

Italy and the European context in the two years of the pandemic¹

Over the last two years, the *COVID-19* pandemic has deeply changed many aspects of the daily lives of individuals, families, the organisation of society and the working world, bringing about new arrangements and continuous changes that, in turn, have affected health, education, work, the environment and services and, last but not least, the well-being of individuals. The report provides an overall picture of well-being over the two years of the pandemic, analysing each domain of well-being, and examining differences in its evolution between population groups and between territories. *COVID-19* has indeed had far-reaching consequences on the way people live, work and relate to others, but the impact varies depending on where people live, their gender, age and level of education.

In order to provide a complete picture of well-being in Italy, two years after the start of the pandemic, we analyse the system of indicators, subdivided into 12 domains, launched in 2010 by Istat together with Cnel to measure equitable and sustainable well-being. It consists of 153 indicators that have been adapted over time to the changes taking place, also making use of the introduction of new questions in existing surveys.

Thanks to this design work, as of 2021 the questionnaire of the Aspects of Daily Life Survey has been supplemented with new questions that allow us to deepen the analyses presented in this Report by monitoring new phenomena, such as the experience of distance or integrated teaching, with the quantification of attendance and assessment of the difficulties encountered by pupils, and work from home and its particular features. The new questions also respond to the need for more evidence to assess the impact of the pandemic on the economic well-being of households, by investigating the cash aid or loans that households have needed in the past year to meet expenses related to household needs, and the possible loss of income in the household as a result of *COVID-19*. As of 2021, information on the population's sense of confidence in new categories of practitioners and experts, such as physicians and other National Health Service personnel, and scientists, has also been enhanced.

Continuing with the innovations in terms of information content, the 2022 edition of the Aspects of Daily Life Survey, which is currently in progress, has included a new set of questions on *sentiment* towards democracy, in order to capture any changes over time that might prelude intolerant social climates that are particularly negative from the perspective of the citizens' well-being. The indicators will be included in next year's Bes Report by introducing a special domain.

Another key aspect for the analysis of well-being is the deepening of the territorial analysis, with the need to expand the set of indicators available also at the sub-regional level. In particular, in order to have a higher number of indicators, also of a subjective nature, at a finer territorial level, a set of questions on well-being has been included in the Permanent Population Census from 2022. This will provide data on life satisfaction, frequency of internet use, people one can rely on and crime and sense of safety in the area where one lives.

Also in terms of the quality of production processes linked to well-being and sustainability measures, the work of organising the indicators of the BES system, the SDGs and the BES

¹ This chapter was edited by Romina Fraboni and Alessandra Tinto, with contributions from: Luisa Frova, Francesco Grippo and Laura Iannucci.

of the territories into an integrated database has been further extended, with considerable advantages in terms of harmonisation of the databases and metadata, as well as of the procedures for processing, monitoring and dissemination of the indicators of the three systems.

Well-being outcomes have been called a "moving target" by the OECD, especially during pandemics. Often, the assessment of the annual average hides significant differences, when, for example in Italy, in a year such as 2020 we have gone from a situation of "normality", to the March lockdown, to the summer re-openings, and back to the autumn restrictions. In this context, it is more useful than ever to have timely and frequent data. In response to this emerging need, the European Statistical System has made considerable efforts to ensure the continuous production and dissemination of statistics, both with timely mortality data and with an investment in expanding the quarterly production of socio-economic indicators, to track economic and social developments during the recovery from the pandemic in Europe. The collection of this information, started in 2022, will make it possible to have even quarterly data on subjective well-being and economic conditions of households from the next Bes report.

The difficult situation brought about by *COVID-19* has affected all European countries, but with different intensities and different trends over time. In the following paragraphs, we will focus on the description of the development of the pandemic and the resulting employment crisis, with the aim of providing an overview of the context of these last two years in Italy and the rest of Europe. It is these two aspects - the health emergency on one hand, and the employment crisis on the other - that have seriously conditioned the last two years, leading to strong repercussions on the well-being of individuals. The comparison based on some key indicators allows us to highlight Italy's position in the European context in terms of gaps.

An analysis of the trend of the pandemic is offered by examining its effects in terms of excess mortality and drop in life expectancy. The situation in Italy is compared with that in Europe and with the countries that together with Italy make up two-thirds of the European population: Germany, France, Spain and Poland. In addition, the employment crisis that has accompanied the health crisis will be examined, paying particular attention to young people and gender differences.

1. Evolution of life expectancy and excess mortality in 2020 and 2021

In 2020, life expectancy falls in most European countries. Italy remains at the top of the ranking but loses a few positions

After decades of continuous increases in average life expectancy in Europe², in 2020 the impact of the increased mortality risk due to *COVID-19* led to a substantial decline in life expectancy at birth in most European countries, with 1.6 years lost in Spain, 1.2 years lost in Italy and Belgium, 0.8 in Sweden and 0.7 in France. The decrease is particularly marked in many Eastern European countries (- 1.5 years in Bulgaria and - 1.4 in Poland, Lithuania

² The only exception was the slight decrease in 2015, due to particularly virulent and more fatal influenza events for those countries with a high prevalence of frail elderly people such as Italy, but also for France, Spain and Germany. The loss was 0.3 years on average and 0.5 in Italy, where the decline was already recovered in 2016.

and Romania), which started from low life expectancy values in the pre-pandemic period. The years lost in Italy and Spain, at the top of the European ranking of life expectancy at birth, resulted in the loss of some positions. For males, Italy, second in 2019 after Sweden, dropped to fourth place in 2020, while Spain dropped from fourth to sixth place. The biggest drop for males in the countries at the top of the ranking was in Italy and Spain (which, with reductions of -1.3 and -1.4 years, moved down to a life expectancy of 80.1 and 79.7 years respectively). Even for females, Italy moved from third to fourth place (with a life expectancy at birth of 84.7 in 2020, -1 year comparing to 2019) and Spain, with a loss of 1.6 years, passed to the second position (85.1 years of life expectancy in 2020), overtaken by France (85.3). In neither of the two countries, such loss has ever been observed in the last 50 years.

To analyse mortality trends over the two pandemic years through international comparisons, it appears preferable to look at statistics on overall mortality, as those based on deaths caused by *COVID-19* may be affected by differences in the procedures for measuring this phenomenon in different countries while data on total deaths are generally reported in a more standardised manner.

To provide a tool for monitoring deaths in European countries during the pandemic, in support of European policies and research, Eurostat has made available, as of April 2020, very timely information on the weekly number of deaths. Data on total weekly deaths, transmitted by national statistical offices to Eurostat on a voluntary basis, are available by gender, five-year age groups and NUTS3 region for almost all countries. In addition to data from the pandemic period, time series of weekly deaths have also been made available, often since 2000, to make time comparisons and to compare excess mortality to the pre-pandemic period.

Estimates of excess mortality are useful to understand the impact of *COVID-19*, not only on deaths directly attributable to the virus, but also to account for indirect mortality, related to the interruption and partial functioning of health services that had to cope with extraordinary conditions, and broader economic, social and behavioural changes in the population³.

Italy, the oldest country in Europe

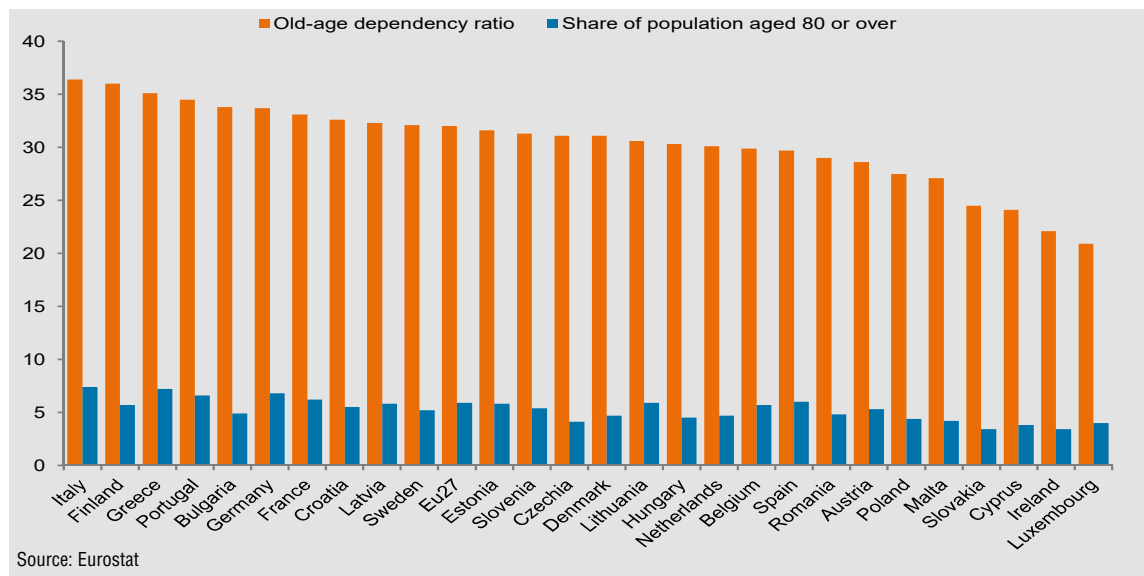
As is well known, excess mortality is usually calculated on the absolute numbers of deaths. However, in order to take into account of the differences in the age structure of the populations of the European countries, in this section, the analysis is based on the age-standardised mortality rates⁴. In fact, as can be seen from Figure 1, the old-age dependency ratio

3 Kaczorowski, J., and C. Del Grande. 2021. "Beyond the tip of the iceberg: direct and indirect effects of COVID-19". *The Lancet Digital Health*, Volume 3, Issue 4: E205-E206; Morgan, D. et al .2020. "Excess mortality: Measuring the direct and indirect impact of COVID-19". *OECD Health Working Papers*, No. 122. Paris, France: OECD Publishing. <https://dx.doi.org/10.1787/c5dc0c50-en>.

