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Labour market Third quarter of 2016

an integrated picture

In the third quarter of 2016 the Italian economy registered a 0.3% increase in GDP, in line with that of the Euro area, and a growth rate of 1% in trend terms. On the previous year rising levels of economic activities are associated with a growing use of labour by a production system which continues to grow, albeit at a very moderate pace: total hours worked went up by 0.1% over the previous quarter and by 1.6% year-over-year.

On the labour supply side, after five consecutive quarters of growth, in the third quarter of 2016 total employment showed a slight decline over the previous quarter (-14 thousand, -0.1%), due to the drop in the number of self-employed (-80 thousand, -1.5%) which more than offset the constant growth of employees (+66 thousand, +0.4%). These dynamics are not significantly differentiated by gender or region. The employment rate, too, remained stable on a quarterly basis. Most recent trends, measured on seasonally adjusted data for the month of October 2016, showed a new drop in employment, especially in permanent employment, against a modest growth in temporary employment and a broad stability in self-employment.

The year-on-year dynamics arisen between the third quarter of 2016 and the same quarter of the previous year led to a total growth of 239 thousand employed persons. Less marked than in the second quarter, this growth was only registered in permanent employment (+316 thousand), against a broad stability in temporary employment and a drop in self-employment The increase, in absolute terms, was more marked for full-time employment, while part-time employment grew only in its voluntary component. On the whole, employment mostly grew among women (+189 thousand over a year), almost exclusively among the over 50 age group.

The unemployment rate remained stable for the fourth consecutive quarter compared with the previous quarter and went up by 0.4 points over the same quarter of 2015, with a growth rate of 132 thousand unemployed. For the third consecutive quarter, the number of inactive people aged 15-64 (-528 thousand in a year) and the corresponding inactivity rate dropped dramatically. In year-over-year comparison, the decline in inactivity was widespread by gender, region, and age group. A reduction can be observed both among those willing to work (-212 thousand of the potential labor force, especially among women) and among those furthest away from the labour market (-316 thousand people not working and not seeking or available to work).

Stock changes in employment were due to significant changes in people's conditions in the labour market, measured by flow data after twelve months. Transitions from unemployment to employment mostly increased for people aged 35-49, for people with low educational attainment and for residents in the Centre and North; also transitions from inactivity to employment and unemployment increased, albeit at a modest pace.

As for enterprises, the signs of growth in labour demand were confirmed with a 0.6% increase in employee jobs over the previous quarter, associated to a slight reduction in hours worked per capita (-0.3%); the use of short-time working allowance payments, too, continued to decrease. Employee jobs growth was due to industry (excl. constructions) stability and increase in services; the job vacancy rate grew by 0.1 percentage points on a quarterly basis and remained stable on an annual basis. As for labour cost, social security contributions kept on decreasing (-0.6%) due to the significant rebate associated to new hiring of permanent employees.



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TABLE 1. LABOUR INDICATORS. Q3 2016, absolute values, percentage values and index numbers, percentage points changes

	Seasona	ally adjusted	Not seasonally
	Value	Percentage changes (Q3 2016/ Q2 2016)	adjusted data y-o- (Q3 2016/Q3 2015)
LABOUR INPUT (a) (b) National Accounts			
Hours worked (thousands)	10,733,626	0.1	1.6
Agriculture	630,962	1.0	3.9
Industry excluding construction	1,846,478	0.3	2.6
Construction	667,671	-0.9	-3.4
Services	7,588,516	0.0	1.6
LABOUR SUPPLY Labour force survey			
Employed (thousands)	22,775	-0.1	1.1
Employees	17,367	0.4	1.8
Permanent	14,926	0.3	2.2
Temporary	2,441	0.8	-0.1
Self-employed	5,408	-1.5	-1.4
Employment rate (aged 15-64) (percent and percentage points changes)	57.3	0.0	0.8
15-34 years	39.9	-0.3	0.2
35-49 years	72.5	0.1	0.9
50-64 years	58.2	0.2	1.6
Unemployed (thousands)	2,987	0.3	4.9
Unemployment rate (percent and percentage points changes)	11.6	0.0	0.4
Inactive population (aged 15-64) (thousands)	13,618	-0.2	-3.7
Inactivity rate (aged 15-64) (percent and percentage points changes)	35.1	0.0	-1.2
EMPLOYEE LABOUR DEMAND (a) (c) Oros, Large enterprises and Vela Surveys			
Number of jobs (index 2010=100)	101.5	0.6	3.2
Temporary employment agency jobs (d) (index 2010=100)	149.0	5.6	7.4
Hours worked (e) (f) (index 2010=100)	103.1	1.1	4.4
Per capita hours worked (c) (e) (index 2010=100)	99.9	-0.3	0.6
Short-time working allowance hours per 1,000 hours worked (e) (absolute changes per 1,000 incidence)	nd	nd	-2.8
Job vacancy rate (e) (percent and percentage points changes)	0.7	0.1	0.0
EMPLOYEE LABOUR COST Oros, Large enterprises and Vela, Contractual Wages and Salaries Survey			
Gross wages (a) (c) (index 2010=100)	109.2	0.1	0.4
Social security contributions (a) (c) (index 2010=100)	103.0	-0.6	-2.1
Labour cost (a) (c) (index 2010=100)	107.5	-0.1	-0.2
Cash wages according to collective labour agreements (monthly average in euros) (g)	1.934	-	0.6

