

## **Covid 2 - Senate Act #1766: Istat written comments**

### **Summary**

In this document the Italian National Institute of Statistics (Istat) aims at contributing with its data and analyses to the evaluation of the second Government decree dealing with the Covid-19 emergency (decreto-legge 17 marzo 2020, n. 18), which is currently under exam at the Senate Budget Commission.

The decree, of preminent economic nature, introduces several important measures aiming at helping and sustaining the National Health System, the Italian production system and all families.

On a preliminary note, it is important to note that, in view of the short period of time from the beginning of the epidemics and the rapid succession of multiple legislative acts, at present our Institute is not yet able to provide data on the impact of the newly issued social distancing measures.

However, in order to provide at least a first picture of the evolving situation, our Institute carried out an estimate of the number of firms and employed persons potentially involved by the temporary suspension of the economic activity currently established by the Italian Government for some selected economic sectors.

As for the firms operating in the industrial and service sectors (hence excluding agriculture), those which are still allowed to be open and produce do amount to about 2.3 million firms (i.e. 51.2% of all firms). These same firms (which are still allowed to operate) employ about 9.3 million workers (55.9% of the entire workforce in industry and services) and 6.8 million employees (58.1%); they generate a total turn-over of about 1,373 billion euro (57.4%), a value-added of about 464 billion (59.3%) and exports amounting to about 146 billion (35%).

These average results hide of course a high degree of heterogeneity between different and more detailed economic sectors, depending on what the decree has specifically established sector by sector. As for the manufacturing industries, for example, the number of local units still allowed to operate amount to about 33% in terms of workforce and 41% in terms of turn-over. The same numbers look significantly higher in the service sectors (64 and 63%, respectively), though hiding a higher degree of heterogeneity within sub-sectors. For example, in the retail sector, which employs the highest number of service workers (about 1.7 million people), firms still allowed to operate are estimated to represent about 51% of workers and 55% of turn-over.

Focusing now on the potential employment impact of the measures under analysis, our estimates currently refer to the total economy, i.e. including agriculture, the public sector as well as informal workers. In this respect, in 2019 total employment in Italy amounted to 23,360 thousands of people (yearly average); about two-thirds (66.7%) is employed in one of the sectors which, according to the recent measures, are still allowed to operate, i.e. 15,576 thousands of workers. The remaining third (about 7,784 thousands of people) work instead in one of the sectors, the activity of which has been temporarily suspended.

The share of workers in still operating sectors ranges from a minimum of 63.3% in the Northwestern regions, to a maximum of 75.2% in the Islands (Sardinia and Sicily), due to significant structural differences in the sectors of activity in the different areas of the country. In the northern area, the highest share can be found in the Valle d'Aosta, Trentino Alto-Adige and Liguria regions.

Focusing on the specific measures included in the decree under exam, our Institute offers some information on the National Health System (NHS) as well as some estimates on the magnitude of the potentially interested audiences. More specifically, our evidence shows that between 2010 and 2017 (last available data) the number of persons employed by the NHS dropped by 42,861 units (-6.7%). In 2017 total employment in NHS amounted to 603,375 workers, of which 101,100 were doctors (-5.9% compared with 2010) and 253,430 nurses (-3.9%). Between 2010 and 2018, the number of hospital beds, in both public or private accredited structures, in the specialization units explicitly mentioned by the decree (i.e. infectious diseases, pneumology and intensive care) have decreased by an annual average rate of about 1.2%, with a relatively lower rate compared with that observed for total available hospital beds (1.8%). However, if we focus on specific hospital departments, it turns out that hospital beds have dropped by 2.9% for infectious diseases and by 2.6% for pneumology, whereas they have increased by 1.2% in intensive care units.

Furthermore, according to our estimates, due to the current health emergency over 100,000 dependant people had to stop their periodical visits to day hospitals or semi-residential structures following what established by article 47 of the decree.