

Labour market

Fourth quarter of 2018

an integrated picture

The year 2018 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 drop in unemployed combined with the decrease in the number of inactive persons.

During the 2018, framework on employment worsened slightly. In the fourth quarter of 2018 employment decreased compared with the previous quarter, in a context of rising unemployment and decreasing inactivity. Such labour market dynamics reflected the decline in economic activity observed in the same period, characterized by a decline in Gdp (-0.1%) for the second consecutive quarter and after 14 quarters of expansion. As regards labour input, the GDP reduction was associated with diminishing hours worked on a short-term basis (-0.3%) and a slowdown in growth on an annual basis (+0.4%).

On the labour supply side, in the fourth quarter of 2018 employment decreased compared with the previous quarter (-36 thousand, -0.2%), as a result of a modest decrease of employees, in particular fixed-term employees, and a more accentuated reduction of self-employed. The employment rate remained stable at 58.6%. In the most recent monthly data (January 2019), net of seasonal effect, the employment rate remained static and the number of employees showed a slight increase compared with December 2018, as the result of a fall both of self-employment and fixed-term employees, more than offset by the increase of permanent employees.

The year-on-year trend showed a growth of 87 thousand employed people (+0.4% in one year), concentrated among temporary employees and self-employed (+200 thousand e +12 thousand, respectively), against the decline of permanent employees (-125 thousand). The incidence of temporary employees on the total number of employees reached 17.1% (+1.1 points) in 2018. The increase in full-time employment slowed down, whereas the number of part-time workers has increased again, as a result of the further increase of the involuntary component, whose incidence rose to 64.4% (+3.2 points) of part-time workers and to 12.0% of total employment.

In the yearly comparison, for the seventh consecutive quarter, the decrease in the number of unemployed continued albeit at a slower pace (-105 thousand in a year; -3.6%), involving both genders, all age groups and widespread throughout the geographical areas, with the exception of over-50. After the growth observed in the previous quarter, inactive people aged 15-64 decreased again (-100 thousand in a year; 0.8%). The unemployment rate increased in comparison with the previous quarter but decreased compared to the previous year, while inactivity rate (people aged 15-64) declined both in comparison with the previous quarter and with the previous year. Conversely, in the monthly data for January 2019, on a short-term basis, both the unemployment rate and the inactivity rate were stable at the same time.

In the flow data, permanence in employment showed a decrease, especially among young people aged 15-24 and people with a post-secondary school certificate. Transitions from non-employment were mainly towards inactivity and involved more often young people aged 15-24, men and the South and Islands area.

In enterprise data short-term signs of growth of labour demand were confirmed, with an increase in employee jobs by 0.3% on the previous quarter and by 1.8% year-on-year, derived from the growth both in industry and services. Compared to the increase in employee jobs, there was a decrease of hours worked per employee on a quarter over quarter basis (0.2%). A decrease of hours worked per employee was observed in comparison with the same quarter of the previous year (-0.8%). In addition, the use of short-time working allowance hours continued to decline. The job vacancy rate increased either compared with the previous quarter or year-on-year, respectively by 0.1 and 0.2 percentage points. Labour cost increased by 0.3% compared to the previous quarter and by 1.9% compared to the same quarter of the previous year, as a result of an increase in social security contributions (+0.3% on a short term basis and +4.5% on an annual basis) and in wages (+0.3% compared to the previous quarter and +1.0% on an annual basis).