(a) Provisional data.

⁽b) For the hours worked (National Account) 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 (third quarter of 2016)

In the third quarter of 2016, the labour market was characterised by a weakening of employment growth and a stabilization of unemployment. The labour input used in the economic system (expressed by the hours worked in the national accounts) registered a 0.1% increase quarter-on-quarter and a 1.6% one year-over-year. Employment, net of seasonal effects, as estimated by the labour force survey was equal to 22 million 775 thousand people, registering a modest decline compared with the previous quarter (-0.1%, -14 thousand) after five quarters of consecutive growth. The employment rate remained at 57.3 %, the result of a decline for 15-34 year olds (-0.3 percentage points), a substantial stability for 35-49 year olds (+0.1 points), and a slight growth for 50-64 year olds (+ 0.2 points).

The quarter-on-quarter dynamics in the number of persons employed was the result of an increase in employees (+66 thousand, 0.4%), both for permanent and fixed-term contracts, outweighed by the decrease of self-employed (-80 thousand, -1.5%). No significant differences by gender and geographical area were registered.

The unemployment rate stood at 11.6 % for the fifth consecutive quarter; the inactivity rate for 15-64 years old was stable compared with the previous quarter, at 35.1 %, after reductions in the previous three quarters.

In industrial and service enterprises employee jobs increased by 0.6 % quarter-on-quarter and 3.2 % on an annual basis; the overall amount of hours worked rose by 1.1% compared to the previous quarter and by 4.4 % compared to the same quarter of the previous year and hours worked per employee decreased respectively by 0.3 % and increased by 0.6 %. At the same time hours of short-time working allowance (CIG) fell from 15.3 to 12.5 per thousand hours worked. The growth of temporary employment agency jobs continued, with an increase by 5.6% quarter-on-quarter and by 7.4% on an annual basis.

The job vacancy rate in enterprises with at least 10 employees increased by 0.1 percentage points compared with the previous quarter while it remained unchanged on an annual basis.

The seasonally adjusted labour cost index per full time equivalent employee (FTE) decreased by 0.1% quarter-on-quarter due to a growth of 0.1% of wages and salaries and a reduction of 0.6% of the social security contributions. On an annual basis a 0.2% reduction is reported for labour costs, as the result of a 0.4% growth for the wages and salaries and a decrease of 2.1% in social security contributions.

The negative dynamics in social security contributions still reflected the significant reduction of social contribution for the new permanent employees' contracts in 2015 plus the reduction, albeit lower, for the new contracts of 2016.

In this quarter the "Focus on" at page 5 presents an in-depth analysis on the trends and characteristics of independent work through the analysis of the Labour force survey.

The methodological note presents the confidence intervals of sample estimates of non-seasonally adjusted key indicators on labour supply and of some indicators on labour demand.

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FIGURE 1. HOURS WORKED - TOTAL ECONOMY Q1 2011–Q3 2016, seasonally adjusted data, percentage change over the same quarter of the previous year



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

Q1 2011–Q3 2016, seasonally adjusted data, values (left scale) and absolute changes over previous period (right scale)

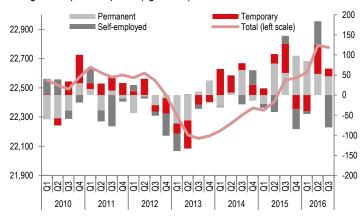


FIGURE 5. PER CAPITA HOURS WORKED (left scale) AND PERCENTAGE OF SHORT-TIME WORKING ALLOWANCE HOURS (right scale) FOR ENTERPRISES WITH AT LEAST 10 EMPLOYEES IN INDUSTRY AND SERVICES (B-S) Q1 2011 – Q3 2016, seasonally adjusted indices (2010=100) and percentage on 1,000 hours worked



