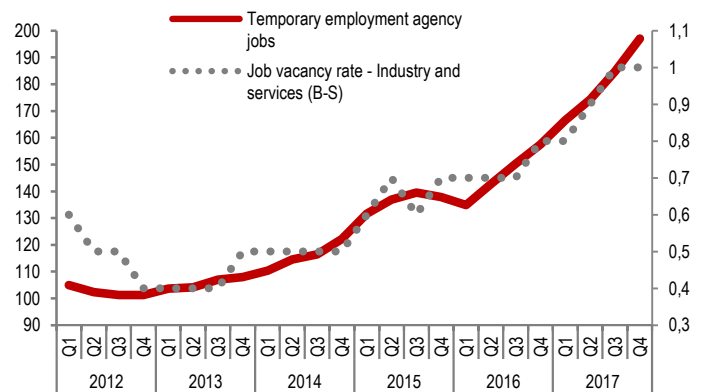


FIGURE 6. TEMPORARY EMPLOYMENT AGENCY JOBS (left scale) AND JOB VACANCY RATE FOR ENTERPRISES WITH AT LEAST 10 EMPLOYEES (right scale) IN INDUSTRY AND SERVICES (B-S) Q1 2012–Q4 2017, indices (2010=100) and seasonally adjusted percentage values



a focus on...

Regional trends in labour supply in 2017

The annual average data allow to analyse the trend of labor market indicators with greater territorial detail. Overall, 2017 was characterized by an increase in employment in all three geographical areas. The employment rate of 15-64 year-olds rose by 0.8 percentage points in the North, by 0.7 in the Centre, and by 0.6 in the South and Islands. However, while in the Centre and the North the employment rate reached levels almost similar to those of 2008, rising to 66.7% in the North and 62.8% in the Centre, in the South and Islands the indicator was still lower by 2.0 percentage points (44.0%). In the North, also the employment rate of 15-34 year-olds grew more (+0.8 points) than in the central and southern regions (+0.6 and +0.5 points, respectively). Increases in the employment rate were higher for women, except in the South and Islands, where the share of employed women (just a third) grew by 0.5 points compared to +0.6 of men. In 2017, also the unemployment rate decreased in all geographical areas, although the differences remained marked: the indicator in the South and Islands (19.4%) was almost three times that of the North (6.9%) and about twice that of the Centre (10.0%).

