

# Labour market

## Second quarter of 2020

### an integrated picture

In the second quarter of 2020, the dynamics of the labour market were affected, even more than in the previous quarter, by the important perturbations induced by the health emergency. Labour input, measured by hours worked, showed a sharp decrease to both the previous quarter (-13.1%) and to the same quarter of 2019 (-20.0%). These trends were consistent with this stage of exceptional drop in the economic activity, with a quarter-over-quarter GDP decline of 12.8%.

On the job supply side, in the second quarter of 2020 the number of the employed persons underwent a quarter-on-quarter sharp drop (-470 thousand, -2.0%), mainly due to the decrease in temporary employment and in the self-employed. The employment rate dropped to 57.6%, 1.2 points down to the first quarter of 2020; young people aged 15-34 showed the most marked decrease (-2.2 points). In the seasonally adjusted provisional data of July 2020, after four months of decline, the number of the employed persons returned to grow (+85 thousand, + 0.4%) compared to June 2020, and the employment rate increased to 57.8 % (+0.2 points in one month), measuring a positive labour market reaction to the recovery of economic activity levels.

Compared to the second quarter of 2019, the number of employed persons dropped by 841 thousand units (-3.6% in one year). Temporary employees recorded the sharpest decrease (-677 thousand, -21.6%) and the self-employed kept on decreasing (-219 thousand, -4.1%) while permanent employees slightly increased. The decrease in employment involved both full-time and part-time workers; for 63.9% of the latter part-time cases were involuntary. In addition to that, the employed who worked for at least 36 hours a week decreased as well (50.6%, -13.8 points), as a result of absences from work and the reduction in working hours due to the health emergency.

The reduction in the number of unemployed persons continued (-647 thousand in one year, -25.4%) with greater intensity in the year-on-year comparison. In addition to that, the increase in the number of the inactive aged 15-64 sharpened (1.310 million increase in one year, + 10.0%), as already observed in the previous quarter.

The unemployment rate was decreasing both to the previous quarter and to the same quarter of 2019 and was associated with the increase – quarter-on-quarter and year-on-year- in the inactivity rate of people aged 15-64. However, provisional data for July 2020 indicate a recovery in the unemployment rate and a decline in the inactivity rate.

On the business side, the labour demand decreased by 3.9% in employee jobs over the previous quarter and by 4.0% on an annual basis. Besides the decrease of employee jobs, there was a deep fall in hours worked per employee on a quarterly basis (-19.1%) and year-on-year basis (-26.2%). The use of short-time working allowances grew up exceptionally (+323,2 hours per 1,000 hours worked). The job vacancy rate went up to 0.9% compared to the previous quarter (+0.4 percentage points). Compared to the same quarter of the previous year, the job vacancy rate dropped by -0,5 percentage points. Labour cost increased by 5.4% to the previous quarter and by 6.1% to the same quarter of the previous year, as a result of both a growth in wages and salaries over the previous quarter (+5.6%) and previous year (+6.3), and a quarterly (+4.6%) and annual increase (+5.6%) of social security contributions.

Direct statistical surveys and data collection from administrative sources for statistical purposes have been affected by the current health emergency. Corrective actions have been carried out in order to counteract its statistical effects and to ensure processing and dissemination of data for the second quarter of 2020. It should be noted, however, that the estimates presented in this press release are provisional – also in the consistency of some indicators from different sources – and may therefore be revised on the basis of further analysis and more extensive and complete information when available.