 NEXT RELEASE: 13 June 2019

TABLE 1. LABOUR INDICATORS. Q4 2018, absolute values, percentage values and index numbers, percentage points changes

	Seasonally adjusted		Not seasonally adjusted data y-o-y (Q4 2018/Q4 2017)
	Value	Percentage changes (Q4 2018/Q3 2018)	
LABOUR INPUT (a) (b)			
<i>National Accounts</i>			
Hours worked (thousands)	10,911,636	-0.3	0.4
Agriculture	593,209	-1.9	-0.8
Industry excluding construction	1,883,772	-0.2	0.4
Construction	725,773	0.7	-0.3
Services	7,708,882	-0.3	0.5
LABOUR SUPPLY			
<i>Labour force survey</i>			
Employed (thousands)	23,212	-0.2	0.4
Employees	17,905	-0.1	0.4
Permanent	14,825	0.0	-0.8
Temporary	3,080	-0.3	7.0
Self-employed	5,307	-0.4	0.2
Employment rate (aged 15-64) (percent and percentage points changes)	58.6	0.0	0.4
15-34 years	40.8	-0.2	0.1
35-49 years	73.7	0.1	0.6
50-64 years	60.5	0.0	0.7
Unemployed (thousands)	2,746	3.3	-3.6
Unemployment rate (percent and percentage points changes)	10.6	0.3	-0.4
Inactive population (aged 15-64) (thousands)	13,216	-0.6	-0.8
Inactivity rate (aged 15-64) (percent and percentage points changes)	34.3	-0.2	-0.1
EMPLOYEE LABOUR DEMAND (a) (c)			
<i>Oros, Large enterprises and Vela Surveys</i>			
Number of jobs (index 2015=100)	109.7	0.3	1.8
Temporary employment agency jobs (d) (index 2015=100)	152.4	1.6	5.1
Hours worked (e) (f) (index 2015=100)	111.6	0.3	1.8
Per capita hours worked (c) (e) (index 2015=100)	100.4	-0.2	-0.8
Short-time working allowance hours per 1,000 hours worked (e) (absolute changes per 1,000 incidence)	nd	nd	-0.7
Job vacancy rate (e) (percent and percentage points changes)	1.2	0.1	0.2
EMPLOYEE LABOUR COST			
<i>Oros, Large enterprises and Vela, Contractual Wages and Salaries Survey</i>			
Gross wages and salaries (a) (c) (index 2015=100)	102.0	0.3	1.0
Social security contributions (a) (c) (index 2015=100)	103.2	0.3	4.5
Labour cost (a) (c) (index 2015=100)	102.3	0.3	1.9
Cash wages according to collective labour agreements (monthly average in euros) (g)	2,626	-	1.8

(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 2018)

In the fourth quarter of 2018, the quarter-on quarter dynamics of the labour market showed a decrease in employment, linked with an increase in unemployment and a decrease in inactivity.

The labour input used as the whole by the economic system (expressed in hours worked as in the National Accounts) decreased by 0.3% quarter over quarter and increased by 0.4% year on year.

Employment estimated with the Labour Force Survey, equal to 23,212 million people net of seasonal effects, was on the decrease compared with the previous quarter (-36 thousand; -0.2%). The decline affected the Centre and especially the South and Islands area (-0.3% and -0.8% respectively) compared with an increase in the North (+0.2%).

The employment rate was stable at 58.6%, as a result of a decrease for men (-0.2 points) and a slight increase for women (+0.1 points). Moreover, a moderate growth in the North (+0.1 points) and the stability observed in the Centre were in contrast with the decrease in the South and Islands (-0.2 points).

The short-term increase of the number of employed people was the result of a modest decrease of employees (-13 thousand, -0.1%), in particular fixed-term employees, and a more accentuated fall of self-employment (-23 thousand, -0.4%).

The unemployment rate grew in quarter over quarter terms at 10.6% (+0.3 points), after two consecutive quarters of decrease. The inactivity rate declined at 34.3% (-0.2 points) in three months.

In industrial and service enterprises the employee jobs increased by 0.3% on a quarter over quarter basis and 1.8% on a year on year basis; the number of hours worked rose by 0.3% compared to the previous quarter and by 1.8% compared to the same quarter of the previous year. The per capita hours worked decreased both quarter-on-quarter and year-on-year basis, respectively by 0.2% and 0.8%. At the same time short-time working allowance hours fell from 6.9 to 6.2 per thousand hours worked. Temporary employment agency jobs showed a positive variation of 1.6% compared to the same quarter of the previous year, while on an annual basis they showed a marked rise by 5.1%.