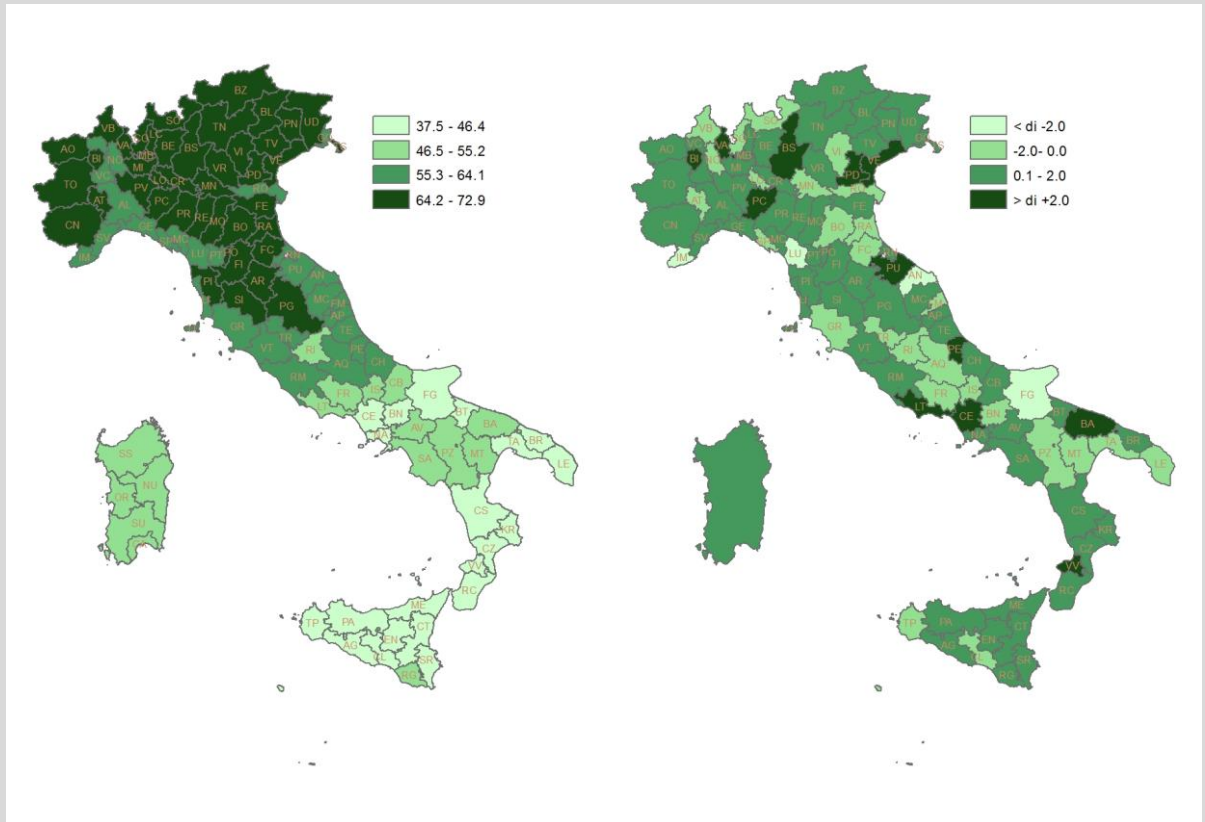
Compared to 2016, the employment rate in the North area rose in all regions, with the only exception of Liguria (-0.4 percentage points). The highest increases were reported in the Autonomous Province of Trento, Veneto and Friuli-Venezia Giulia (+1.5, +1.3 and +1.1 points, respectively). The Autonomous Provinces of Bolzano and Trento, Friuli-Venezia Giulia and Lombardia exceeded the levels of 2008. The unemployment rate decreased over the previous year in all regions, particularly in the Autonomous Province of Trento and in Lombardia (-1.1 and -1.0 points, respectively). At the provincial level, increases in the employment rate were greater in the metropolitan city of Venice, in Piacenza, Biella, Varese, Padova and Brescia (with variations between +3.4 and +2.2 points); reductions by at least one percentage point were reported instead in Imperia, Forlì-Cesena, Verbano Cusio Ossola, Rovigo, Como and Sondrio. The largest decreases in the unemployment rate were estimated in Brescia, Trieste and the metropolitan city of Venice (with declines between 2.4 and 2.1 points), while the indicator grew by at least one percentage point in Asti, Novara, Imperia and Como. In the large municipalities, the highest increase in the employment rate was recorded in Venice (+5.8 points), while Verona showed a reduction in the indicator (-0.6 percentage points). The unemployment rate decreased in almost all large municipalities of the North, with the exceptions of Verona and Milano; the most marked reductions were observed in Genova and Torino (-2.0 and -1.6 points, respectively).

In the Centre regions, the employment rate rose mainly in Lazio and Toscana (+1.0 and +0.7 points), where the indicator exceeded even the level of 2008. These regions also showed a decrease in the unemployment rate, which on the contrary grew in Umbria and remained unchanged in the Marche. Among the provinces, the highest increases in the employment rate were recorded in Pesaro Urbino and Latina (+2.9 points), while the most pronounced declines were in Ancona, Lucca, Fermo and Grosseto (between -3.0 and -1.4 points). The provinces with the largest falls in the unemployment rate were Pistoia, Pesaro Urbino and Livorno (between -4.2 and -3.4 points), while the most consistent increases were recorded in the provinces of Ancona and Terni (+3.0 and +2.0 points, respectively). In the two large municipalities of the Centre, Roma and Firenze, the employment rate increased by 1.0 and 0.4 points, respectively, while the unemployment rate remained unchanged.