 NEXT RELEASE: 11 December 2020

**TABLE 1. LABOUR INDICATORS. Q2 2020, absolute values, percentage values and index numbers, percentage points changes**

|   | Seasonally adjusted |                                      | Not seasonally adjusted data |
|---|---------------------|--------------------------------------|------------------------------|
|   | Value               | Percentage changes (Q2 2020/Q1 2020) | y-0-y (Q2 2020/Q2 2019)      |
| <b>LABOUR INPUT (a) (b)</b>   |                     |                                      |                              |
| <i>National Accounts</i>  |                     |                                      |                              |
| Hours worked (thousands)  | 8,758,693           | -13.1                                | -20.0                        |
| Agriculture   | 552,812             | -8.3                                 | -7.0                         |
| Industry excluding construction   | 1,450,735           | -14.1                                | -22.5                        |
| Construction  | 525,637             | -19.9                                | -26.1                        |
| Services  | 6,229,508           | -12.7                                | -19.9                        |
| <b>LABOUR SUPPLY (a)</b>  |                     |                                      |                              |
| <i>Labour force survey</i>  |                     |                                      |                              |
| Employed (thousands)  | 22,760              | -2.0                                 | -3.6                         |
| Employees   | 17,620              | -2.1                                 | -3.4                         |
| Permanent   | 15,027              | -0.5                                 | 0.4                          |
| Temporary   | 2,592               | -10.2                                | -21.6                        |
| Self-employed   | 5,140               | -1.9                                 | -4.1                         |
| Employment rate (aged 15-64)<br>(percent and percentage points changes)                             | 57.6                | -1.2                                 | -1.9                         |
| 15-34 years   | 39.1                | -2.2                                 | -3.2                         |
| 35-49 years   | 72.5                | -1.1                                 | -1.6                         |
| 50-64 years   | 60.7                | -0.3                                 | -0.8                         |
| Unemployed (thousands)  | 2,057               | -12.4                                | -25.4                        |
| Unemployment rate<br>(percent and percentage points changes)  | 8.3                 | -0.9                                 | -2.0                         |
| Inactive population (aged 15-64) (thousands)  | 14,183              | 5.5                                  | 10.0                         |
| Inactivity rate (aged 15-64)<br>(percent and percentage points changes)                             | 37.0                | 2.0                                  | 3.6                          |
| <b>EMPLOYEE LABOUR DEMAND (a) (c)</b>   |                     |                                      |                              |
| <i>Oros, Large enterprises and Vela Surveys</i>   |                     |                                      |                              |
| Number of jobs (index 2015=100)   | 106.8               | -3.9                                 | -4.0                         |
| Temporary employment agency jobs (d) (index 2015=100)   | 124.2               | -15.5                                | -14.7                        |
| Hours worked (e) (index 2015=100)   | 78.8                | -21.4                                | -29.3                        |
| Per capita hours worked (e) (index 2015=100)  | 73.3                | -19.1                                | -26.2                        |
| Short-time working allowance hours per 1,000 hours worked<br>(absolute changes per 1,000 incidence) | nd                  | nd                                   | 323.2                        |
| Job vacancy rate<br>(percent and percentage points changes)   | 0.9                 | 0.4                                  | -0.5                         |
| <b>EMPLOYEE LABOUR COST</b>   |                     |                                      |                              |
| <i>Oros, Large enterprises and Vela, Contractual Wages and Salaries Survey</i>                      |                     |                                      |                              |
| Gross wages and salaries (a) (c) (index 2015=100)   | 109.1               | 5.6                                  | 6.3                          |
| Social security contributions (a) (c) (index 2015=100)  | 111.3               | 4.6                                  | 5.6                          |
| Labour cost (a) (c) (index 2015=100)  | 109.7               | 5.4                                  | 6.1                          |
| Cash wages according to collective labour agreements<br>(monthly average in euros) (f)              | 2,206               | -                                    | 0.7                          |

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

(f) Not seasonally adjusted data calculated with a fixed employment structure (base December 2015).

## Main results (second quarter of 2020)

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In the second quarter of 2020, the labour input used in the economic system (expressed as hours worked in National Accounts) sharply decreased both on a quarterly basis (-13,1) and on year-on-year terms (-20.0%).

The Labour force survey estimated the number of the employed persons in 22.760 million people net of seasonal effects, and decreasing for the fourth consecutive quarter and at a much faster rate (-470 thousand, -2.0%); the significant decrease in the temporary employees (-295 thousand, -10.2%) was associated with the less marked decrease in the self-employed (-101 thousand, -1.9%) and permanent employees (-75 thousand, -0.5%).

The employment rate fell to 57.6%, down by 1.2 points to the previous quarter; the decline was higher in the South an Islands (-1.6 points) than in the North and Center (-1.1 and -0.9 points, respectively). The unemployment rate, for the sixth consecutive quarter and at a faster pace, decreased to 8.3% (-0.9 points compared to the first quarter of 2020); the inactivity rate showed a sharp growth reaching 37.0% (+2.0 points) in three months.

In industrial and services enterprises, employee jobs decreased by 3.9% on a quarterly basis and by 4.0% year-on-year; the number of hours worked sharply decreased compared with both the previous quarter (-21.4%) and the same quarter of the previous year (-29.3%). Per capita hours worked decreased by 19.1% on a quarterly basis and by 26.2% year-on-year. Short-time working allowance hours extraordinarily increased from 6.7 to 329.9 per thousand hours worked. Temporary employment agency jobs decreased by 15.5% on a quarterly basis and by 14.7% on an annual basis.