The job vacancy rate in enterprises with at least 10 employees increased both with reference to the previous quarter and on an annual basis, respectively by 0.1 and 0.2 percentage points.

The seasonally adjusted index of labour costs per full time equivalent (FTE) increased on a short term basis by 0.3%, as a result of a same increase in term of wages and salaries and of social security contributions, while, on a yearly basis, labour costs showed an increase by 1.9%, with a 1% growth of wages and salaries and 4.5% of contributions.

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 2018. Labour supply data are disseminated also at the provincial, metropolitan cities and municipalities level in the "Focus on" at page 5 "The territorial trend of labour force in 2018".

FIGURE 1. HOURS WORKED - TOTAL ECONOMY Q1 2013–Q4 2018, seasonally adjusted data, percentage change over the same quarter of the previous year

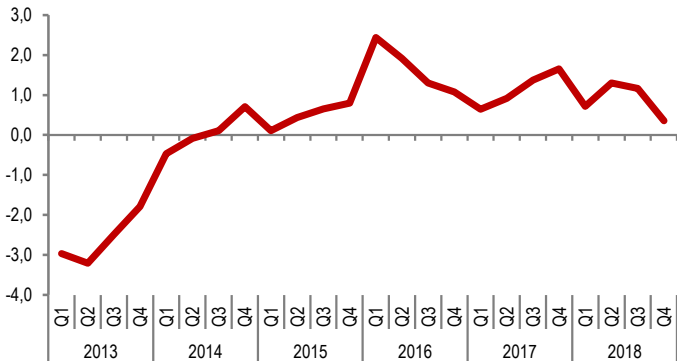


FIGURE 2. EMPLOYED (left scale) AND UNEMPLOYMENT RATE (right scale) Q1 2013– Q4 2018, seasonally adjusted data, thousand and percentage rates

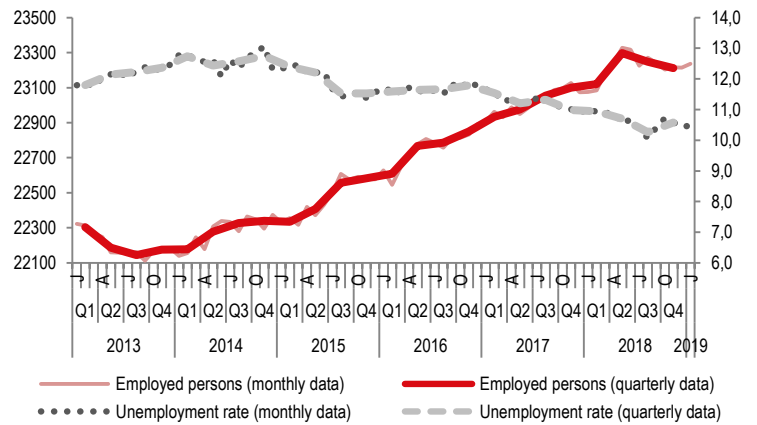


FIGURE 3. EMPLOYEES (PERMANENT AND TEMPORARY) AND SELF-EMPLOYED Q1 2013–Q4 2018, seasonally adjusted data, values (left scale) and absolute changes over previous period (right scale)

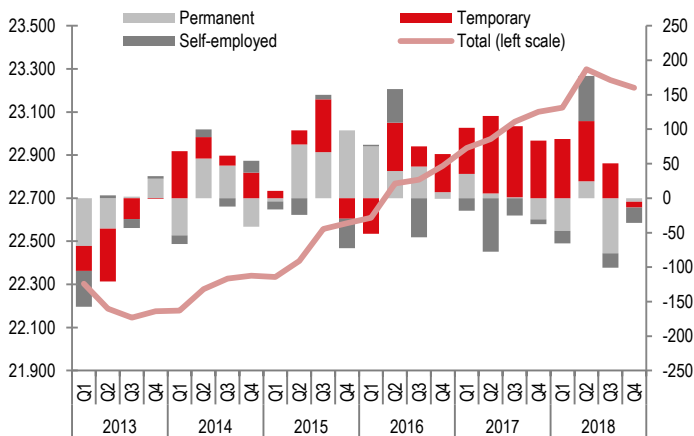


FIGURE 4. NUMBER OF JOBS IN INDUSTRY AND MARKET SERVICES (B-N) Q1 2013 – Q4 2018, not seasonally adjusted data, percentage change over the same quarter of the previous year (2015=100)