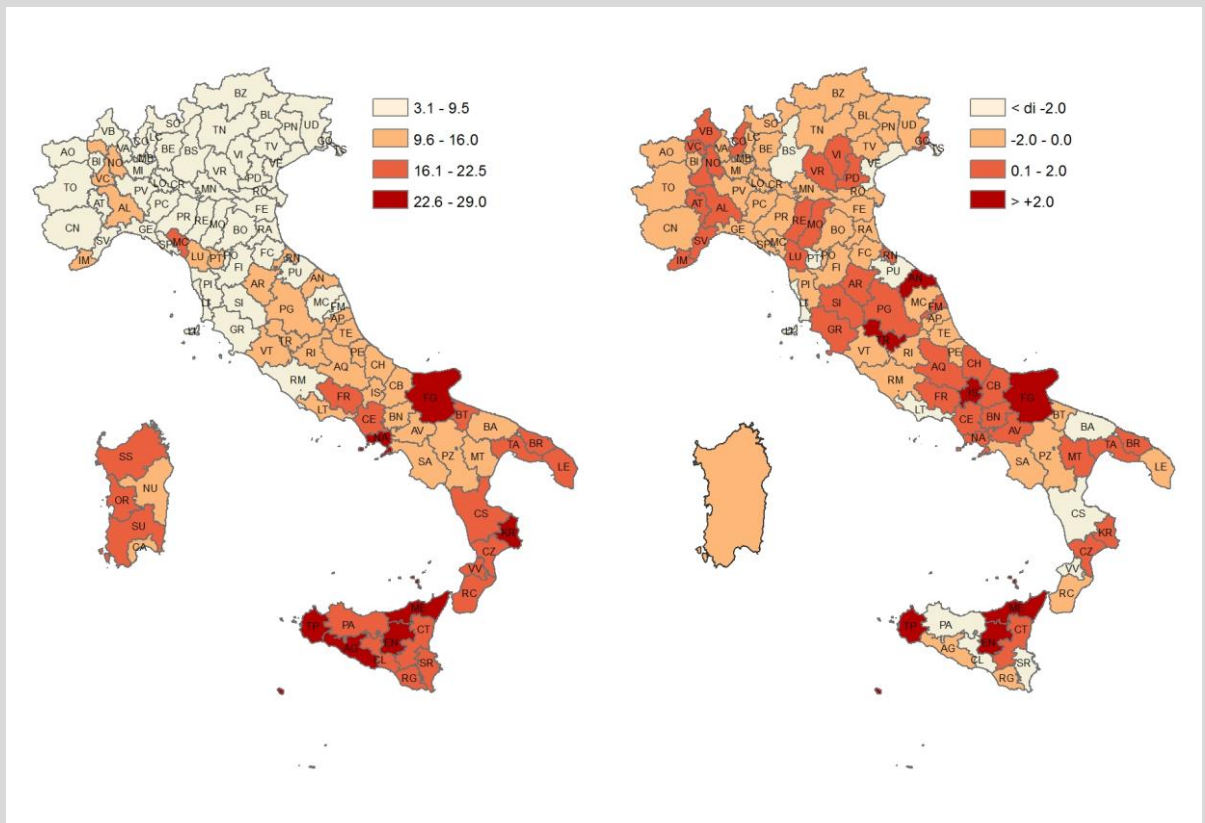
In the South and Islands, the employment rate grew in all the regions, with the only exception of Basilicata (-0.8 points) and Molise (-0.2 points). The most significant increases were reported in Calabria, Abruzzo and Campania (+1.2, +1.1 and +0.9 points, respectively). No region in the South and Islands area reached the levels of the employment rate in 2008, even if Basilicata and Campania showed minimal differences (-0.1 and -0.3 points). Compared to 2016, the unemployment rate fell in almost all regions, especially in Calabria (-1.6 points), except in Molise and Campania (+1.8 and +0.6 points, respectively). Among the provinces of the South and Islands area¹, marked increases in the employment rate - between 2.3 and 4.8 points - were recorded in Vibo Valentia, Caserta, Pescara and in the metropolitan city of Bari. The most marked reduction in the employment rate was observed in the province of Foggia (-2.5 points). The largest decrease in the unemployment rate (over 3 points) was recorded in the metropolitan cities of Bari and Palermo, and in the provinces of Vibo Valentia and Caltanissetta; the growth was significant in Foggia, Enna, Isernia and Trapani (between 7.9 and 3.1 points). In the large municipalities of the South and Islands area the employment rate increased everywhere, except for Catania (-0.8 points); the growth of the indicator is also more sustained in the municipalities of Bari and Napoli (+2.3 and +1.7 points). The unemployment rate decreased in the large municipalities of Palermo and Bari (-3.8 and -2.1 points) while it increased in Napoli, Messina and Catania (+3.9, +3.2 and +1.6 points, respectively).

¹ For the provinces of Sardinia it was not possible to make comparisons with 2016 due to the new territorial organization. This is the reason why figures on the following page show only regional variations for Sardinia.

Employment rate 15-64 years by Province. Year 2017 (percentage values and percentage points changed compared to 2016)



Unemployment rate 15-64 years by Province. Year 2017 (percentage values and percentage points changed compared to 2016)



Glossary

Active persons: persons aged 15 years and over who during the reference week (the week the information refers to) had at least one of the following characteristics:

- worked for pay or profit in a job or business for at least one hour;
- worked unpaid in the family enterprise where they usually work;
- did not work as they were temporarily away from their jobs (for holidays or sickness). Out of service-employees are considered employed if the absence from work is no longer than three months, or if they keep on perceiving half of the wage at least. The self-employed persons out of service, except for family workers, are considered employed if they continue their activity during their absence. Family workers are considered employed if the absence from work is no longer than three months.