4 The standardisation of the rates was carried out by the direct method, i.e. by multiplying the age-specific rates calculated for five-year age classes (starting with the 0-4 age group with the last open class of 85 years and older) by the weights of each age class according to the 2013 European standard population and summing the products obtained. In this way, standardised rates were calculated in each week of the period 2020-2021 (week 1 to week 52, the calculation was not performed for week 53 in the year 2020) and overall for each of the years 2020 and 2021. These rates were then compared with the average rates for the same week or the entire year of the period 2015-2019, calculated using the same standardisation method. The percentage change from the average rate of 2015-2019 was used as a measure for comparing the rate with the previous period. The denominators for the calculation of the (exposed) weekly rates were obtained by summing for each week from the population on 1 January of each

(i.e. the percentage ratio between the population aged 65 and over and the population of working age 15-64) and the percentage of the population aged 80 and over range from the highest values observed in Italy (36.4% and 7.4% respectively) to the lowest values in the youngest countries, such as Luxembourg, with the lowest value of the dependency ratio (20.9%), and Ireland and Slovakia, with the lowest percentage of the population aged 80 and over (3.4%).

Figure 1. Old-age dependency ratio and proportion of population aged 80 years and over in the Eu27 countries. Population at 1st of January 2020



In 2020, mortality in Italy was among the highest in Europe, but among the lowest when adjusting by age

When looking at the raw mortality rate, Italy, with 1,236 deaths per 100,000 inhabitants, was among the countries with the highest number of deaths per inhabitant in 2020, compared to the European average of 1,161 deaths per 100,000 and to neighbouring countries, 986 in France and 1,031 in Spain (Table 1). However, the high Italian mortality is largely the effect of the higher proportion of elderly people in Italy. In fact, considering the standardised mortality rate, which eliminates the differences in the age structure between the various countries, Italy is among the last places in the European mortality ranking with a value of 933 deaths per 100,000 inhabitants against an EU27 average of 1,040. Italian values are slightly higher than those of countries such as France (852), Sweden (888) and Spain (899). In 2021, the death rate in Italy was 1,173 per 100,000 inhabitants, which is slightly lower than the European average of 1,190. The standardised rate decreased compared to

year, the average weekly change in the population between the reference year and the following year: for year y : $1/52 * (\text{population on 1 January of year } y+1 - \text{population on 1 January of year } y)$. Ireland was excluded from the calculation of standardised rates for Europe (EU27), as data on deaths were not available, and Germany was excluded only for ages 0-39 as deaths were not available for this age group. Only for Romania deaths in week 52 of 2021 were not available, so, to obtain the complete series, the deaths in that week were estimated equal to those in the previous week.

2020 and was 876 deaths (the EU27 average was 1,052 per 100,000).

If we consider the population aged 65 years and over, Italy maintains, both in 2020 and in 2021, standardised rate values lower than the European average (respectively 4,198 and 3,098 deaths per 100,000 inhabitants in Italy compared to 4,486 and 4,494 in EU27), overtaken by Germany (4,378 in 2021); the rates of France and Spain are, instead, more contained (respectively 3,550 and 3,574 in 2021).

In the younger population, aged 0-64, Italy is the country in Europe with the lowest levels of mortality (the standardised rate is 142 deaths per 100,000), after Sweden (120).

Table 1. Raw and standardised mortality rates for EU27 countries and age groups. Years 2020, 2021 and average 2015-2019 (a). Values per 100,000 inhabitants

Territory	Raw mortality rates (per 100,000 inhabitants)				Standardised mortality rates (per 100,000 inhabitants)					
	Total		65 years and over		Total		65 years and over			
	2020	2021	2020	2021	2020	2021	Average 2015-2019	2020	2021	Average 2015-2019
EU27	1,161	1,190	4,713	4,723	1,040	1,052	986	4,486	4,494	4,208
Belgium	1,092	970	4,904	4,221	1,030	912	938	4,543	3,953	4,056
Bulgaria	1,776	2,162	6,517	7,803	1,723	2,056	1,560	7,119	8,421	6,435
Czech Republic	1,195	1,295	5,018	5,312	1,294	1,368	1,181	5,679	5,911	5,114
Denmark	931	978	3,997	4,161	959	984	1,006	4,243	4,371	4,409
Germany	1,173	1,220	4,614	4,738	4,311	4,378	4,324
Estonia	1,180	1,406	4,705	5,572	1,119	1,311	1,155	4,578	5,397	4,721
Greece	1,219	1,348	4,745	5,136	967	1,059	950	4,199	4,550	4,107
Spain	1,031	950	4,554	4,085	899	820	815	3,970	3,574	3,562
France	986	976	4,060	3,942	852	838	820	3,628	3,550	3,446
Croatia	1,395	1,552	5,529	6,024	1,327	1,450	1,287	5,774	6,285	5,559
Italy	1,236	1,173	4,762	4,443	933	876	853	4,198	3,908	3,802
Cyprus	710	772	3,627	3,896	912	966	937	4,068	4,327	4,239
Latvia	1,503	1,812	5,692	6,783	1,410	1,667	1,426	5,642	6,683	5,622
Lithuania	1,540	1,679	5,938	6,480	1,440	1,550	1,375	5,726	6,222	5,427
Luxembourg	726	704	4,126	3,875	907	864	887	4,045	3,806	3,915
Hungary	1,431	1,589	5,667	6,087	1,484	1,620	1,424	6,147	6,578	5,833
Malta	776	772	3,541	3,481	879	851	874	3,907	3,780	3,865
Netherlands	958	970	4,247	4,205	995	987	953	4,496	4,428	4,264
Austria	1,005	1,006	4,519	4,429	976	966	926	4,340	4,263	4,077
Poland	1,249	1,370	5,316	5,633	1,358	1,459	1,205	5,667	6,020	4,909
Portugal	1,188	1,207	4,587	4,599	990	989	953	4,291	4,284	4,112
Romania	1,531	1,744	6,193	6,919	1,600	1,796	1,464	6,507	7,297	5,941
Slovenia	1,131	1,090	4,765	4,446	1,075	1,020	976	4,777	4,463	4,217
Slovakia	1,066	1,322	4,888	5,875	1,332	1,604	1,300	5,640	6,728	5,443
Finland	996	1,028	3,810	3,897	902	911	929	3,902	3,968	4,025
Sweden	912	847	4,093	3,760	888	817	875	4,059	3,707	3,955

Source: Istat, Elaboration on Eurostat data

(a) Provisional data. The European average does not include data for Ireland because they are not available, while for Germany data are considered only for ages 65 and over, as deaths for ages 0-39 are not available on the Eurostat DB.

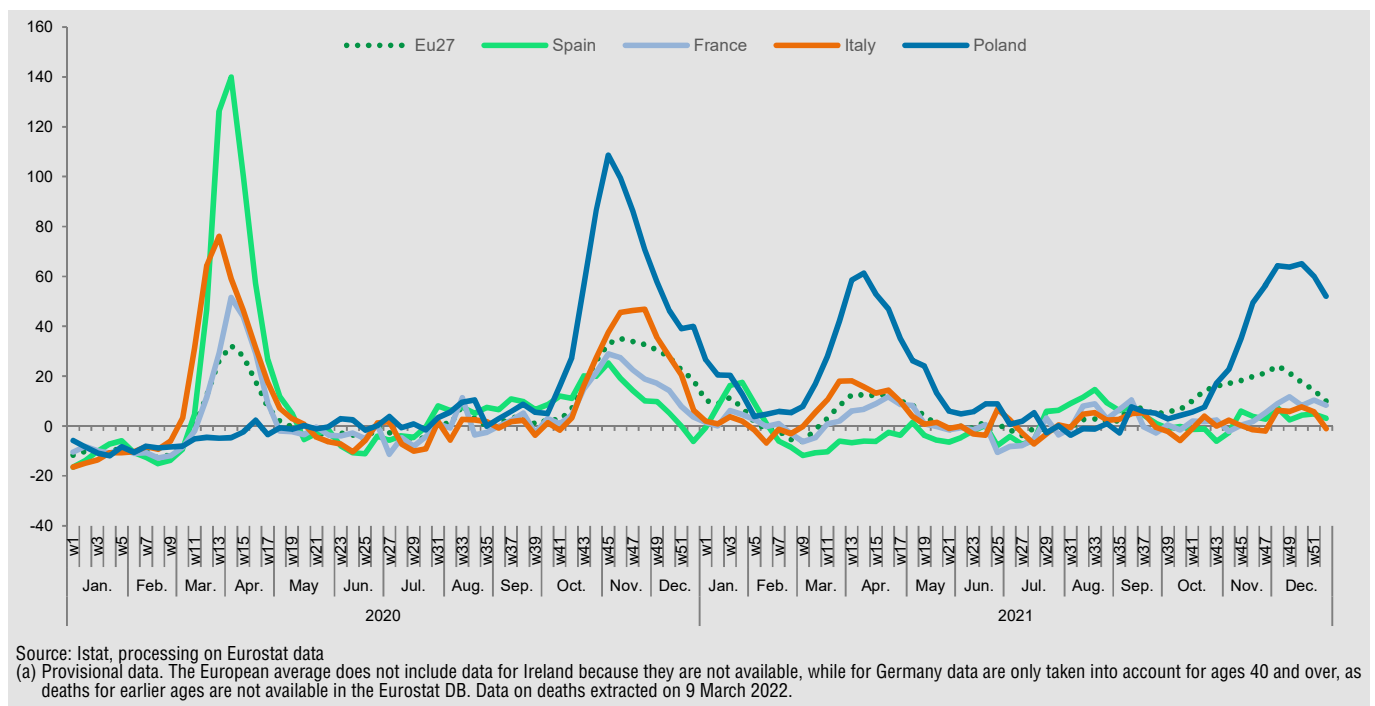
With the pandemic, Italy lost part of its pre-existing mortality advantage

Although in 2020 and 2021 Italy had lower standardised mortality rates than many European countries, the values observed in the last two years are a sharp increase compared to the average values of the five years preceding the pandemic (years 2015-2019). Italy, in fact, has generally enjoyed very low mortality rates and in the 2015-2019 period ranked among the lowest in Europe for standardised mortality levels, together with Spain and France. During the pandemic, however, part of this advantage was lost.