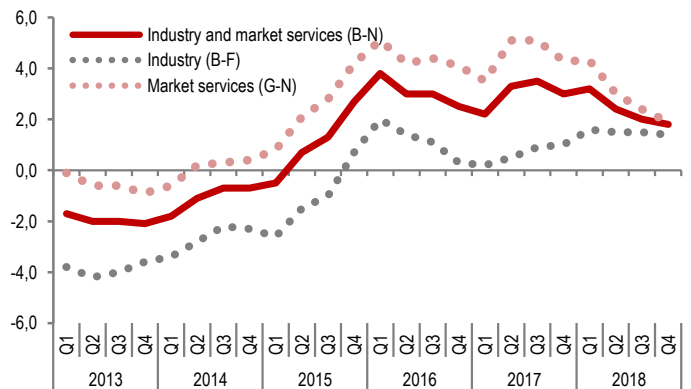


FIGURE 5. PER CAPITA HOURS WORKED (left scale) AND PERCENTAGE OF SHORT-TIME WORKING ALLOWANCE HOURS (right scale) FOR ENTERPRISES WITH AT LEAST 10 EMPLOYEES IN INDUSTRY AND SERVICES (B-S) Q1 2013 – Q4 2018, seasonally adjusted indices (2015=100) and percentage on 1,000 hours worked

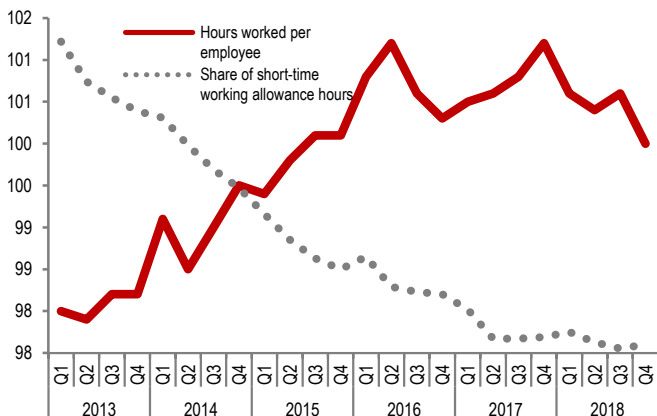
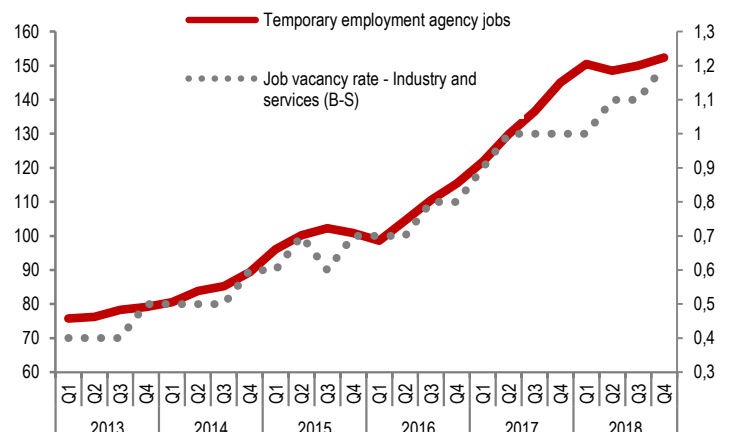