The previous conditions are independent of the signing of an employment contract and therefore the employed estimated through the sample Labour Force survey include also forms of irregular work.

Business surveys: OROS (Employment, wages and salaries and social charges), **GI** (Large Enterprises) and **Vela** (Job vacancies and hours worked): the Oros survey produces quarterly information on employment trends (Full-Time Equivalent - FTE), wages, salaries and social charges for employees of all size enterprises and private institutions. Oros indicators are estimated by integrating administrative data from INPS (the Italian National Institute for Social Security) and data from the monthly survey on Large Enterprises (GI). The Vela survey is a quarterly data collection on job vacancies and hours worked that measures - together with the monthly survey on employment, working hours, wages and salaries and labour cost in large enterprises - job vacancies, hours worked and hours paid in enterprises of the private sector with at least 10 employees, excluding agriculture.

Contractual wages and salaries in cash value: includes all compensation items used to calculate the monthly index of contractual wages and salaries plus any arrears and one-time bonuses. The amounts related to each compensation item (wage or salary) are allocated to the months of actual payment. Wages and salaries in cash value are calculated for all grades envisaged when defining the base (which is the same as that of the index of contractual wages and salaries). The aggregates are then determined according to a constant structure of employment, which allows for monitoring the pay trend, net of the effects due to changes in the structure of employment by professional status and grade.

Data adjusted for calendar reasons: working day adjusted data, Easter holidays and leap year.

Employment rate: Ratio between employed people of a given age group (usually aged 15-64) and the overall resident population of that given age group.

Full-time equivalent (FTE): a unit to measure the volume of work performed in all jobs. It is obtained by reducing to full-time equivalent (the unit value of) part-time jobs and temporary agency jobs. In the OROS survey FTEs include middle managers, employees, workers, salespersons, apprentices and home workers. Managers are excluded. Unlike the number of employed people, the calculation of FTEs excludes workers benefiting from the short time working allowance or job-security agreements.

Within the framework of national accounts, FTEs measure the number of full-time equivalent jobs and provide a measure of labour input used for the production of income in the economic territory of the country. This measure is calculated because hours worked may differ from a full-time standard depending on the kind of job: main activity or secondary jobs, working time (full-time, part-time), declared or undeclared to fiscal or social contributions authorities. Full time equivalent units are obtained as the ratio between the total amount of hours actually worked and the average number of hours worked by a full-time job.

Hours of job-security agreement: hours not worked due to job-security agreements.

Hours of short-time working allowance: total amount of ordinary, extraordinary, exceptional hours of short time working allowance, and hours of job-security agreement used by enterprises in the reference quarter.

Hours worked: total number of ordinary hours and overtime, worked by employees with an employment contract, excluding managers. Within the framework of national accounts, the hours actually worked – both paid and unpaid in any occupation (employed and self-employed) - provided they produce income. The calculation of hours worked includes the hours worked during ordinary working hours, the hours worked in addition to the ordinary working hours (overtime), the time needed for activities such as preparation of the workplace and the time corresponding to short breaks at work. The calculation excludes: hours paid but not actually worked (annual leaves, holidays and sick leaves, etc.), meal breaks and the way to and from work.

Hours worked per employee: average number of ordinary and extraordinary working hours of employees under contract.

Inactive persons: All persons not classified as employed or job seekers (unemployed).

Inactivity rate: Ratio between people that are not part of the labour force in a given age group (usually aged 15-64) and the **overall** resident population of that given age group.

Involuntary part-time work: individuals working part-time who accepted to work part-time because a full-time job could not be found.

Job-security agreement: job agreement between employer and trade unions aimed at reducing the working time, with the purpose to maintain the current employment levels in case of enterprise crisis or to hire new employees through a planned working time or wages reduction program (L.863/84).

Job vacancies are the posts, either newly created or already existing, unoccupied or about to become vacant, which the employer actively seeks to fill with - and is prepared to make further efforts to find - a suitable candidate from outside the enterprise. The data presented here refers to job vacancies for employees, available as of the last day of the reference quarter. Therefore, they measure the staff search which at that date has already started and not yet been completed (because a suitable candidate has not been already hired and the company has not decided to stop the search).

Job vacancy rate: ratio between the number of vacant posts and the sum of vacant and occupied posts. Therefore, the job vacancy rate measures the part of occupied and vacant jobs for which staff search is ongoing. The data used to calculate the job vacancy rate refers to the last day of the reference quarter.

Labour cost: total expenditure borne by employers for employing staff (including wages, salaries in cash and in kind, employers' social security contributions, vocational training costs).