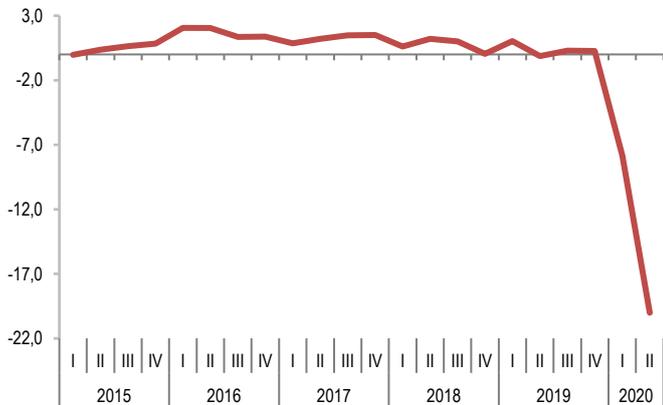
The seasonally adjusted index of labour costs per full time equivalent (Fte) increased by 5.4% on a short-term basis, as a result of an increase both of wages and salaries (+5.6%) and of social security contributions (+4.6%). On a yearly basis, labour costs showed an increase by 6.1%, with a growth by 6.3% of wages and salaries and by 5.6% of contributions.

The job vacancy rate equal to 0.9%, showed a recovery to the previous quarter (+0.4 percentage points), and a decrease to the same quarter of the previous year (-0.5 percentage points).

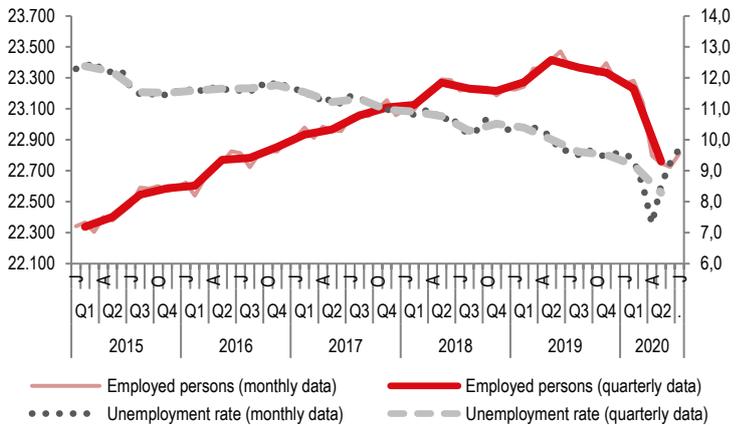
In this quarter the "Focus on" (p.5 of this press release) entitled "*The health emergency's impact on employment*" explores the dynamics and characteristics of the employed in the last quarter.

The Italian Methodological note shows the confidence intervals of sample estimates of the main non-seasonally adjusted indicators of labour supply and demand.

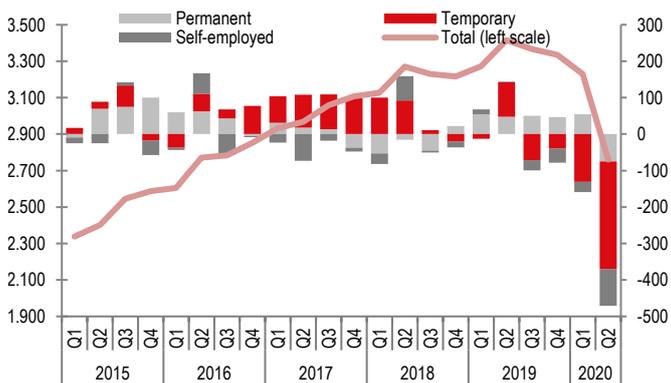
**FIGURE 1. HOURS WORKED - TOTAL ECONOMY Q1 2015–Q2 2020**, seasonally adjusted data, percentage change over the same quarter of the previous year



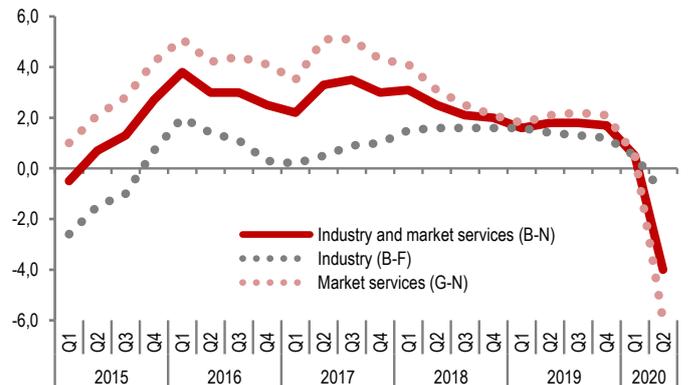
**FIGURE 2. EMPLOYED (left scale) AND UNEMPLOYMENT RATE (right scale) Q1 2015– Q2 2020**, seasonally adjusted data, thousand and percentage rates