FIGURE 2. EMPLOYED (left scale) AND UMPLOYMENT RATE (right scale) Q1 2011– Q3 2016, seasonally adjusted data, thousand and percentage rates

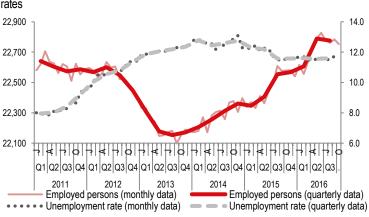


FIGURE 4. NUMBER OF JOBS IN INDUSTRY AND MARKET SERVICES (B-N) Q1 2011 – Q3 2016, not seasonally adjusted data, percentage change over the same quarter of the previous year (2010=100)

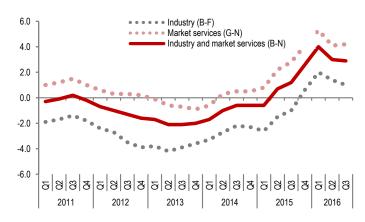


FIGURE 6. TEMPORARY EMPLOYMENT AGENCY JOBS (left scale) AND JOB VACANCY RATE FOR ENTERPRISES WITH AT LEAST 10 EMPLOYEES (right scale) IN INDUSTRY AND SERVICES (B-S) Q1 2011–Q3 2016, indices (2010–100) and seasonally adjusted percentage values



a focus on...

Self-employment trend and changing features

In the third quarter 2016 the self-employed were estimated in 5 million and 386 thousand. They have decreased by about 400 thousand units (-7.1%) to the same quarter of 2008; the decrease has mainly affected men and the aged 25-44. In the more recent period, after the increase in the second quarter 2016 (+1.1%) year-on-year, a new drop was recorded in the last quarter in this component of employment (-1.4%) which is now less than a quarter of the total (23.5%, it was 25.0% in the third quarter 2008). The self-employment reduction was associated with a significant modification of the inner structure of this important and articulated segment of employment. Self-employment is composed by diverse figures characterised by different degrees of autonomy, ranging from high for entrepreneurs to scarce for para-subordinates. Firstly the self-employed are to be differentiated between self-employed with and without employees: the former have to organise their employees' work and face a complex organizational context, the latter compose a heterogeneous group which can be characterised by the number of clients. The multi-client are more similar to the traditional self-employed, while the single-client are more vulnerable and exposed to risks deriving from the economic cycle. The self-employed group also includes para-subordinates, cooperative members and family workers.

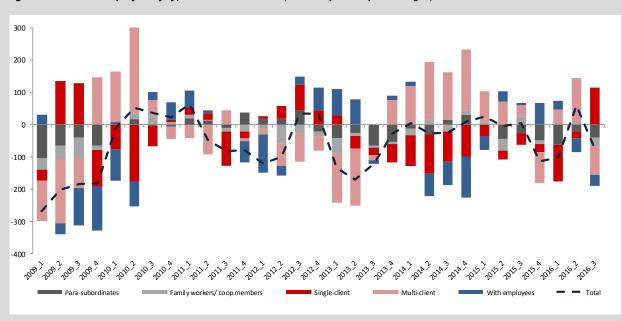


Figure 1 – The self-employed by type. Q1 2009- Q3 2016 (absolute year-on-year changes)

Source: Labour force survey

In the third quarter 2016 the self-employed with at least one employee were 1.4 million. The long lasting crisis which has affected the Italian economy, despite the last two-year recovery, has caused a decrease in this aggregate (-175 thousand units to 2008, -10.9%) that now accounts for 26.6% of the self-employed, and 6.3% of the employed as a whole (15.3% are entrepreneurs, the rest are professionals or freelancers). As for the average profile of the self-employed, men and the over-fifty have larger incidences in this group. The multi-client self-employed with no employees account for 2.6 million (11.2% of the employed), and they represent the most relevant share of self-employement (47.7%): men and the aged 35-49 have larger incidences. The single-client account for 741 thousand units, 13.8% of the self-employed (3.2% of the total). The two aggregates are substantially stable to the third quarter 2008, but have had an almost symmetrical trend in time. On the other hand, the self-employed drop in the last quarter has affected all categories excepted the single-client group which increased by 116 thousand units. More than 40% of the increase involved those who declared they do not autonomously decide their place of work and/or working time, configuring therefore a halfway situation between self and dependent employment. The number of para-subordinates has significantly decreased all along the crisis (-28% from the third quarter 2008 when they were 426 thousand) and has been permanently decreasing for the last six quarters. It is also the result of regulatory changes which have increased transitions towards employee status. The aggregate is made by 307 thousand units and represents 5.7% of the self-employed (1.3% of the employed), with higher incidences among women and young people.