Labour force: People in employment and unemployment.

Largest municipalities: municipalities that at 2001 Census had at least 250 thousand inhabitants (Roma, Milano, Napoli, Torino, Palermo, Genova, Bologna, Firenze, Bari, Catania, Venezia, Verona, Messina).

NACE Rev.2: classification of economic activities published in the Official Journal on 20 December 2006 (Regulation EC of the Council and the European Parliament No 1893/2006) and adopted by Istat on 1 January 2008.

Ordinary hours: all the hours worked, included at night and during holidays and excluding overtime, hours of Short time working allowance and hours not worked due to holidays, days-off and in general, hours not worked even if a compensation for them was received.

Overtime: time worked in addition to hours worked during normal periods of work, net of compensation of stored overtime credit systems, Working hours on Sundays, nights or public holidays are considered as overtime only if they are not included in the working time under contract or stored overtime credit systems.

Payroll job: employment contract between a single natural person and a production unit (enterprise), the object of which is the performance of work in return for compensation (pay). Payroll jobs, therefore, are the number of jobs occupied by employees (both full- or part-time)

regardless of the amount of hours worked on a given reference day. Just like the number of employees, payroll jobs are a stock variable at a certain moment in time. Workers, under regular contract by a production unit, are included even if they are not working due to holidays, parental leaves, short time working allowances, etc.

Permanent employees: workers under permanent contract where there is no end-date.

Reference week: in the Labour Force Survey, the week the information collected refers to (usually it is the week preceding the interview).

Seasonally adjusted data: data that have been adjusted for seasonal variations, including trading-day (working-day) effects and other regular calendar variations if present (including changes in weather, harvests, major holidays, and school schedules). These seasonal adjustments make it easier to observe the cyclical, underlying trend of a short term indicator.

Self-employed persons (workers): People working in an economic unit without subordination. The following are considered self-employed workers: holders, partners and managing directors of enterprises; or institutions respecting the following conditions: actually work in enterprises or institution, are not in the payroll, are not paid with invoice, do not have contracts as casual workers; members of producers' cooperatives who work in the enterprises but are not in the payroll; contributing family workers of the holder who work neither with pay nor with social contributions.

Short-time working allowance: State instrument that provides support when businesses are forced to downsize or suspend their activities as a result of legally-acknowledged crises or difficulties. The instrument consists in the provision by INPS (the Italian Social Security Institute) of compensation to substitute for the salaries of employees who have been laid off or whose working hours have been reduced.

There are three different forms of Short time working allowances:

- *ordinary*, which applies to enterprises in the industrial sector during lay-offs and contractions in productive activity due to temporary market situations or to temporary circumstances that do not depend on the employer, the employees;
- *exceptional*, which is a form of economic support for workers, employees and middle managers who have been laid off from work and have no access (or no longer have) to the ordinary or extraordinary short time working allowance. It also provides economic support for apprentices, temporary workers and homeworkers for enterprises using ordinary and extraordinary short-time working allowances;
- *extraordinary*, which applies to enterprises facing difficulties due to restructuring, reorganization, conversion, company crisis or for recruiting procedures.

Social security contributions: the amount of the social charges incurred by the employer to the social security funds as well as the amount set aside for severance pay.

Survey on contractual wages and salaries: statistics derived from the survey on contractual wages and salaries are based on the concept of "price of work." Thus they refer to a constant number of workers, characterized by a fixed structure of professional status (workers, employees, managers) and grade (base). The base currently in force is December 2010 = 100. They satisfy the need to assess the dynamic of earnings, net of the effects due to changes in the structure of employment by professional status, grade, working hours (full-time/part-time), seniority, overtime, decentralized bargaining, absences, conflicts etc.

Temporary (employment) agency jobs: workers under temporary contract, hired by a temporary employment agency that supply temporary work (supplier). The agency puts these persons at disposal of another legal-economic unit (enterprises or institution requiring) in order to cover a temporary productive need. In NACE Rev.2 this kind of contract falls in the category "Temporary employment agency activities" (group 78.2) included in section N "Administrative and support service activities".

Temporary workers: workers under a fixed-term contract where there is an end-date.

Unemployed (job seekers): unemployed people aged between 15 and 75 who: have looked for a job at least once in the 30 days before the survey and are willing to start work (or to start their own business) in the next two weeks; Will start work within three months since the interview and are willing to work within the two weeks following the interview (or to start their own business), in case it is possible to start work.

Unemployment rate: ratio between unemployed people of a given age group (usually aged 15 and over) and the total number of the employed and unemployed (the labour force) of the same age group.