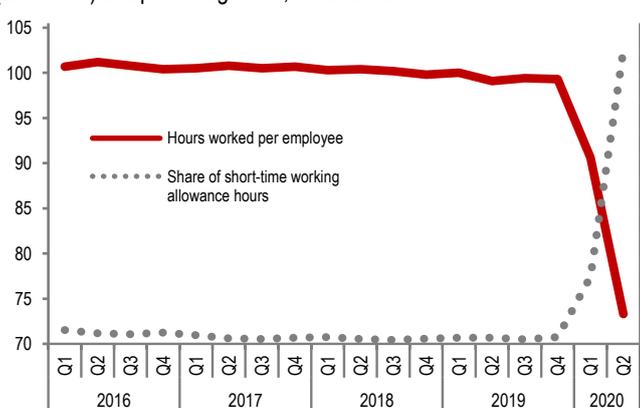
**FIGURE 3. EMPLOYEES (PERMANENT AND TEMPORARY) AND SELF-EMPLOYED Q1 2015–Q2 2020**, seasonally adjusted data, values (left scale) and absolute changes over previous period (right scale)



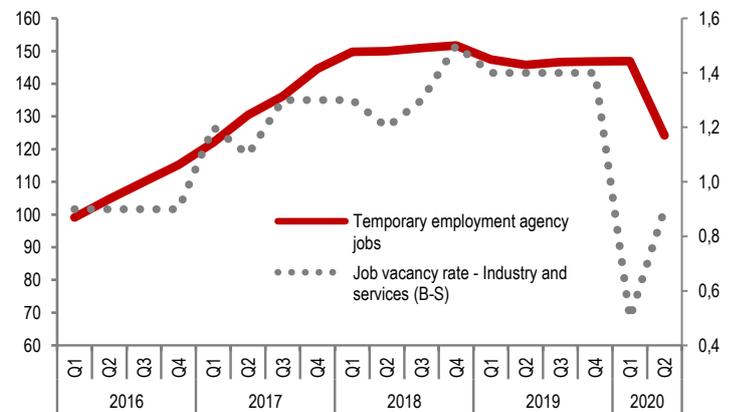
**FIGURE 4. NUMBER OF JOBS IN INDUSTRY AND MARKET SERVICES (B-N) Q1 2015 – Q2 2020**, not seasonally adjusted data, percentage change over the same quarter of the previous year (2015=100)



**FIGURE 5. PER CAPITA HOURS WORKED (left scale) AND PERCENTAGE OF SHORT-TIME WORKING ALLOWANCE HOURS (right scale) FOR ENTERPRISES IN INDUSTRY AND SERVICES (B-S) Q1 2016 – Q2 2020**, 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 (right scale) IN INDUSTRY AND SERVICES (B-S) Q1 2015 – Q2 2020**, indices (2015=100) and seasonally adjusted percentage values



focus on

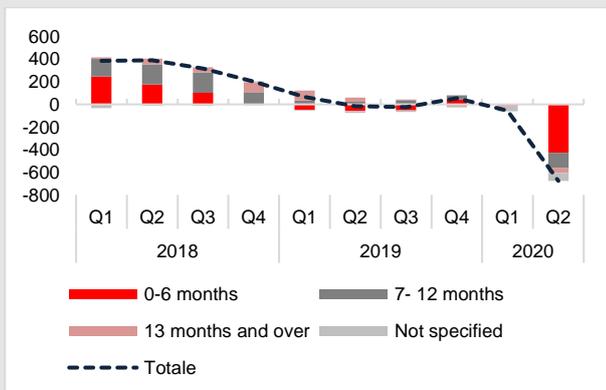
The health emergency's impact on employment

After the substantial stagnation of the first two months of 2020, the outbreak of the epidemic caused an unprecedented drop in employment between March and June. In the second quarter of 2020, the number of employed persons decreased by 841 thousand units (-3.6% compared to the same quarter of 2019). This was the result of the slowdown in employment growth since the second half of 2019 and – above all – of the exceptional drop caused by the limitations imposed by the health emergency (closure of non-essential production sectors and travel restrictions).

Despite the social benefits (as lay-off funds) and the ban on redundancies contributed to support employment, the stop of activities severely affected the start of new jobs, in particular fixed-term contracts and their possible extension or transition to permanent ones. In eight cases out of ten, in fact, the decrease in employment affected fixed-term employees (-677 thousand, -21.6%), especially those with a term not exceeding six months (-428 thousand; Figure 1). Moreover, new hires on fixed-term contracts, which usually would take place in the second quarter of the year, a very favorable period for tourism with the beginning of the summer season, were not recorded either.