FIGURE 6. TEMPORARY EMPLOYMENT AGENCY JOBS (left scale) AND JOB VACANCY RATE FOR ENTERPRISES WITH AT LEAST 10 EMPLOYEES (right scale) IN INDUSTRY AND SERVICES (B-S) Q1 2013–Q4 2018, indices (2015=100) and seasonally adjusted percentage values



focus on

The territorial trend of labour force in 2018

The annual average data enable to analyze the trend of labour market indicators with a higher degree of territorial detail. Overall, 2018 was characterized by a similar increase in employment for the three geographical areas. The employment rate of the aged 15-64 increased in the North by 0.6 points, in the Center and in the South and Islands by 0.5 points. However, while in the Center-North the employment rate reached higher levels compared to 2008, getting to 67.3% in the North and 63.2% in the Center, in the South and Islands it was lower by 1.5 percentage points (44.5%). In 2018 unemployment also decreased in all geographical areas, but differences remained strong: the rate in the South and Islands (18.4%) was almost three times that of the North (6.6%) and almost twice that of the Center (9.4%).

In the North the employment rate increased in all regions compared to 2017: the highest increases were in Emilia-Romagna, Valle d'Aosta, the Autonomous Province of Trento and in Piemonte (respectively +1.0, +0.8 and +0.7 points for the last two). All the North regions, exception made for Liguria and Emilia-Romagna, exceeded the 2008 levels, at times with substantial increases as in the case of the autonomous provinces of Bolzano and Trento (+3.1% and +2.3 points). The unemployment rate was reduced to the previous year in all regions except in Liguria and Veneto (where it grew by 0.4 and 0.1 points) and Friuli-Venezia Giulia (where it kept unchanged).

At the provincial level, the most significant increases in the employment rate were in Rimini, Vicenza, Vercelli, Ravenna, Rovigo, Padua and Imperia (with variations between + 4.9% and +2.2 points); the most noticeable drops were reported in the metropolitan city of Venice (-3.0 points) and in the province of La Spezia (-1.9 points). The highest decreases in the unemployment rate were estimated in Novara and Padua, Vercelli, Forlì-Cesena (between -2.7 and -2.2 points), while it grew more in the provinces of Treviso, Trieste, Savona, Verona and in the metropolitan city of Venice (between +2.4 and +1.0 points). The employment rate increased in all large municipalities of the North with except in Venice (-2.7 points) with stronger increases in Turin and Bologna (+3.2 and +2.6 points, respectively). In Turin was also the one with the drop in the unemployment rate (-0.9 points), while Genoa was stable and in other large municipalities of the North were still slightly increasing.

In the regions of the Center the employment rate grew above all in Marche (+2.5). Toscana and Lazio exceeded the 2008 levels (respectively +1.3 and +0.7 percentage points); on the contrary in Umbria the indicator was 2.3 points below the 2008 figure. Lazio was the only region in the Center with an increase in the unemployment rate (0.5 points) to the previous year. In Marche there was a significant decrease (-2.5 points). At the provincial level, the highest increases in the employment rate were recorded in Ancona, Massa Carrara, Fermo and Pistoia (with increases between 4.1 and 3.2 points), while the most relevant declines were in Arezzo and Latina (-3.1 and -1.8 points respectively). The unemployment rate sharply dropped in the provinces of Massa Carrara, Ascoli Piceno, Pistoia and Ancona (with decreases between 5.7 and 3.7 points) while the highest increase was reported in the province of Latina (+2.7 points).

The municipality of Florence showed a strong positive change in the employment rate (+2.4 points) and a negative change in the unemployment rate (-3.8 points), while in Rome employment rate was stable and unemployment rate +0.5 points.