Voluntary part-time work: individuals working part-time who say they work part-time for reasons other than the lack of full-time employment opportunities.

Wages and salaries: They are defined as the total “de facto” remuneration in cash, payable to all persons counted on the payroll in return for work done during the accounting period. Wages in kind are excluded. They include the values of any social contributions, income taxes, payable by the employee even if they are actually withheld by the employer and paid directly to social insurance schemes and tax authorities on behalf of the employee. “De facto” wages differ from national contractual (agreed) wages because the last ones include only the components related to national labour agreements.

Note on the impact of the earthquake on estimates produced

The earthquake at the end of October 2016 hit 13 sampled municipalities (out of a total of 1,270) of the Labour Force Survey (LFS) (see Annexes 1 and 2 of the Decree Law 189/2016, as amended by Law No 229/2016 for the full list of municipalities affected by the earthquakes). It was therefore necessary to suspend the survey in these municipalities due to difficulties in the data collection operations.

The lack of interviews collection in these municipalities had an impact on estimates regarding response rates, especially in the provinces and regions most affected by the earthquake. Without the information regarding municipalities affected by the earthquake, the estimates disseminated today are to be considered as provisional and probably susceptible to future revisions for the provinces of Ascoli Piceno, Fermo, Macerata, Teramo and Chieti, and for their respective regions.

With regard to the fourth quarter of 2016, keeping into account the date of the earthquake and the definitions of employed and unemployed used by Istat and harmonised at European level (see glossary), the impact on the main aggregates estimates can be considered not to affect comparisons among estimates over time.

Istat sources on the labour market

	Labour Force Survey	Business indicators (Oros and Large Enterprises Surveys)	National accounts	Indicators on hours worked and job vacancies (Vela and Large Enterprises Surveys)	Contractual wages and salaries (indices and levels)
Type of source	CAPI-CATI sample surveys covering the resident population in households and estimating the number of persons employed, the unemployed and the inactive. Two-stage annual sample including more than 250 thousand private households resident in Italy (that is around 600 thousand people) in around 1,400 municipalities.	Census survey carried out by integrating: <ul style="list-style-type: none"> • data from the monthly survey on large enterprises with at least 500 employees (GI); • administrative data for small and medium-size, and large enterprises not covered by the monthly survey GI (by the National Social Security Institute). 	Statistical processing, allowing to estimate labour input, through integration and comparison of different statistical sources and indirect methods of estimation.	Census survey for enterprises with at least 500 employees (GI). Sample survey for enterprises with less than 500 employees (Vela), sample of around 26,000 enterprises (rotated by one third every year).	Survey based on a sample of 74 national collective labour agreements on the economic treatment of 2,874 occupations ruled by specific contracts, and with specific qualifications and levels.
Data collection units/bodies obliged to provide data	Private households resident in Italy. People I permanently living in community settings (religious institutions, barracks, etc.) are excluded.	Active enterprises and private institutions with employees residing in Italy.	Production units residing in the economic territory of the country. Resident and not resident people working in resident units are included and resident people working in production units not residing in the economic territory of the country are excluded.	Active enterprises and private institutions with employees residing in Italy. Data collection units: the enterprise in Vela, the functional unit in GI.	Professional associations.
Coverage in terms of employment	Employees and self-employed (with or without contracts) in sectors from A to U of the Nace rev. 2 economic activity classification.	Regular employees in industry and services, sectors from B to S, excluding O, of the Nace rev. 2 economic activity classification.	Employees and self-employed (with or without contracts) in sectors from A to U of the Nace rev. 2 economic activity classification.	Regular employees in industry and services, sectors from B to S, excluding O, of the Nace rev. 2 economic activity classification.	Employees (excluding apprentices and managers) whose compensations are ruled by the national collective labour agreements in sectors from A to S, of the Nace rev. 2 economic activity classification.
Unit of analysis	Persons aged 15 and over residing in private households.	Functional units of economic units (enterprises and private institutions) with employees. For large enterprises functional units are mainly used, for the administrative data functional units are approximated by enterprises and private institutions.	Total labour input: domestic employed, jobs, hours actually worked and full time equivalent Fte.	Economic units (enterprises and private institutions) with employees.	National collective labour agreements.