Italy suffered most from the first wave of the pandemic

In order to highlight the extent of the pandemic's effects on mortality in the most acute phases of the outbreak, the weekly changes in the standardised mortality rate in 2020 and 2021 compared to the reference period 2015-2019 were analysed; this is considered in this paragraph as a measure of excess mortality. The analysis conducted at weekly intervals, which allows for differences in the seasonal mortality patterns of the analysed countries⁵, shows that the first wave of the *COVID-19* pandemic, in Europe, had its effects in terms of excess mortality starting in March 2020, when a surge in mortality was observed in some countries (Figure 2). Comparing the weekly standardised rate with the average 2015-2019 rate for the same period, the first country in terms of time where a rapid increase was observed was Italy, where the percentage change in the standardised rate compared to the 2015-2019 average rose to +31.3% in the week of the 9th of March and reached the peak of the first wave two weeks later (+76.1%). This was followed by Spain, which reached the highest peak among European countries at +139.9% at the beginning of April (week 14). Among the countries experiencing the first wave in April were Belgium (+92.3% in the first half of April) and the Netherlands (+64.8% in the same period). This resulted in a European average peak of +32.3 in the week beginning 30 March 2020. Eastern European countries did not record higher mortality rates at this stage than the average in the pre-pandemic period, see for instance Poland in Figure 2.

Figure 2. Percentage change in age-standardised weekly death rates in selected European countries and the Eu27 average compared to the average 2015-2019 deaths (a). Years 2020 and 2021. Percentages



5 Office for National Statistics - ONS. 2021. *Comparisons of all-cause mortality between European countries and regions: data up to the week ending 3 September 2021.*
<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/articles/comparisonsofallcausalitybetweeneuropeancountriesandregions/datauptoweekending3september2021>

During the summer period, between May and July 2020, mortality rates gradually returned to normal across the EU27, but between August and September, a second pandemic wave began, with the change in the EU27 mortality rate reaching +35.0 % in the second week of November 2020 (week 46), the highest average European change in 2020. This second wave was milder for the countries most affected by the first one (in Italy, however, the peak rose to +46.8 in November - week 48) and showed a geographic prevalence among Eastern European countries; Poland, Bulgaria, Slovenia and the Czech Republic more than doubled (between week 45 and 48) the 2015-2019 average standardised rate for the same weeks. In 2021 the excess mortality followed a similar trend but with less pronounced peaks than in 2020, which could be due to several factors, including the impact of the start of the *COVID-19* vaccination campaign.

The third pandemic peak was reached on average in April 2021 (+12.4% between weeks 13 and 16 of 2021), then decreased and the variation compared to the 2015-2019 average was almost zero in the summer period. In 2021, Italy reached its annual peak of excess mortality between March and April, with +17.9%, which is not negligible but much lower than observed in 2020. The highest peaks were again observed among the Eastern countries, with Poland showing a peak of more than +60% in April, which extended for about three months. After the summer of 2021, the weekly mortality trend, which had returned to its average values, reversed and the EU27 rate started to increase again in September, reaching the peak of the fourth wave, +24.1%, in early December 2021. In 2021, it was once again the Eastern European countries that showed the most marked mortality excesses, with Romania reaching the highest value of mortality rate change with +121.6% in the second half of October 2021 (week 42 of 2021), followed by Bulgaria and Slovakia (+90.5% in week 44 and +74.6% in week 49 of 2021, respectively). Poland once again recorded a peak of more than +60% in December, which lasted for almost two months.

Also for people under 65 years of age, mortality excesses were very high in Italy in 2020 and in the rest of Europe in the 2 years

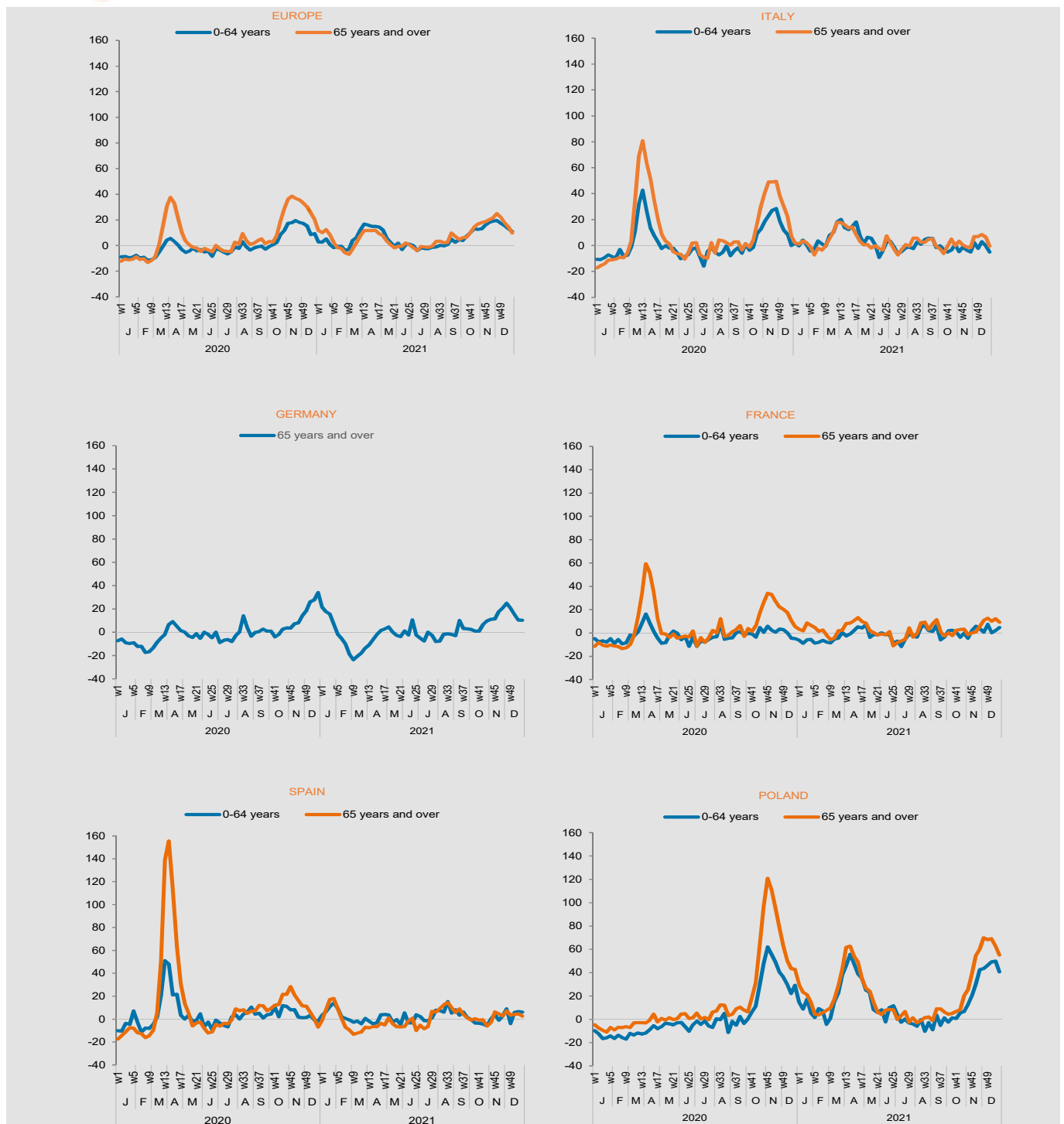
Since in Italy and in most European countries the overall excess mortality is mainly due to the increase in deaths among the elderly, it is interesting to analyse this indicator separately for people aged 0-64 and for those aged 65 and over.

In general, in all countries, the excess mortality calculated on the standardised rate was higher in the age group 65 and over than in the age group 0-64 (Figure 3)⁶. However, there was also an increase of the standardised rate compared to 2015-2019 among younger people. The highest value relative to the European average was +19.5 % in the second half of November 2020. In 2021, the European average peak for mortality among 0-64-year-olds was recorded in the first half of April with a change in the standardised rate of more than 16%. Even though, especially in the first two waves of the pandemic, the change in the standardised mortality rate compared to the pre-pandemic five-year period was significantly higher among the over-65s in Italy, this change is not negligible even among the under-64s. In fact, while maintaining particularly low mortality rates compared to the European average in the 0-64 age group, in the last week of March 2020 Italy recorded a

⁶ Exceptions include the two excess peaks observed in Hungary in 2021 (April and November), where the excess of the very young exceeds in value the excess of the over-65s.

positive change in the standardised rate, that was +42% higher than in 2015-2019 among 0-64 year-olds, while it was +80% higher among the elderly.