The set of para-subordinates and cooperative members stands for 6.2% of the total self-employed, and 1.5% of the employed (336 thousand), even in this case characterised by a larger presence of women and young people. Nine cases out of ten are family workers, a component seriously affected by the crisis (-106 thousand, -25.7%) in comparison to the cooperative members' stability.

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 serviceemployees 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

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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.

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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.



Istat sources on employment

	National accounts	Istat Labour Force Survey	Business indicators (Oros and Large Enterprises Surveys)
Type of source	Estimates of labour input are the result of integration and comparison of different statistical sources and indirect methods of estimation.	Estimates of the number of persons employed, unemployed and inactive are provided by a sample survey of households. The sample is composed of more than 250,000 households residing in Italy (a total of approximately 600,000 individuals) distributed in about 1,200 municipalities.	Census-type survey carried out by integrating: • Administrative data for small and medium-size enterprises from the National Social Security Institute; • Data from the monthly survey on large enterprises with 500 employees and over (GI).
Target universe	The total regular and non- regular labour input, employed in the production units residing in the economic territory of the country. Permanent members of cohabitation are included.	Members of households residing in Italy. People living permanently in institutions (religious institutions, barracks, etc.) are excluded.	Active small, medium and large enterprises and private institutions with employees residing in Italy.
Unit of analysis	Aggregate estimates of domestic employed, jobs, hours worked and full time equivalents.	Persons aged 15 and over residing in private households. Since the first quarter of 2007, data on persons aged 15 have not contained information on employment and unemployment because the age of compulsory education has been raised by Law No 296/2006. The number of 15 years old employed or seeking employment is however traditionally negligible. Therefore, the change in the legislation did not imply any break in time series for the 15-64 age group.	Functional unit for large enterprises, enterprises/private institutions with employees for the other enterprises
Coverage	Input from employment and self-employment in all sectors of economic activity.	Employees and self-employed (with or without contract) in all sectors of economic activity.	Enterprises/private institutions with employees that in the reference quarter paid taxable wages and salaries for social security purposes, in the sectors of industry and services (NACE rev. 2 sections B-S, excluding O).
Frequency of data dissemination and geographical breakdown	 on a yearly and quarterly basis: estimates of labour input at the national level; yearly basis only: estimates of labour input at regional and provincial levels. 	monthly and quarterly: estimates of indicators at national level; quarterly: estimates of indicators at regional level; yearly: estimates of indicators at local level	Quarterly estimates of the indicators only at the national level
Reference period for the measurement of employment	Average employment of the period (quarter and year).	Week the information refers to (usually the one preceding the interview). Information gathered through a uniform distribution of the sample of households in every week of the year.	Monthly survey on employment. In particular, all payroll jobs under employment contracts are surveyed even if under a one-day contract in the reference month.

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Definition of employment

The labour input that contributes to the product produced by the system during the reference period is measured using three different definitions of employment:

- domestic employees (residents and nonresidents employed in domestic production units)
- · jobs (jobs held by domestic employees)
- Full time equivalent (FTE) (jobs reduced to standard full time equivalents). Furthermore, hours actually worked by all workers (total hours worked)

Employed and jobs include workers temporarily absent from work since benefiting from short time working allowance (CIG). The FTEs are calculated net of the CIG. The hours actually worked include overtime and exclude the hours of CIG, holidays, sickness and leaves.

Employed: people aged 15 and over who during the reference week have, at least, one of the following characteristics:

- · did at least one hour of work in any business (with or without a contract) that provides in return for remuneration in cash or in kind;
- · did at least one hour of unpaid work in the family business in which they work regularly;
- are absent from work (for example, on leave, sickness or short time working allowance):
- if absent from work for less than three months, or if during the absence they continue to receive at least 50% of wages or salaries.

Self-employed persons absent from work, excluding family workers, are considered employed if, during the period of absence, they continue to keep the business. Family workers are considered employed if their absence does not exceed three months. People without a contract (forms of illegal work) are also included.

The labour force survey does not disseminate data on illegal work. Estimates on the basis of these data are disseminated within the framework of the National Accounts.

Payroll jobs are the number of jobs occupied by employees (both full- or part-time) with an employment contract regardless of the amount of hours worked. Workers under regular contract by a production unit are included even if they are not temporarily working due to holidays, parental leaves, short-time working allowances, etc.

Main indicators

Domestic employees, jobs, hours worked and full equivalents time (FTE).

Employed (employees and self-employed), unemployed, inactive persons and related rates with social-demographic and geographical breakdown.

Index of average monthly payroll jobs, of wages and salaries, of labour cost