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Main indicators definition	<p>Employed persons: people aged 15 and over who have at least one of the following characteristics in the reference week:</p> <ul style="list-style-type: none"> • have worked in any activity at least for one hour (with or without contract) to be paid either monetary or in kind; • employees: not at work (for example, for holidays, sickness, compulsory parental leave) for less than three months and paid or, if not at work for more than three months, still paid at least 50%. • self-employed: not at work but continuing the activity during the absence. <p>Unemployed persons: not employed persons aged between 15 and 74 years who:</p> <ul style="list-style-type: none"> • have looked for a job at least once in the 30 days before the survey and are willing to start work (or to start their own business) in the next two weeks; or • will start working within three months from the interview and are willing to work (or to start their own business) within the two weeks following the interview, if possible. <p>Inactive persons (not labour force): persons who do not belong to labour forces, that is persons who are not classified as employed or looking for a job (unemployed).</p>	<p>Payroll jobs: the number of jobs occupied by employees with an employment contract (full-time or part-time), regardless of the amount of hours worked.</p> <p>Workers, under regular contract by a production unit, are included even if they are not at work due to holidays, parental leaves, short time working allowances, etc.</p> <p>“De facto” wages and salaries: wages, salaries and other benefits in cash, gross of income taxes and social contributions, periodically paid to employees as indicated by national contracts, enterprise level and individual agreements and legal provisions in force.</p> <p>Social security contributions: the amount of the social charges incurred by the employer towards the social security funds as well as the amount set aside for severance pay.</p> <p>Labour cost: the whole of gross of wages and salaries and social security contributions.</p> <p>Fte: full-time equivalent employee jobs, net of short time working allowance.</p>	<p>The labour input that contributes to the gross domestic product (GDP) generated by the economic system in the reference period is measured by three employment definitions:</p> <ul style="list-style-type: none"> • hours actually worked in all jobs • domestic employed persons (resident and not resident people employed in resident production units) • jobs (occupied by domestic employed persons) • full-time equivalent (Fte) (the number of full-time jobs corresponding to the total amount of hours actually worked). <p>Employed persons and jobs include workers temporarily not at work due to short time working allowance.</p> <p>Fte are calculated excluding workers benefiting from the short time working allowance. Hours actually worked include overtime hours and exclude short time working allowance hours, holidays, sickness, work permits.</p>	<p>Hours actually worked by regular employees, including normal time and overtime in the reference quarter .</p> <p>Short time working allowance hours including ordinary, exceptional and extraordinary short time working allowance and hours related to job-security agreements actually used in the reference quarter.</p> <p>Job vacancy rate: percentage ratio between the number of vacancies and the sum of vacancies and occupied employee jobs. Job vacancy rate measures both occupied and vacant jobs for which staff search is ongoing.</p>	<p>Contractual wages and salaries: They are based on a definition of monthly contractual wages and salaries calculated as one twelfth of annual wages and salaries on the basis of the national collective labour agreements. The accounted components are: base salary, cost of living allowance, periodic seniority increases, shift work allowance and other general allowances (when relevant in the sector), additional months of salary and other payments regularly paid in the year term.</p> <p>Contractual length of work: hours of work to be worked, according to the collective labour agreements, by full-time employees, net of those paid but not worked, for holidays, work permits (annual work reduction, abolished public holidays, study, union assembly).</p> <p>Indicators of contractual tension: employees under expired agreements and the ltime passed from the expiration date.</p> <p>Contractual wages and salaries on a cash and an accrual basis: wages and salaries levels including not only the components considered in the calculation of the indices but also one off and arrears. In wages and salaries on an accrual basis the components are attributed to the periods they refer to, according to the collective agreements (for example, the arrears for the period from the collective agreement expiration date). In wages and salaries on a cash basis the components are attributed to the periods when they have actually been paid.</p>