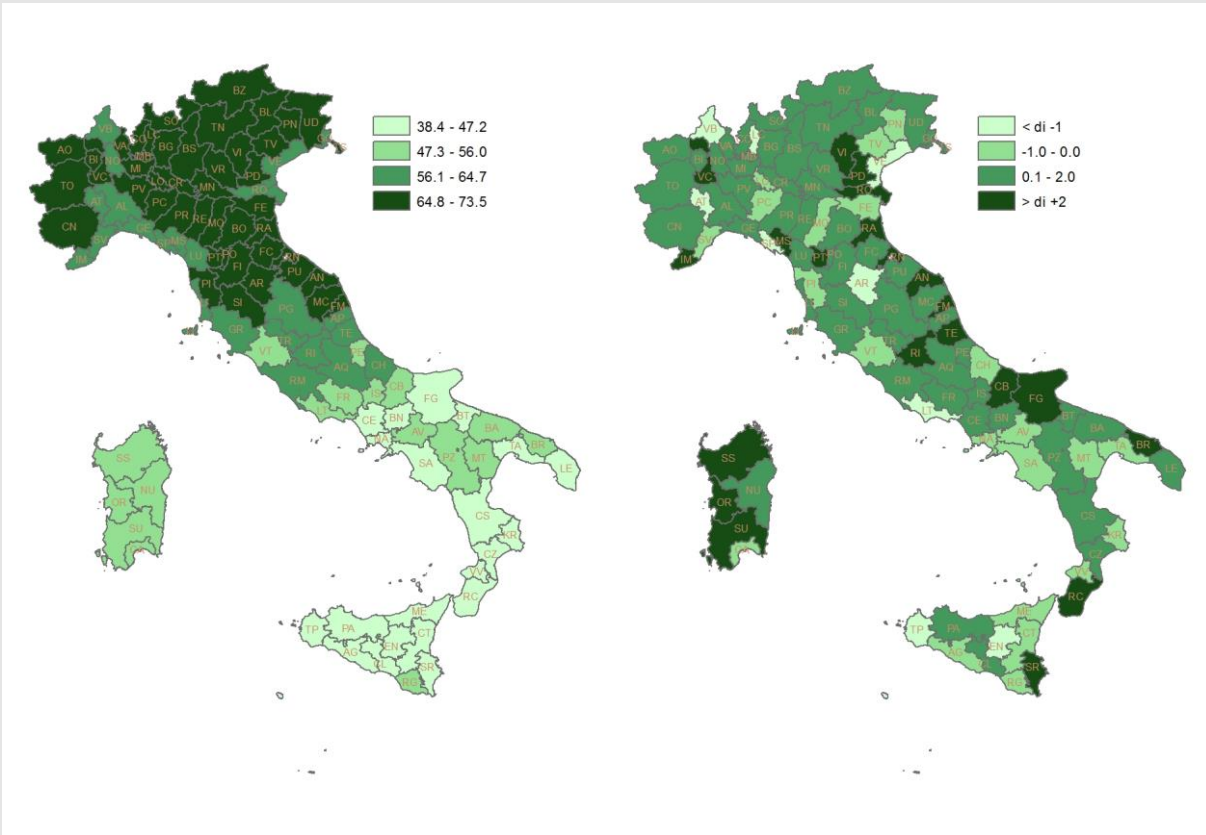
In the South and Islands area the employment rate growth affected all regions except Campania (-0.4 points) and Basilicata (-0.1 points). The most marked increases were in Sardinia and Molise (respectively +2.3 and +1.7), followed by Calabria, Abruzzo and Puglia (+1.3, +1.2 and +1.0 points). Among the South regions of Italy, Sardinia only exceeded the 2008 employment rate (+0.4 points), and for Basilicata the deviation was minimal (-0.2 points). The unemployment rate decreased in almost all regions to 2017, and particularly in Puglia (-2.8 points). In Calabria and Sicilia, on the other hand, the indicator remained unchanged.

Among the provinces of the South and Islands area, there were relevant increases in the employment rate - between 5.2 and 3.3 points - in Oristano, South-Sardinia, Teramo, Sassari, and Siracusa. The most marked reduction in the employment rate occurred in the provinces of Enna and Trapani (-1.4 and -1.2 points). The unemployment rate reduced to a greater extent (over 4 points) in the provinces of Oristano, Lecce and Brindisi; on the contrary, growth was higher in Agrigento, Cosenza and Isernia (+4.6, +2.3 and +2.0 points).