Figure 3. Percentage change in age-standardised weekly death rates in selected European countries and the Eu27 average compared to the average 2015-2019 deaths, broken down by age groups 0-64 and 65 and over (a). Years 2020 and 2021. Percentages



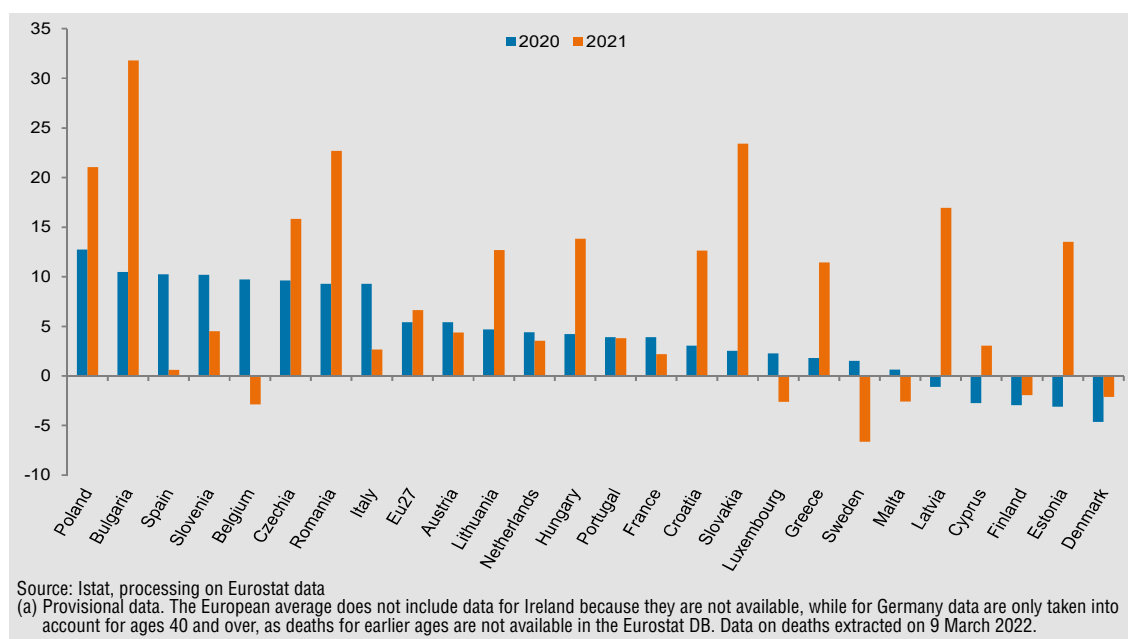
Source: Istat, processing on Eurostat data
 (a) Provisional data. The European average does not include data for Ireland because they are not available, while for Germany data are only taken into account for ages 65 and over, as deaths for ages 0-39 are not available in the Eurostat DB, therefore the 0-64 age group would be incomplete. Data on deaths extracted on 9 March 2022.

In 2021 excess mortality decreased in Italy but had a steep increase in Eastern European countries

Summarising and looking at the average annual change in standardised rates gives an overall indication of the trend in excess mortality in 2020 and 2021.

In Italy, the percentage change in the standardised rate in 2020 was +9.3% compared to the previous five-year period, while in 2021 the excess compared to the standardised rate was lower, falling to a percentage change of +2.7% (Figure 4). In the EU27, there was an average increase of 5.4% in 2020, and the change increased to +6.6% in 2021, mainly due to Eastern European countries that experienced larger excess mortality peaks in the second year of the pandemic. In Poland, for example, the change in the standardised mortality rate rose from +12.7% in 2020 to +21.1% in 2021. In Spain and France, the situation is more similar to that experienced in Italy, with a greater excess of the standardised mortality rate in 2020 than in 2021: in Spain, the variation was respectively +10.3% in 2020 and +0.6% in 2021, while in France it was +3.9% in 2020 and +2.2% in 2021.

Figure 4. Percentage change in age-standardised death rates in selected European countries and the Eu27 average compared to the average 2015-2019 deaths (a). Years 2020 and 2021 (data in descending order for the value of the 2020 change). Percentages



In Italy, vaccination coverage was high and in line with the main European countries; Eastern European countries lagged behind

As seen, in 2021 the excess mortality rate was overall lower than in 2020, and this reduction was also due to the introduction of *COVID-19* vaccines. The vaccination campaign started in Europe at the end of December 2020, but the differences between countries were substantial: whereas in France and Italy almost 80% of the total population had completed the primary vaccination cycle by the end of 2021, this percentage did not reach 60% in Poland (Figure 5).

The percentage of those vaccinated varied widely between countries (Figure 6). For the total

population, the percentage of those vaccinated varies from over 80% in Denmark, Portugal and Malta, to less than half of the population in Romania (41.8%) and Bulgaria (29.3%). Italy, with 78.8% of the total population vaccinated,⁷ is at the top of the list. The percentage rises if we consider the population aged 60 years and over, and reached 92.1% in Italy, overtaken, however, by 11 countries, including Portugal and Ireland, which reached the total population in this age group. Again, Romania (46.4%) and Bulgaria (37.8%) lagged far behind. By 2 March 2022, the percentage of the total population in Italy that had also received the booster dose reached 62.4%, overtaken only by France and Malta (69.1 and 65.2% respectively).

Figure 5. Persons that completed the primary course of COVID-19 vaccine in selected Eu27 countries by week. From week 52 in 2020 to week 9 in 2022 (a). Percentages

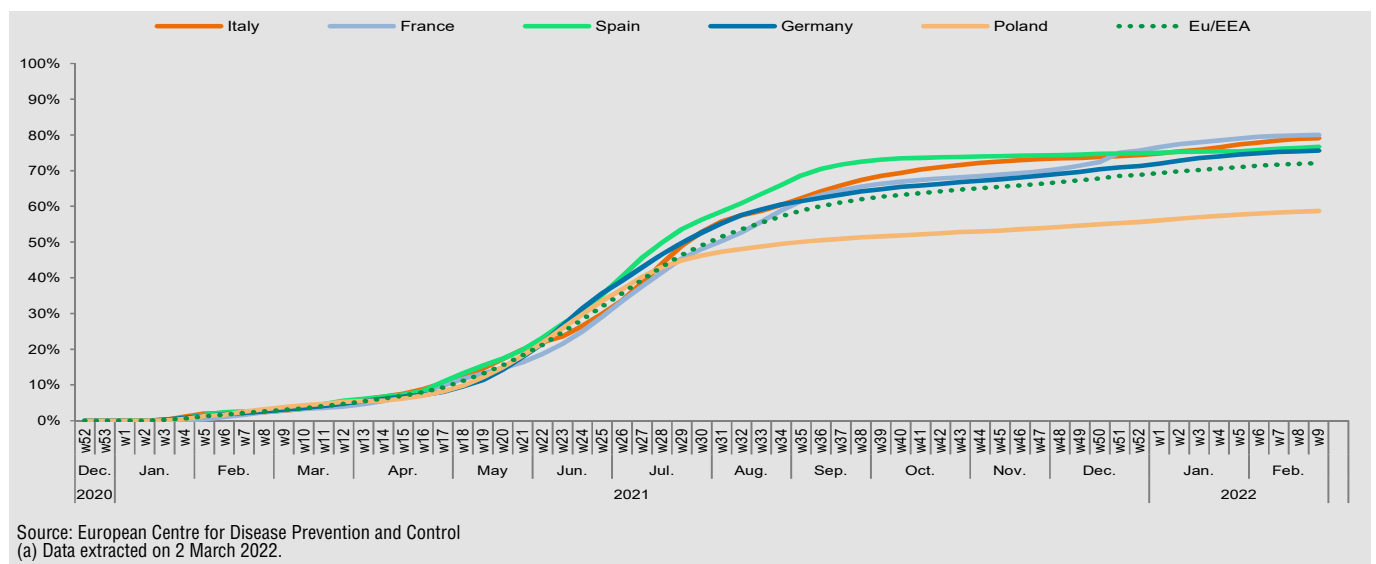
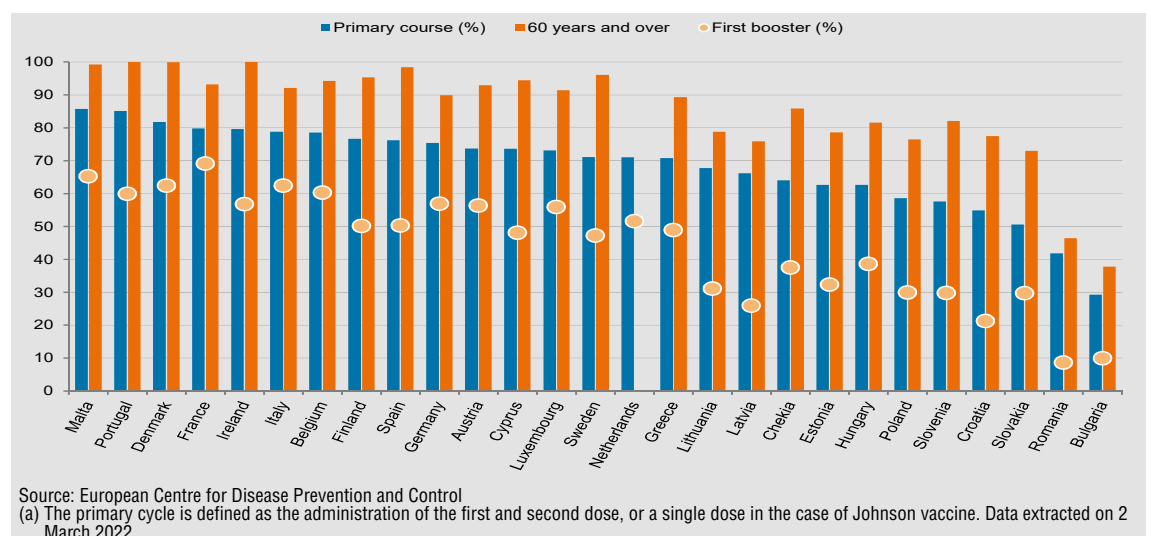


Figure 6. Persons that completed the primary course of COVID-19 vaccine and booster dose in Eu27 countries (a). Total population and persons aged 60 and over.