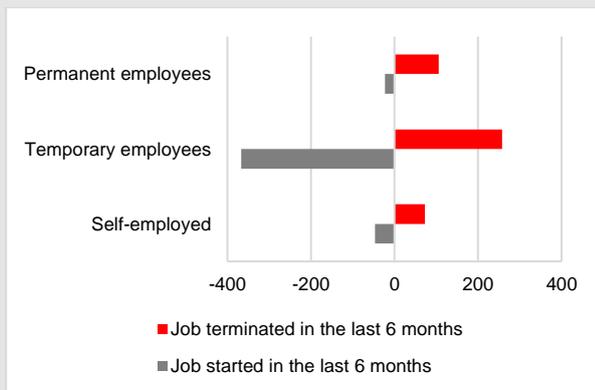
The number of employed persons who, at the time of the interview, declared to have started a new job in the first six months of the year decreased by over 400 thousand compared to the same period of 2019; moreover, those not in employment because they finished their last job in the first six months of the year increased by a similar amount; less entries and more exits from employment were mainly recorded among fixed-term employees (Figure 2). Finally, most of the decrease in the number of employed persons in the second quarter of 2020 was due to the increase in job terminations and the decrease in new activations of fixed-term employment contracts, especially among those with short duration.

FIGURE 1 – FIXED-TERM EMPLOYEES BY DURATION OF CONTRACT. Q1 2018-Q2 2020 (ABSOLUTE QUARTERLY CHANGES IN THOUSANDS)



Source: Istat, Labour force survey

FIGURE 2 – PERSONS WHO HAVE STARTED OR FINISHED WORK IN THE LAST 6 MONTHS PER JOB POSITION. Q2 2020 (ABSOLUTE QUARTERLY CHANGES IN THOUSANDS)

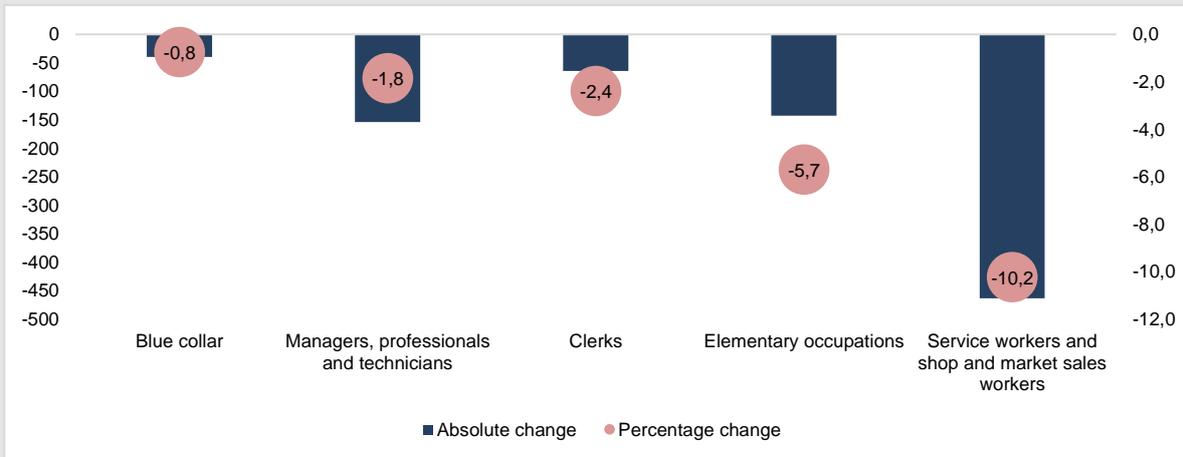


Source: Istat, Labour force survey

The sectors most affected by the health emergency were exactly those where fixed-term employment was most widespread: trade (-191 thousand persons employed, -5.8%) and, above all, hotels and restaurants (-246 thousand, -16.1%). Specifically, the reduction affected both wholesale and retail trade (-6.1% and -6.7%), while the sharp drop in the restaurant sector (-13.0%) was in any case more contained than that observed for hotels (-28.3%). Another sector that definitely suffered the effects of the pandemic, also due to the significant presence of non-regular workers, was that of household services (-125 thousand, -16.7%), mainly involving foreigners and women. A significant, albeit minor, decrease was also observed in the business activities – particularly in recruitment and personnel selection services and support activities for office functions and enterprises – and in the personal services sector, especially for sports and entertainment activities.