In the large municipalities of the South, the employment rate increased everywhere except for Catania, where was stable and for Messina (-2.7 points); the growth of the indicator was also higher in the municipality of Bari (+1.2 points). The unemployment rate decreased in all large municipalities of the South, except for Messina (+0.3 points).

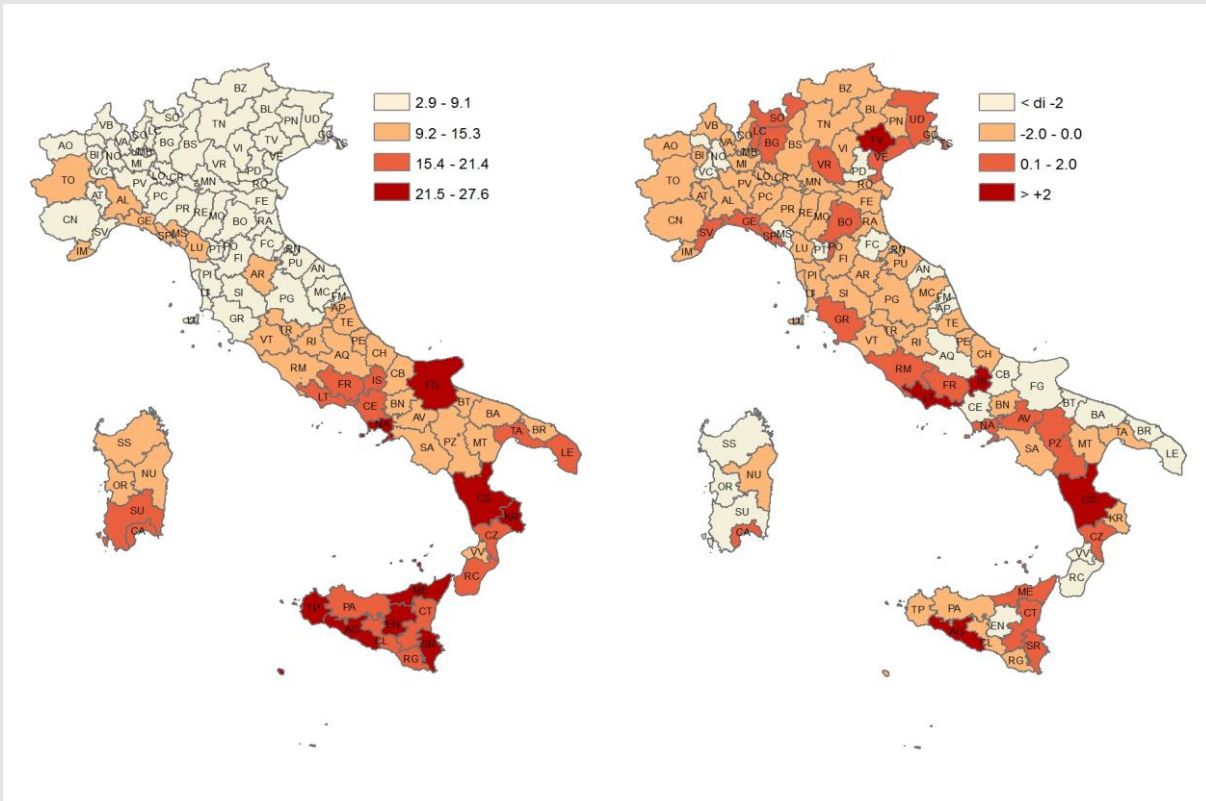
EMPLOYMENT RATE (AGED 15-64) BY PROVINCE

Year 2018, percentage values and percentage point change over 2017



UNEMPLOYMENT RATE BY PROVINCE

Year 2018, percentage values and percentage point change over 2017



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 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 2015=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 2015=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)