⁷ The European comparison figure refers to the total population and is therefore slightly different from the figure reported in the Health Chapter, which refers to the population aged 5 years and over.

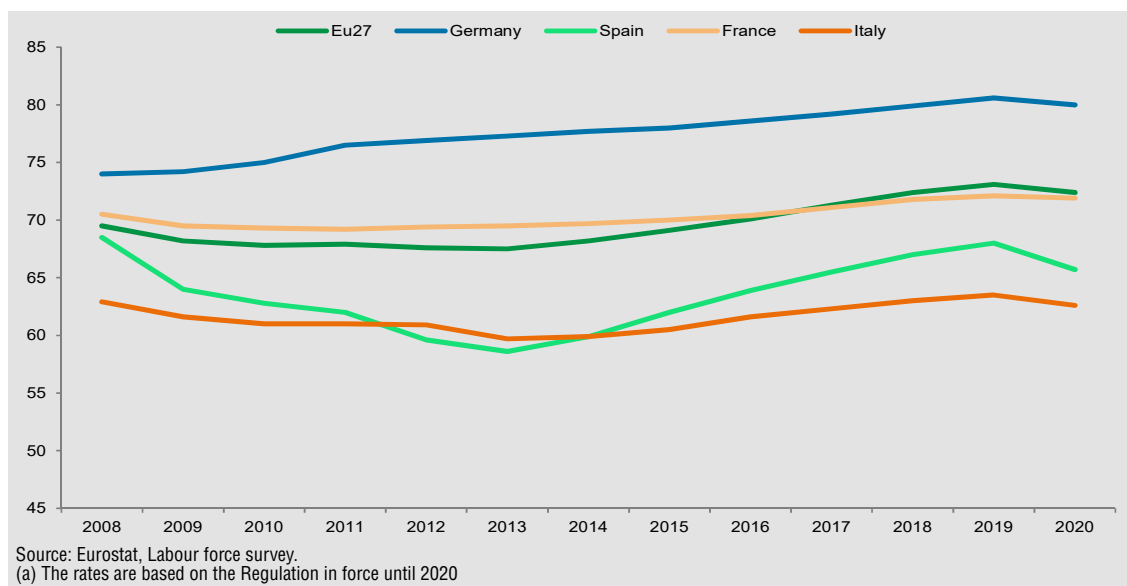
2. Pandemic and labour market participation

In the pre-pandemic period, Italy loses more employment than Europe and recovers more slowly

In the European context, Italy's employment dynamics in the period from the economic crisis to the threshold of the pandemic was particularly weak, showing employment rates below the European average. In order to understand Italy's position in the European context, it would be useful, first of all, to analyse labour market trends in the years of the economic crisis and the subsequent recovery and, secondly, to focus on the period characterised by the pandemic shock. For the sake of comparability with other European countries over the 2008-2020 period, we have examined Eurostat data based on the regulation in force until 2020⁸.

The year 2013 marked the worst year of the economic and labour market crisis for Italy: the employment rate (between the ages of 20 and 64) dropped to a minimum of 59.7% (it was 62.9% in 2008) (Figure 7) and moved away from the EU27 average by -8 percentage points (in 2008 the gap was -7 percentage points). Among the large European countries, only Spain had a worse performance than Italy. After a sharp fall in the employment rate in 2012, Spain's employment rate hit a low in 2013 (58.6%), but in 2015 it returned to values higher than Italy's without fully recovering the level corresponding to the pre-crisis period (68.5% in 2008). By contrast, during the most difficult period of the economic crisis 2013-2014, other countries, such as France, maintained employment levels or, like Germany, even showed growth performance. The result is a differentiation of countries' paths in terms of employment rate trends, even before the onset of the pandemic.

Figure 7. Employment rate of people aged 20 to 64 in Eu27 selected countries. Annual data 2008-2020 (a). Percentages

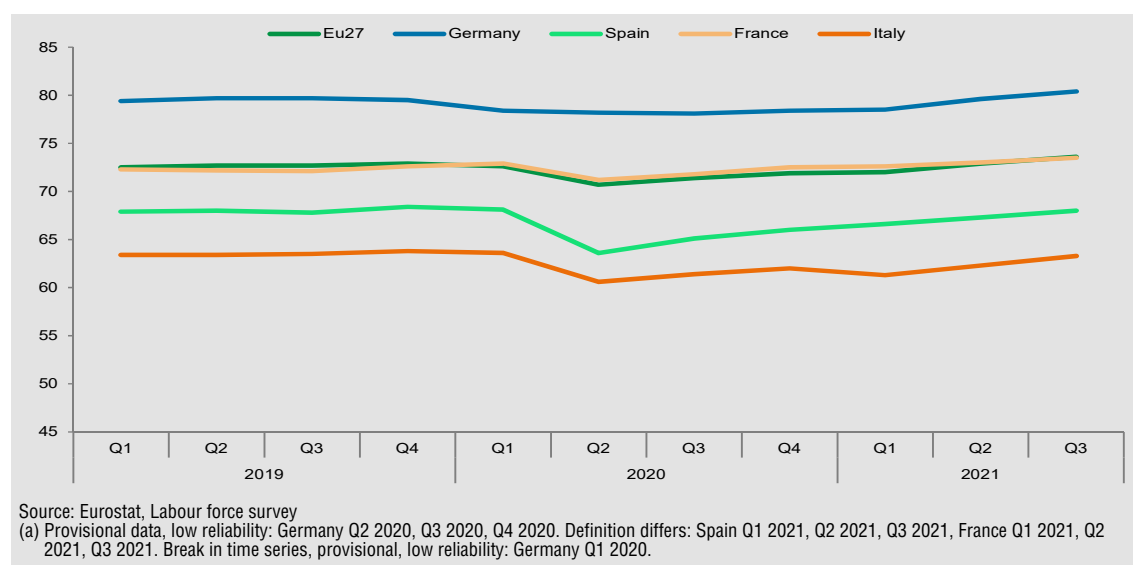


⁸ The reconstruction of the estimates following the entry into force of Regulation 2019/1700, which was available since 2004 for Italy but only since 2009 for the other countries, does not allow analysing the annual rates since 2008. For this reason, we chose to use Eurostat time series based on the Regulation in force until 2020. The estimates of annual employment rates for Italy may therefore differ from those in the Labour chapter of this volume.

The exit from the economic recession with the return to pre-crisis levels of the employment rate followed different rhythms among the various countries: for Italy it took place in 2018, two years later than the EU27 and one year later than France. In 2019, Spain had not yet reached the 2008 level. However, Italy's gap with the EU27 average continued to grow even during the recovery phase, and in 2019 the Italian employment rate was 10 points lower, the widest gap among the countries here selected. Therefore, at the threshold of the pandemic crisis, the labour market in Italy appeared weaker, with a very limited recovery compared to 2008 and a wider gap with all the largest European countries.

In order to better appreciate the changes that have also occurred in correspondence with the evolution of the pandemic phases, it is useful to examine the quarterly trends in the employment rate and compare them with 2019, the pre-pandemic year (Figure 8). In the four quarters of 2019, the 20-64 employment rate in Italy grew, as in the EU27 average, by 0.4 percentage points, but at much lower levels (reaching 63.8% in the fourth quarter in Italy against 72.9% in the EU27). Only Greece was behind Italy (61.5%). By contrast, a slight reduction was seen in Germany and Spain in 2019.

Figure 8. Quarterly employment rate of people aged 20 to 64 in selected Eu27 countries. Seasonally adjusted data Q1 2019 - Q3 2021 (a). Percentages



The arrival of the pandemic further distances Italy from Europe

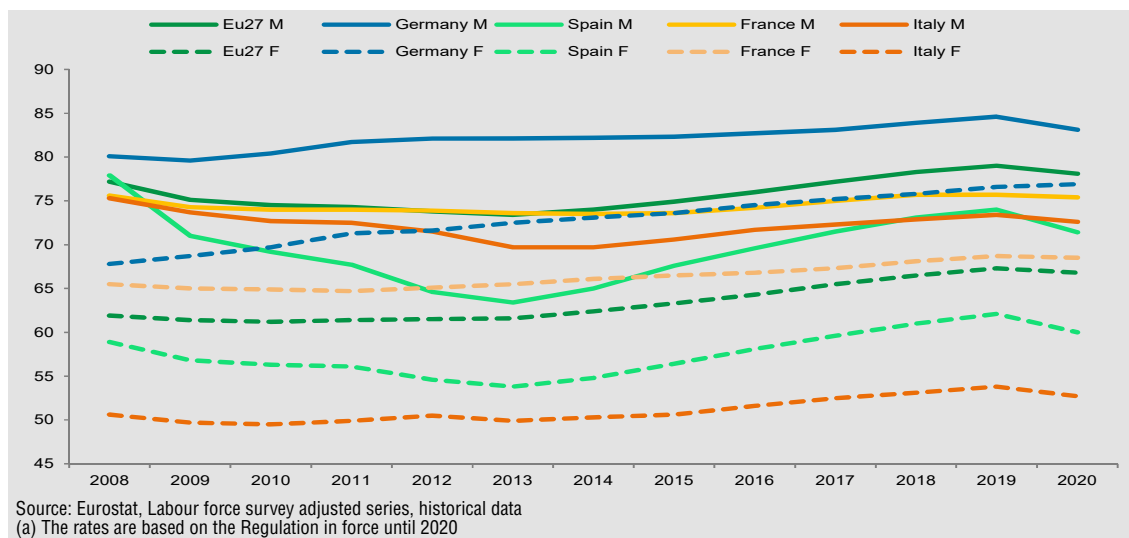
The pandemic has led to a deterioration of the Italian employment levels and a further increase in the gap with the EU27 average. At the beginning of 2020, the first signs of a turnaround in the growth of the employment rate emerged, which, in the first quarter on average in the EU27, lost -0.3 percentage points compared to the fourth quarter 2019, with the decline being more intense in Germany (-1.1 percentage points) and less intense in Italy (-0.2 percentage points). On the other hand, in the second quarter 2020 the contraction became more evident with losses, on average, of -1.9 percentage points compared to the previous quarter, which in Italy reached -3 percentage points and in Spain were even more evident (-4.5 percentage points). The recovery began in the third quarter of 2020, albeit at different speeds: the return to the pre-pandemic employment levels of the last quarter of 2019 took place in the second quarter of 2021 in the EU27 while, in Italy, it was not reached