Over half of the drop in employment affected occupations in services and trade (-10.2% in a year); there was a sharp decrease in elementary occupations (-5.7%), while clerical, skilled and especially blue-collar occupations showed decreases below the average (Figure 3). The most affected occupations include waiters, bartenders, cooks, shop assistants and retailers, domestic workers and caregivers; the few growing occupations include programmers or electricians and delivery personnel.

FIGURE 3 – PERSONS EMPLOYED BY OCCUPATION\*. Q2 2020 (ABSOLUTE TREND CHANGES IN THOUSANDS AND PERCENTAGE CHANGES)

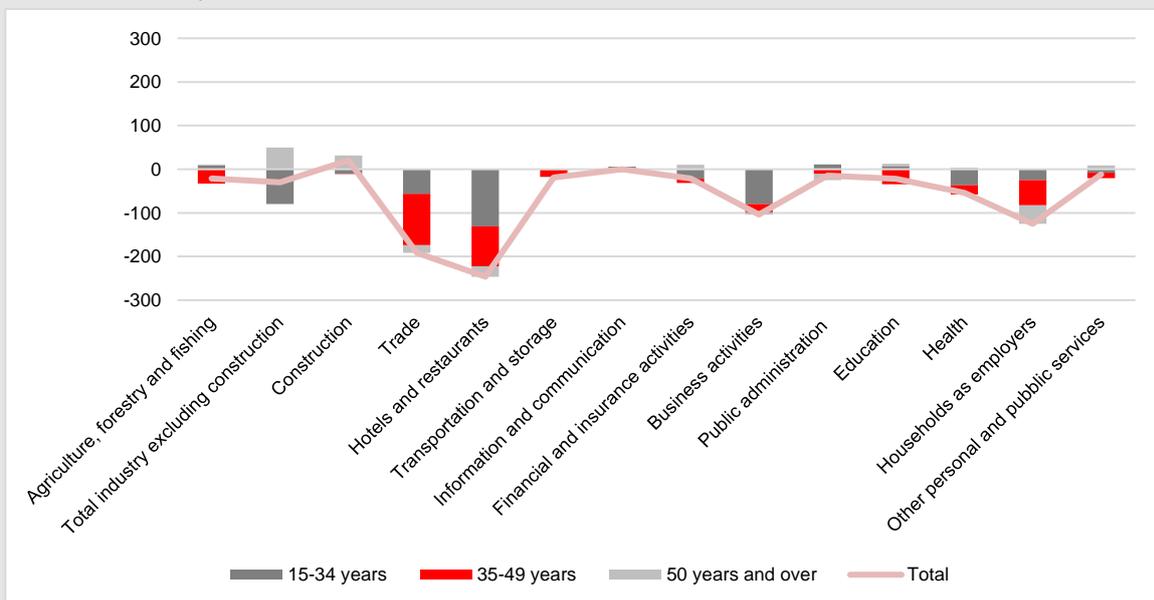


Source: Istat, Labour force survey

\* Net of the armed forces

The fact that the crisis hit hardest certain categories of workers had an impact on the characteristics of most affected people. Young people aged 15-34 were more likely to be in temporary employment (26.3% compared to 10.8% of the total employed), especially in hotels and restaurants (9.8% compared to 5.6%); they suffered the sharpest drop in employment (-8.0% compared to -3.6% of the total), which in almost a third of cases was recorded in those sectors (Figure 4).

FIGURE 4 – EMPLOYED PERSONS BY SECTOR OF ECONOMIC ACTIVITY AND AGE GROUP. Q2 2020 (ABSOLUTE TREND CHANGES IN THOUSANDS)



Source: Istat, Labour force survey

The decrease in employment was more marked among women than men (-4.7% against -2.7%) and was concentrated in the tertiary sector, with particular reference to hotels and restaurants (-141 thousand) and activities with household as employers (-99 thousand persons employed); in about seven out of ten cases the decrease in the latter sector affected women with foreign citizenship.

Finally, the decline in employment was more accentuated in the South and Islands (-5.3%) than in the North (-3.0%) and the Centre (-2.9%). The southern regions were negatively impacted by a high percentage of fixed-term employees (13.9% compared to 9.7% in the Centre and the North) and a low presence of industry, a segment that showed greater employment resilience.

On the whole, the effects of the employment crisis following the health emergency mainly affected – at least until the second quarter of 2020 – the most vulnerable components of the labour market (young people, women and foreigners), the less protected jobs and the area of the country that already before the emergency showed the most difficult employment conditions, the South and Islands; in other words, the pandemic seems to have sharpened the pre-existing gaps in labour market participation.