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Main indicators measure	<p><u>Indicators:</u> Stock of employed persons (employees and self-employed), unemployed, inactive and their rates.</p> <p><u>Reference time:</u> Reference week for the collected data (in general, the one preceding the interview). During the year, data are collected through a uniform distribution of the household sample over all the year weeks.</p> <p><u>Estimate:</u> produced with a calibration estimator interpretable as average of weekly stocks.</p>	<p><u>Indicators:</u> Stock of employee jobs. Ratio between stocks of de facto wages and salaries and Fte. Ratio between stocks of social security contributions and Fte. Ratio between stocks of labour cost and Fte.</p> <p>Only indices with base 2010=100 are released.</p> <p><u>Reference time:</u> Jobs and labour costs are measured on a monthly basis. In the administrative data all employee jobs with a employment contract and their reported labour cost components are counted even if they refer to just one day in the month. In the survey data, monthly stocks are obtained as average of those at the beginning and end of the month.</p> <p><u>Estimate:</u> Quarterly average of monthly stocks.</p>	<p><u>Indicators:</u> Stocks of hours worked, domestic employed workers, jobs, full-time equivalent (Fte).</p> <p><u>Reference time:</u> Average employment over the period (quarter and year).</p>	<p><u>Indicators:</u> Hours worked by employees in the quarter. Hours worked per capita in the quarter. Overtime as percentage of hours worked. Short-time working allowance hours per 1,000 hours worked. Job vacancy rate. For hours worked and per capita hours worked only indices with base 2010=100 are released.</p> <p><u>Reference time:</u> Hours worked include all hours worked by employees in the quarter. Short-time working allowance hours include those actually used in the reference quarter. The number of job vacancies refers to the last day of the quarter.</p> <p><u>Estimate:</u> Per capita hours worked are calculated dividing hours worked by the average of jobs in the last day of the previous and reference quarter. The job vacancy rate is calculated as the percentage ratio between the number of job vacancies in the last day of the reference quarter and the sum of vacant and occupied jobs in the same day.</p>	<p><u>Indicators:</u> Hourly and per capita contractual wages and salaries by qualification, national collective agreement or Nace. Released as monthly indices and annual average (base December 2010=100). Contractual wages and salaries on a cash basis, monthly average by Nace. Quarterly levels. Contractual wages and salaries on a cash and an accrual basis by national collective agreement. Annual levels. Share of employees whose national collective agreements expired, and the time passed (months) from the expiration date. This term is published both for the employees waiting for a renewal (specific indicator) and for all the employees in the economic activity of reference (generic indicator).</p> <p><u>Time reference:</u> The implementation of the national collective agreements is observed on a monthly basis.</p>

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Changes	With respect to: <ul style="list-style-type: none"> the previous quarter (seasonally adjusted quarter-on-quarter). the same quarter of the previous year (raw year-on-year). 	With respect to: <ul style="list-style-type: none"> the previous quarter (seasonally adjusted quarter-on-quarter). the same quarter of the previous year (raw year-on-year). 	With respect to: <ul style="list-style-type: none"> the previous quarter (seasonally adjusted quarter-on-quarter). the same quarter of the previous year (seasonally adjusted year-on-year). 	With respect to: <ul style="list-style-type: none"> the previous quarter (seasonally adjusted quarter-on-quarter). the same quarter of the previous year (raw and calendar adjusted year-on-year). 	With respect to: <ul style="list-style-type: none"> monthly changes (month-on-month and year-on-year) for the indices. quarterly year-on-year changes for the monthly average wages salaries on a cash basis by Nace.
Frequency of data releases and geographical disaggregation	Monthly and quarterly: estimates of country level indicators. Quarterly: estimates of indicators by NUTS1 and NUTS2. Yearly: estimates of indicators by NUTS3.	Quarterly: estimates of country level indicators.	Yearly and Quarterly: estimates of labour input at country level. Yearly: estimates of labour input by NUTS2 and NUTS3.	Quarterly: estimates of country level indicators.	Monthly: indices and indicators of contractual tension. Quarterly: contractual wages and salaries on a cash basis by Nace. Yearly: annual averages of indices and annual wages and salaries on a cash and an accrual basis by national collective agreement and on a cash basis by Nace.
Timeliness	68 days after the end of the reference quarter.	68 days after the end of the reference quarter.	60 days after the end of the reference quarter.	68 days after the end of the reference quarter. For job vacancies, also at 45 days after the end of the reference quarter (preliminary estimates).	Around 25 days after the end of the reference month.
Reference to the latest release	Speaking guide: http://www.istat.it/en/ Theme: labour and wages > Archive >Labour market Direct link: Labour Market Link to the Economic Trends section: Economic trends: Labour Data are released quarterly on the Istat datawarehouse (I.stat)	Speaking guide: http://www.istat.it/en/ Theme: labour and wages > Archive >Labour market Direct link: Labour Market Link to the Economic Trends section: Economic trends: Labour Data are released quarterly on the Istat datawarehouse (I.stat)	Speaking guide: http://www.istat.it/en/ Theme: labour and wages > Archive >Labour market Link to the Economic Trends section: Economic trends: National Accounts Data are released quarterly on the Istat datawarehouse (I.stat)	Speaking guide: http://www.istat.it/en/ Theme: labour and wages > Archive >Labour market Direct link: Labour Market Link to the Economic Trends section: Economic trends: Labour Data are released quarterly on the Istat datawarehouse (I.stat)	Speaking guide: http://www.istat.it/en/ Theme: labour and wages > Archive >Labour market Direct link: Contractual Wages Link to the Economic Trends section: Economic trends: Labour Data are released monthly on the Istat datawarehouse (I.stat)