until the third quarter of 2021 (the latest available data for European comparison). Moreover, in the third quarter 2021, it emerged that Italy, with the slow recovery of employment levels compared to the pre-pandemic period, has worsened its relative position in the ranking of countries by employment rate 20-64 years old, falling from penultimate to last place, together with Greece. In fact, the gap between Italy and the average of the EU27 countries, already the highest in the fourth quarter of 2019 when it stood at -9 percentage points, grew further to -11 percentage points in the first half of 2021, remaining the highest of all countries and with a wider gap than before the pandemic.

Unlike in other countries, women in Italy were more hit by the pandemic

Gender differences were marked not only in employment levels before and after the economic recession and the pandemic crisis, but also in the speed of recovery and exit from the two crises (Figure 9).

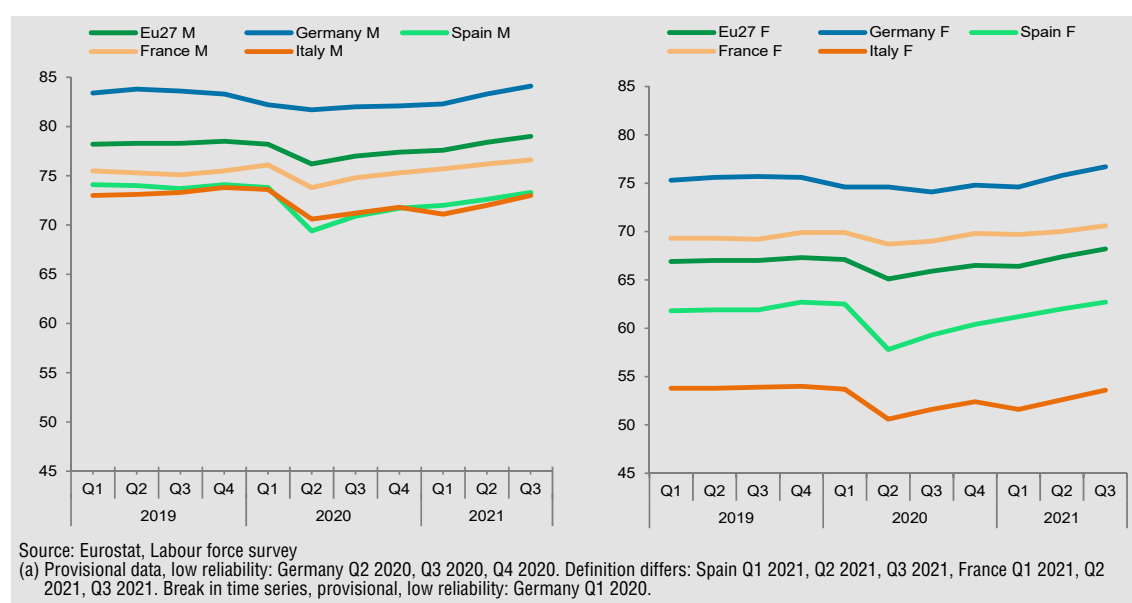
Figure 9. Employment rate of people aged 20 to 64 in Eu27 selected countries by gender. Annual data 2008-2020 (a). Percentages



The recovery of the 2008 level of the 20-64 employment rate, at different rates across countries, occurred earlier for women (in 2014 on average in the EU27) and later for men (in 2017), who had been hit harder by the economic recession affecting the manufacturing and construction sectors. In France, one of the countries where the female employment rate is higher than the European average, the recovery was already recorded in 2013 for women, and only five years later for men. In Spain, the employment rate followed a very erratic trend, especially for men, who suffered greater losses and reached a minimum among the largest EU27 countries in 2013. The gap between men in Spain and the EU27 average, which in 2008 showed a slight advantage for the former, reached -10 percentage points in 2013 and slowly decreased in the following years but remained negative (-5 percentage points in 2019). The return to 2008 levels in Spain took place in 2017, but only for women, with a gap with the EU27 that, starting from a -3 percentage point disadvantage in 2008, widened to -8 points in 2013 and narrowed to -5 percentage points, as for men, in 2019. The return to 2008 levels, which also in Italy affected only the female employment rate, took

place in 2015, at a slower pace than in the other European countries. The gap with the EU27 - which was already the widest among the countries in 2008 - grew further for both gender components up to the threshold of the pandemic: for women, it went from -11 percentage points in 2008 to -14 in 2019; for men, the gap with the EU27 average grew from -2 in 2008 to -6 in 2019. Germany, on the other hand, maintained a better *performance* than the other EU27 countries throughout the period 2008-2019, and consistently increasing employment rates with values above the EU27 average for both men and women, which translated into a positive and maximum gap from the EU27 in 2013, only to decrease somewhat at the threshold of the pandemic. So, just before the arrival of the pandemic, the weakness of the employment recovery compared to 2008 in Italy was also accompanied by important gender disparities, with the lowest female employment rate among the major European countries and a male rate close only to that of Spain (despite the latter having recorded the most marked decrease in 2013).

Figure 10. Quarterly employment rate of people aged 20 to 64 in selected Eu27 countries by gender. Seasonally adjusted data Q1 2019 - Q3 2021 (a). Percentages



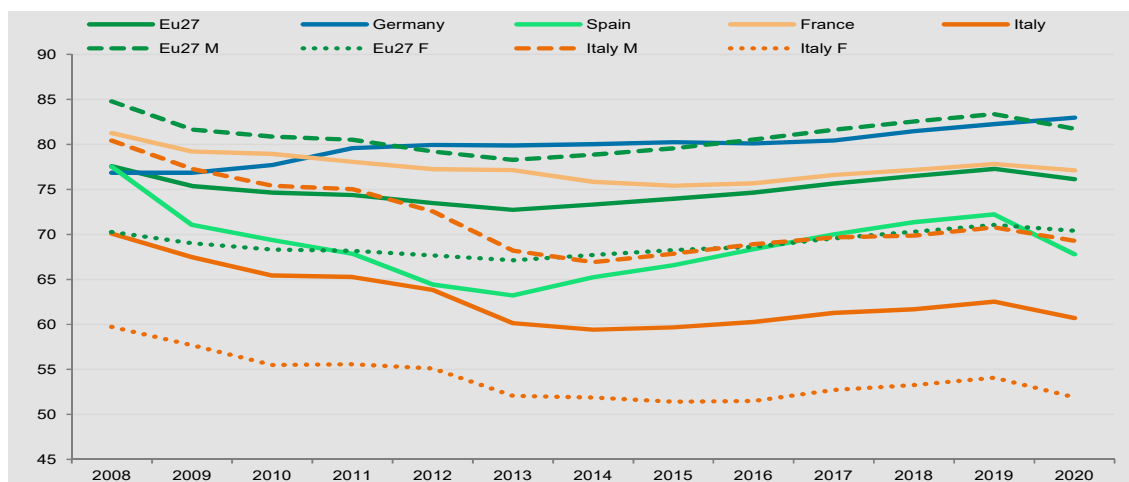
In the second quarter of 2020, when the decline in the employment rate due to the pandemic was most acute, gender differences of varying magnitude across countries become apparent (Figure 10). Although in the European average no gender differences emerge in terms of the reduction in the employment rate (-2 percentage points for both genders compared to the first quarter of 2020), in Italy and Spain the losses were larger for women (-3.1 and -4.7 percentage points, respectively, compared to -3.0 and -4.4 for men). In contrast, in France and Germany the disadvantage for men was greater (-2.3 and -0.5 respectively against -1.2 and 0 for women). The recovery from the pandemic shock began in the third quarter of 2020, at different speeds, but the return to end-2019 employment levels took place, on average in the EU27, in the second (for women) and third (for men) quarter of 2021. In Italy, however, despite the growth in employment levels observed up to the last data available for the European comparison (the third quarter of 2021), neither men nor women reached the indicator values corresponding to the fourth quarter of 2019. Therefore, Italy's gap with the EU27 average, which was already the widest before the pandemic

and to a greater disadvantage for women, increased further during the pandemic-induced shock. In the third quarter of 2021, the gap measured 15 points among women and 6 points among men. The pandemic has thus increased the pre-existing gap in employment levels between Italy and the rest of Europe.