## 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 lowering to full-time equivalent (the unit value of) jobs with a reduced working time, included temporary agency jobs and jobs on call. 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 2015 = 100. They satisfy the need to assess the dynamic of earnings, net of the effects due to changes in the structure of employment by professional status, grade, working hours (full-time/part-time), seniority, overtime, decentralized bargaining, absences, conflicts etc.

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

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

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

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

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

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

## Istat sources on 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)  |
|---|--|---|--|---|--|
| <b>Type of source</b>                                       | 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"> <li>• data from the monthly survey on large enterprises with at least 500 employees (GI);</li> <li>• administrative data for small and medium-size, and large enterprises not covered by the monthly survey GI (by the National Social Security Institute).</li> </ul> | 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 73 national collective labour agreements on the economic treatment of 2,855 occupations ruled by specific contracts, and with specific qualifications and levels.          |
| <b>Data collection units/bodies obliged to provide data</b> | 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.<br>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.   |
| <b>Coverage in terms of employment</b>                      | 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. |
| <b>Unit of analysis</b>                                     | 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.   |

|                                   | 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 (index numbers and levels)  |
|-----------------------------------|---|--|--|---|--|
| <b>Main indicators definition</b> | <p><b>Employed persons:</b> 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"> <li>• have worked in any activity at least for one hour (with or without contract) to be paid either monetary or in kind;</li> <li>• 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%.</li> <li>• self-employed: not at work but continuing the activity during the absence.</li> </ul> <p><b>Unemployed persons:</b> not employed persons aged between 15 and 74 years who:</p> <ul style="list-style-type: none"> <li>• 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;</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p><b>Inactive persons (not labour force):</b> 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><b>Payroll jobs:</b> 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><b>“De facto” wages and salaries:</b> 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><b>Social security contributions:</b> 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><b>Labour cost:</b> the whole of gross of wages and salaries and social security contributions.</p> <p><b>Fte:</b> 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"> <li>• <b>hours actually worked</b> in all jobs</li> <li>• <b>domestic employed persons</b> (resident and not resident people employed in resident production units)</li> <li>• <b>jobs</b> (occupied by domestic employed persons)</li> <li>• <b>full-time equivalent (Fte)</b> (the number of full-time jobs corresponding to the total amount of hours actually worked).</li> </ul> <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><b>Hours actually worked</b> by regular employees, including normal time and overtime in the reference quarter .</p> <p><b>Short time working allowance hours</b> including ordinary, exceptional and extraordinary short time working allowance and hours related to job-security agreements actually used in the reference quarter.</p> <p><b>Job vacancy rate:</b> 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><b>Contractual wages and salaries:</b> 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><b>Contractual length of work:</b> 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><b>Indicators of contractual tension:</b> employees under expired agreements and the ltime passed from the expiration date.</p> <p><b>Contractual wages and salaries on a cash and an accrual basis:</b> 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> |

|                                | 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)   |
|--------------------------------|--|---|---|--|---|
| <b>Main indicators measure</b> | <p><u>Indicators:</u><br/>Stock of employed persons (employees and self-employed), unemployed, inactive and their rates.</p> <p><u>Reference time:</u><br/>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><br/>produced with a calibration estimator interpretable as average of weekly stocks.</p> | <p><u>Indicators:</u><br/>Stock of employee jobs.<br/>Ratio between stocks of de facto wages and salaries and Fte.<br/>Ratio between stocks of social security contributions and Fte.<br/>Ratio between stocks of labour cost and Fte.</p> <p>Only indices with base 2015=100 are released.</p> <p><u>Reference time:</u><br/>Jobs and labour costs are measured on a monthly basis.</p> <p>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.</p> <p>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><br/>Quarterly average of monthly stocks.</p> | <p><u>Indicators:</u><br/>Stocks of hours worked, domestic employed workers, jobs, full-time equivalent (Fte).</p> <p><u>Reference time:</u><br/>Average employment over the period (quarter and year).</p> | <p><u>Indicators:</u><br/>Hours worked by employees in the quarter.<br/>Hours worked per capita in the quarter.<br/>Overtime as percentage of hours worked.<br/>Short-time working allowance hours per 1,000 hours worked.<br/>Job vacancy rate.<br/>For hours worked and per capita hours worked only indices with base 2015=100 are released.</p> <p><u>Reference time:</u><br/>Hours worked include all hours worked by employees in the quarter.<br/>Short-time working allowance hours include those actually used in the reference quarter.<br/>The number of job vacancies refers to the last day of the quarter.</p> <p><u>Estimate:</u><br/>Per capita hours worked are calculated dividing hours worked by the average of jobs in the last day of the previous and reference quarter.<br/>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><br/>Hourly and per capita contractual wages and salaries by qualification, national collective agreement or Nace. Released as monthly indices and annual average (base December 2015=100).<br/>Contractual wages and salaries on a cash basis, monthly average by Nace. Quarterly levels.<br/>Contractual wages and salaries on a cash and an accrual basis by national collective agreement. Annual levels.<br/>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><br/>The implementation of the national collective agreements is observed on a monthly basis.</p> |

|   | <b>Labour Force Survey</b>   | <b>Business indicators (Oros and Large Enterprises Surveys)</b>  | <b>National accounts</b>  | <b>Indicators on hours worked and job vacancies (Vela and Large Enterprises Surveys)</b>   | <b>Contractual wages and salaries (indices and levels)</b>   |
|---|--|--|---|--|--|
| <b>Changes</b>  | With respect to: <ul style="list-style-type: none"> <li>the previous quarter (seasonally adjusted quarter-on-quarter).</li> <li>the same quarter of the previous year (raw year-on-year).</li> </ul>   | With respect to: <ul style="list-style-type: none"> <li>the previous quarter (seasonally adjusted quarter-on-quarter).</li> <li>the same quarter of the previous year (raw year-on-year).</li> </ul>   | With respect to: <ul style="list-style-type: none"> <li>the previous quarter (seasonally adjusted quarter-on-quarter).</li> <li>the same quarter of the previous year (seasonally adjusted year-on-year).</li> </ul>  | With respect to: <ul style="list-style-type: none"> <li>the previous quarter (seasonally adjusted quarter-on-quarter).</li> <li>the same quarter of the previous year (raw and calendar adjusted year-on-year).</li> </ul>   | With respect to: <ul style="list-style-type: none"> <li>monthly changes (month-on-month and year-on-year) for the indices.</li> <li>quarterly year-on-year changes for the monthly average wages salaries on a cash basis by Nace.</li> </ul>  |
| <b>Frequency of data releases and geographical disaggregation</b> | Monthly and quarterly: estimates of country level indicators.<br><br>Quarterly: estimates of indicators by NUTS1 and NUTS2.<br><br>Yearly: estimates of indicators by NUTS3.   | Quarterly: estimates of country level indicators.  | Yearly and Quarterly: estimates of labour input at country level.<br><br>Yearly: estimates of labour input by NUTS2 and NUTS3.  | Quarterly: estimates of country level indicators.  | Monthly: indices and indicators of contractual tension.<br><br>Quarterly: contractual wages and salaries on a cash basis by Nace.<br><br>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.   |
| <b>Timeliness</b>   | 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.<br>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.   |
| <b>Reference to the latest release</b>                            | Speaking guide: <a href="http://www.istat.it/en/">http://www.istat.it/en/</a><br>Theme: labour and wages > Archive >Labour market<br><br>Direct link: <a href="#">Labour Market</a><br><br>Link to the Economic Trends section: <a href="#">Economic trends: Labour</a><br><br>Data are released quarterly on the Istat datawarehouse (I.stat) | Speaking guide: <a href="http://www.istat.it/en/">http://www.istat.it/en/</a><br>Theme: labour and wages > Archive >Labour market<br><br>Direct link: <a href="#">Labour Market</a><br><br>Link to the Economic Trends section: <a href="#">Economic trends: Labour</a><br><br>Data are released quarterly on the Istat datawarehouse (I.stat) | Speaking guide: <a href="http://www.istat.it/en/">http://www.istat.it/en/</a><br>Theme: labour and wages > Archive >Labour market<br><br>Link to the Economic Trends section: <a href="#">Economic trends: National Accounts</a><br><br>Data are released quarterly on the Istat datawarehouse (I.stat) | Speaking guide: <a href="http://www.istat.it/en/">http://www.istat.it/en/</a><br>Theme: labour and wages > Archive >Labour market<br><br>Direct link: <a href="#">Labour Market</a><br><br>Link to the Economic Trends section: <a href="#">Economic trends: Labour</a><br><br>Data are released quarterly on the Istat datawarehouse (I.stat) | Speaking guide: <a href="http://www.istat.it/en/">http://www.istat.it/en/</a><br>Theme: labour and wages > Archive >Labour market<br><br>Direct link: <a href="#">Contractual Wages</a><br><br>Link to the Economic Trends section: <a href="#">Economic trends: Labour</a><br><br>Data are released monthly on the Istat datawarehouse (I.stat) |