Before the pandemic young people were already penalised in Italy and Spain

A particularly vulnerable segment of the population is that of young people who, in Italy, approached the threshold of the pandemic without having yet recovered from the severe losses in terms of employment rate linked to the economic recession and having increased their gap with the European average (Figure 11). Compared to 2008, in fact, in 2019 in Italy the employment rate of 25-34-year-olds was still down by -7.5 percentage points despite the fact that the indicator started to grow again in 2014 at a pace, however, much slower than that recorded during the downturn and lower than that of the largest European countries. In fact, at the European level, the return to the pre-crisis values, in 2019 was almost complete (-0.3 compared to 2008). Even in Spain, where the employment rate of 25-34 year-olds had rapidly fallen down, the recovery was faster than in Italy, although it was not such as to guarantee a full recovery to the 2008 values. In France, the employment rate of young people fell until 2015, with a sharp reduction in the gap - still positive, however - from the European average value. This is not the case in Germany, where young people enjoy an employment rate higher than the European average, which is growing, with a very large advantage in the worst years of the economic crisis (2013-2015, +7 percentage points with over 80% of young people in employment). In Italy in 2019 the employment rate for young people aged 25-34 continued to remain the lowest of all European countries (62.5% compared to 77.3% for the EU27 average), as already observed in 2008 (70.1% compared to 77.6% in the EU27), and therefore the gap with Europe, which had grown over the years, was the widest at -15 percentage points. This gap then became particularly wide for young women aged 25-34 in Italy (-17 percentage points compared to -13 percentage points for men in 2019).

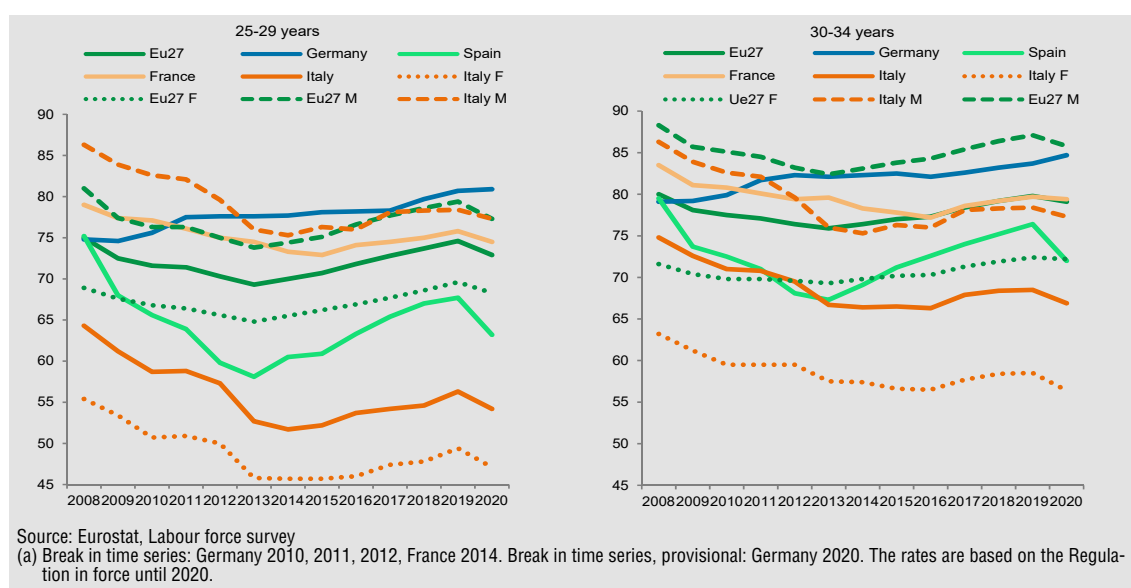
Figure 11. Employment rate of people aged 25 to 34 in Eu27 selected countries by gender. Annual data 2008-2020 (a). Percentages



Source: Eurostat, Labour force survey
 (a) Break in time series: Germany 2010, 2011, 2012, France 2014. Break in time series, provisional: Germany 2020. The rates are based on the Regulation in force until 2020.

However, the group of young people is rather heterogeneous and in Italy, as in Spain, the differences between the group of 25-29-year-olds and the group of 30-34-year-olds are considerable and indicate a weaker situation in terms of labour market participation of younger people (Figure 12). Indeed, 25-29-year-olds have a much lower employment rate than 30-34-year-olds, experienced greater losses and a more modest recovery that kept them further away from the pre-crisis value than the young adult age group (-8 percentage points among 25-29-year-olds and -6.3 percentage points among 30-34-year-olds). In Italy in 2019 the employment rate of young people was the lowest of all European countries (56.3% among 25-29-year-olds and 68.5% among 30-34-year-olds), thus the gap with Europe was the widest at -18 percentage points for 25-29-year-olds and -11 for 30-34 year-olds. The gap with Europe, which has grown over the years, was particularly wide among women, especially in the youngest age group 25-29 (increasing from -14 in 2008 to -20 in 2019, compared to -8 and -17 among male peers and -8 and -14 among women aged between 30 and 34 years).

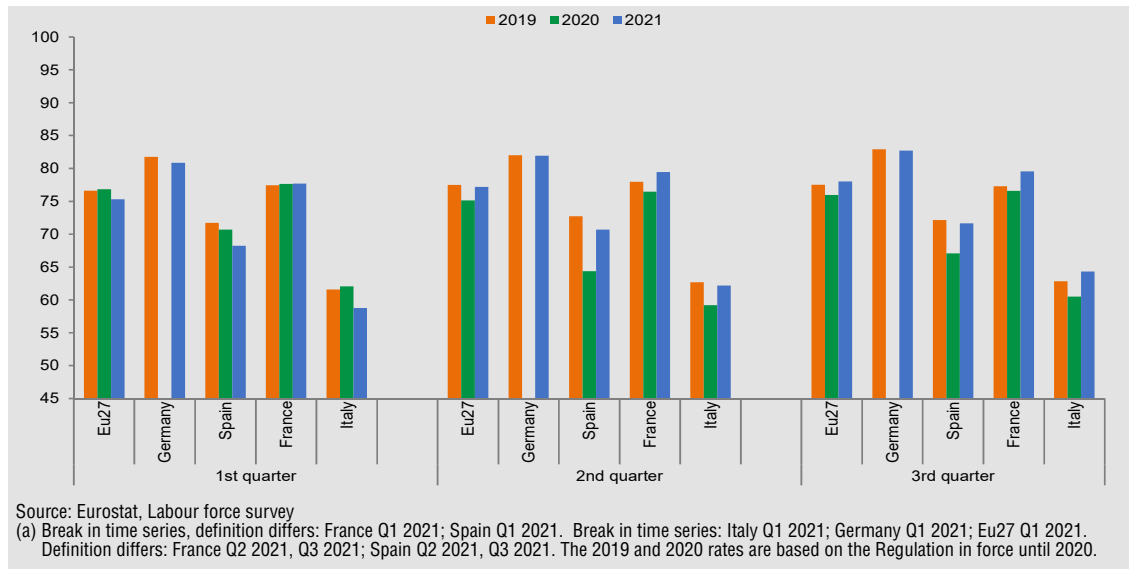
Figure 12. Employment rate of people aged 25-29 and 30-34 in Eu27 selected countries by gender. Annual data 2008-2020 (a). Percentages



In Italy and Spain the youth employment was most affected also by the pandemic. Young women were most affected only in Italy

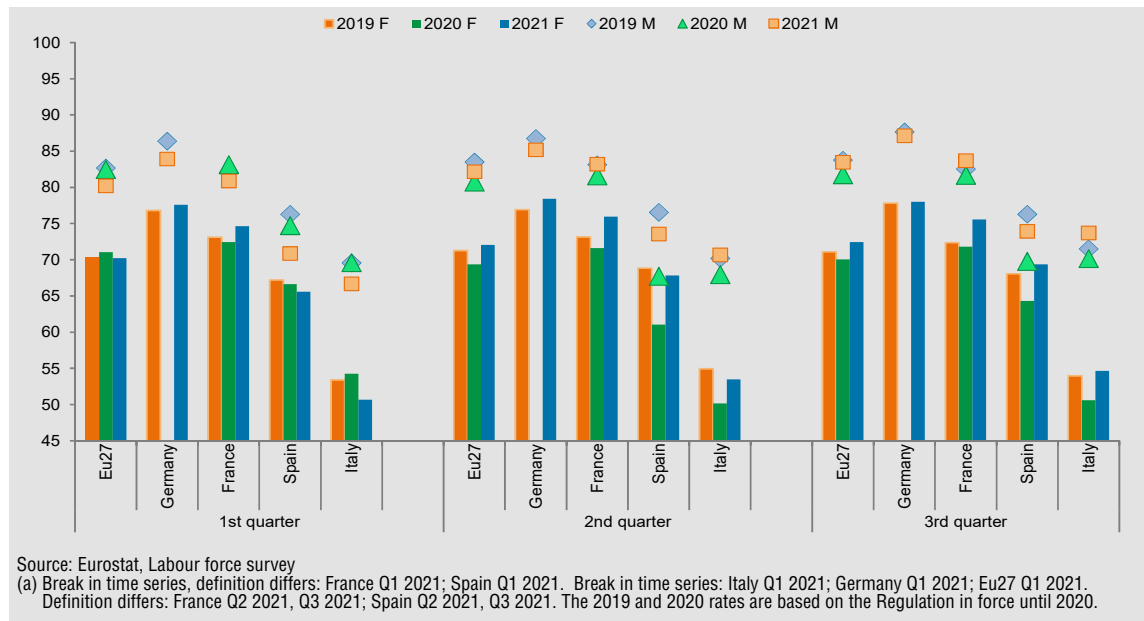
With the arrival of the pandemic, the situation of young people in the labour market has further deteriorated with marked losses in the employment rate as of the second quarter of 2020 (Figure 13). Italy was among the worst affected countries (-3.5 percentage points in the second quarter of 2020 compared to the second quarter of 2019, against -2.3 percentage points compared to the average of European countries), overtaken only by Spain (-8.3 percentage points).

Figure 13. Quarterly employment rate of people aged 25 to 34 in selected Eu27 countries. Seasonally unadjusted data Q1 2019 - Q3 2021 (a). Percentages



However, the pandemic crisis did not affect young men and young women equally in Italy: for the latter, the employment rate suffered the greatest losses (-4.8 percentage points versus -2.2 percentage points for male peers between the second quarter of 2019 and the second quarter of 2020 - Figure 14). Moreover, the disadvantage of young women in Italy was the opposite of what was recorded in the rest of the EU27, where it was young men who suffered more (-2.7 points compared to -1.9 of young women), even in Spain (-8.8 points compared to -7.8 of young women). A second phase of employment decline among young people was seen in the first quarter of 2021 when, on average in the EU27, the employment rate lost -1.5 points compared to the first quarter of the previous year (2020), but in Spain, the loss was -2.4 points and in Italy, it reached -3.3 points. Even in this phase, contrary to the rest of the EU27, the decrease in the employment rate in Italy alone was greater for young women than for young men (-3.6 points and -2.9 points with respect to the first quarter of 2020), although the difference between the two components was less evident than in the first phase of the pandemic. Overall, taking stock two years after the start of the pandemic, in the second quarter of 2021 the employment rate of young women aged 25-34 was -1.4 points below the corresponding rate in the second quarter of 2019, while that of young men rose by 0.5 points, the opposite of the EU average (+0.8 for women and -1.3 for men). In Spain, where the dynamics were very similar to those in Italy but with significantly more marked losses, neither the young nor the 25-34-year-olds recovered to the levels of the second quarter of 2019. In France, the fall in the 25-34 employment rate was modest and of equal magnitude between men and women. Furthermore, the recovery in the subsequent period was to the greater advantage of women, with a more significant net gain between the second quarter of 2021 and the corresponding quarter two years earlier (+2.8 for women 25-34 compared to +0.1 for men). Overall, therefore, the pandemic has made the employment situation of young women in Italy more critical.

Figure 14. Quarterly employment rate of people aged 25 to 34 in selected Eu27 countries by gender. Seasonally unadjusted data Q1 2019 - Q3 2021 (a). Percentages



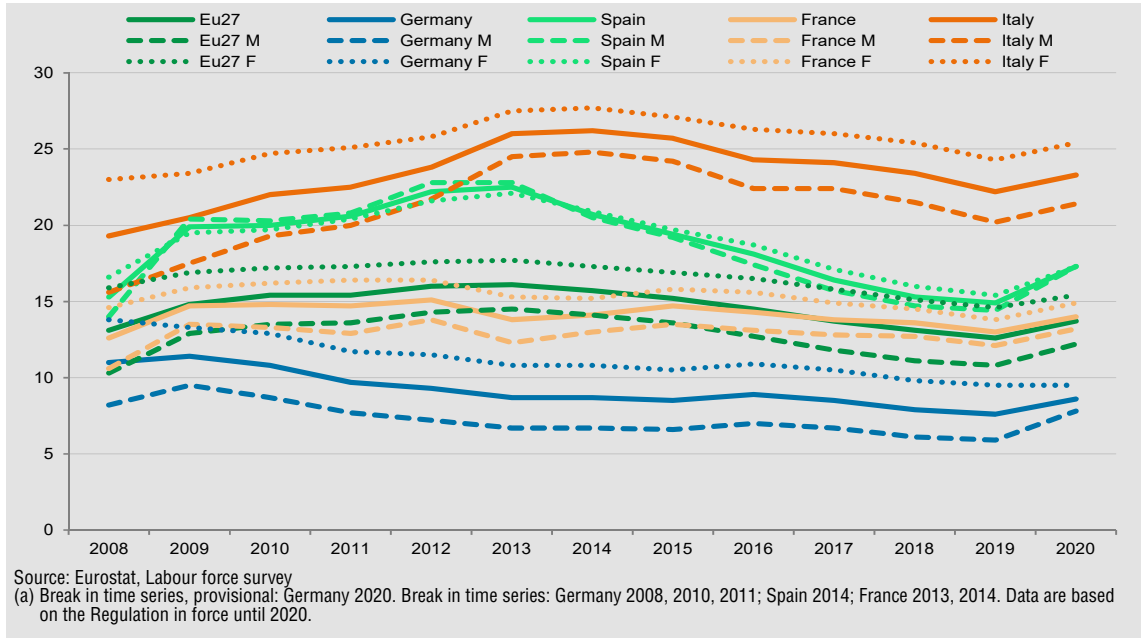
Italy ranks first for the presence of NEET in Europe

Italy ranks first in terms of the number of the particular segment of young people between 15 and 29 years of age who are no longer in education or training or even engaged in a job, known as NEET, *Not in Employment, Education or Training*.

In 2008 the phenomenon affected 19.3% of this age group in Italy and 13.1% in Europe. The growth in Italy was faster than in the EU27 average until in 2014 - at the height of the employment crisis - it affected more than one young person in four (26.2%, 10 percentage points above the EU27 average - Figure 15). Subsequently, the share slowly decreased until 2019, although without returning, in the case of Italy, to pre-crisis values, but signalling a catch-up deficit (+2.9 percentage points above the corresponding 2008 value). On the other hand, Spain, which had recorded a sharp increase in the number of young NEETS, especially among males, until 2014, also experienced a sudden decline thereafter that brought the indicator back below its 2008 baseline value.

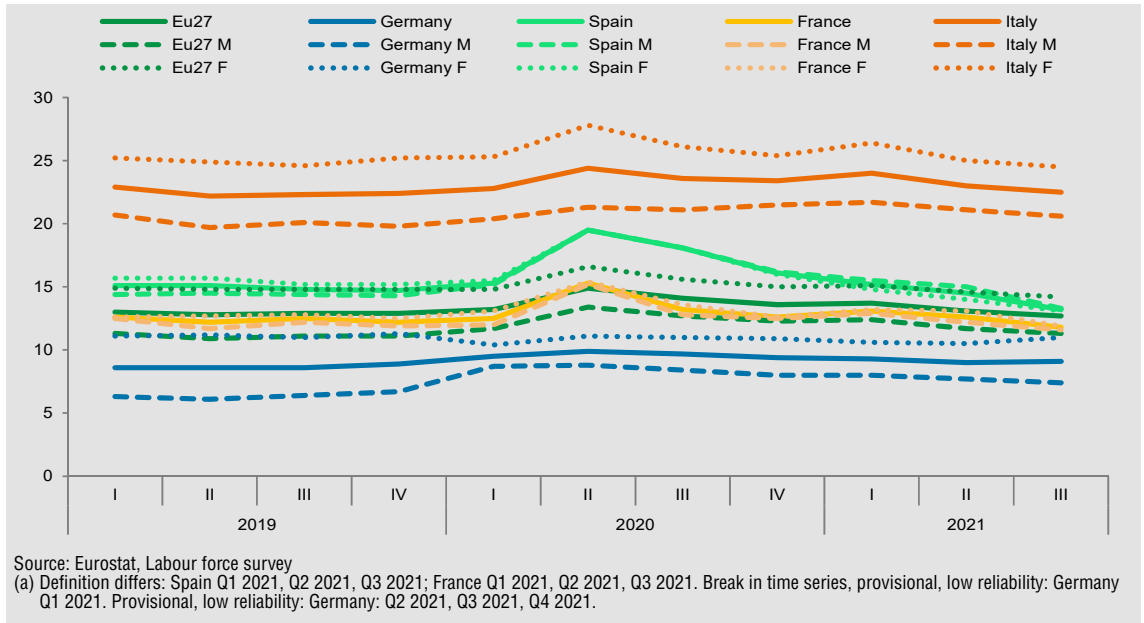
The incidence of the NEET condition is greater among young women than among young men and the gap between the two gender components in Italy narrows only in correspondence with the hardest years of the economic crisis, which affected young males more, and returns to being wider than the 2019 EU27 average.

Figure 15. Rate of young people aged 15 to 29 neither in employment nor in education and training (NEET) in selected Eu27 countries by gender. Annual data 2008-2009 (a). Percentages



Even in this group of young people, the focus on the pandemic period allows us to highlight the resurgence of the NEET phenomenon (Figure 16). In fact, in the second quarter of 2020, at the height of phase 1 of the pandemic, the increase in the EU27 of young people out of education and not in employment is evident (+1.7 points in the second quarter of 2020 compared to the previous quarter), an increase driven by countries such as Spain (+4.2)

Figure 16. Quarterly rate of young people aged 15 to 29 neither in employment nor in education and training (NEET) in selected Eu27 countries by gender. Seasonally adjusted data Q1 2019 - Q3 2021 (a). Percentages



but also France (+2.8) and which, however, in Italy is more modest and slightly below the European average (+1.6). However, Italy has structurally much higher values of this phenomenon, and in the downward phase of the indicator, it still keeps a position well above that of the other European countries. Moreover, in Italy - unlike in the hardest years of the economic crisis, when, due to the greater increase among young men the two gender components had come closer together - during the first phase of the pandemic it is mainly the young 15-29-year-olds women who are worse off with a sharp increase in the incidence of NEET, which distances them from the corresponding young men. Moreover, in the first quarter of 2021, a second phase of increase in the incidence of NEET is observed, more in Italy than in the rest of the EU27 (respectively +0.6 points and +0.1 points compared to the previous quarter) and stronger among women than among men (+1.0 points compared to +0.2 points). The latest European data available for comparison, referring to the third quarter of 2021, shows that, overall, compared to the beginning of 2019, in EU27 the incidence of NEET has started to fall again, but at different speeds: faster for the young women and young men in Spain (respectively -2.6 and -1.1 percentage points in the third quarter of 2021 compared to the first quarter of 2019), slower in Italy (respectively -0.7 and -0.1 points).