

THE LATEST NEWS OF THE FOURTH ANNUAL REPORT 2014. IMMIGRANTS IN THE ITALIAN LABOUR MARKET

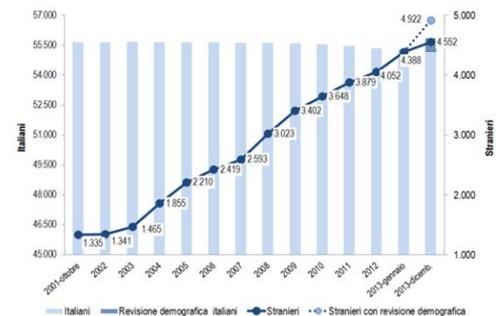
Even this year, the General Directorate of Immigration and Integration Policies of the Ministry of Labour and Social Policies has made available the *Fourth annual report 2014. Immigrants in the Italian labour market*. The new report, compared to the previous editions, besides giving ample space, as usual, to data concerning migratory flows, population, active and passive policies, welfare systems and the labour market, this year also provides sections that analyse the family dimension of immigrant citizens, employment and professional transitions, as well as an in-depth analysis on the NEET youth (*Not in Employment, Education and Training*) within the various foreign citizen communities.

➤ MIGRATORY FLOWS AND POPULATION

The framework in which migratory flows occur, by now consolidated even from a conventional viewpoint, is characterized by considerable disparities among the areas of the Planet: disparities as regards demographic growth, income, welfare and life conditions, including personal safety. In this context, the long-lasting and outstanding economic

crisis has caused unemployment rates to soar in many of the most developed countries, among which Italy.

Population residing in Italy distinguished by citizenship between Italians and foreign citizens. Value in thousands 2001-2013 (for 2001, Census data on 21 October; on first January for the other years)



(*) Data on 21 October; it is a period very close to the 2002 datum (1st January).

Source: elaborations SSRMDL Staff of Italia Lavoro on ISTAT data

As regards EU citizens, the freedom to move within the community among high income countries, such as Italy, and medium-high income countries, such as Romania, has obviously constituted a factor favouring migratory flows. In fact, almost 30% of the foreign citizens residing in Italy is a EU citizen: the first community, counting almost one million people, is represented by the Romanians. Also the share of non-community European countries is very relevant (22.5%), with a strong presence in particular of Albanians (about 440 thousand residents) and Ukrainians (about 190 thousand). Whereas, the presence of citizens from older EU countries, such as Germany and France, is very modest and in decrease with reference to absolute terms and especially relative terms.

Among the residents of non-EU communities, there is a prevalence of citizens from Morocco (more than 400 thousand), the Republic of China (more than 200 thousand), the Philippines (140 thousand) and India (120 thousand). The amounts increase even considerably when considering, for non-EU citizens, residence permits instead of residents: in fact, as regards lawful residents, Morocco and Albania are around half a million, China counts more than 300 thousand, Ukraine 220 thousand, the Philippines and India 150 thousand.

➤ LABOUR MARKET

In the past five years, migratory flows and demographic increases have been so relevant to cause a strong growth of the population in working age; however, this expansion seems to be quicker than the capacity of the economic-productive system to absorb foreign workers, thus triggering an unbalance in the

delicate social-employment balance, of which the dynamics are clearly identified by the data at disposal.

✓ *The Employed*

Generally speaking, between 2012 and 2013, the number of EU and non-EU citizens employed registered a slight increase with little less than 22 thousand units, against a drop in native employment equal to -500 thousand individuals. However, although the employment rate of the former is higher than the latter, in the past years it has been undergoing a worsening trend. In fact, from 2008 it has lost 5 points percentage, currently at 58.1%. From 2007 (the year of the maximum employment growth) to 2013, the employment of foreign citizens increased by 853 thousand units against a decrease of more than 1.6 million of Italians. As a consequence, in this period, the incidence of foreign citizens in the Italian labour market increased, despite the decline. In this regard, the values are relevant both at aggregate level – in 2013, reaching 10.5% of the total of the employed – and at sectorial level, in particular in *Constructions* (19.7%), in *Services* (10.7%), in *Agriculture* (13%). It is also important to highlight the well-known relevance of the foreign component in *Family activities and cohabitations as employers for domestic personnel* (more than 76% of the total labour force employed is composed of immigrants), a sector in which there has been an increase of non-EU employment equal to +43.8% on annual basis.

Employment rate of the population 15-64 years old per citizenship. Years 2005 – 2013



Source: elaboration SSRMDL Staff of Italia Lavoro on micro-data RCFL-ISTAT

The mentioned employment is flattened on low-level qualifications: *non-qualified manual labour* constitutes the main form of professional classification of the foreign labour force. Moreover, high education level being equal (university degree and *post lauream*), the share of foreign citizens employed with low level mansions is equal to 22.6% of the total, against 0.4% of Italians.

The impact of the economic crisis on the age bracket under 30 has been relevant. In the long run (2007-2013), the employment of Italians *under 30* has drastically dropped (-1.162 million of employed) against an increase of young immigrants (about +63 thousand).

The need for low cost labour, as well as for personnel in the so-called “cure” mansions in sectors that traditionally have asymmetric trends as regards the economic cycle and that are essential - otherwise the Italian welfare would implode since it is founded on family rather than on public services – guarantees, in the whole, more attractiveness toward immigrant labour force, and therefore, in case of job loss, greater quickness in re-accessing the market.

✓ *The Unemployed*

Although systems such as the Italian’s, in which demand is not much oriented toward innovation and finding high skilled workers – as highlighted by the analyses in this report – entail the existence of a very flexible reserve of workers whose wages are also very low for contingent reasons, these same workers are more easily expelled from the labour market.

Unemployment rate of the population 15 years of age and older per citizenship. Years 2005 – 2013



Source: elaboration SSRMDL Staff of Italia Lavoro on micro-data RCF-ISTAT

Therefore, it is not a coincidence that, always in 2013, the long-lasting crisis led to register about 500 thousand foreign citizens in search of employment, a share that in the past year has increased by 100 thousand units. The related unemployment rate has reached 17.3% exceeding that of the Italians by about 6 points.

✓ *The Inactive*

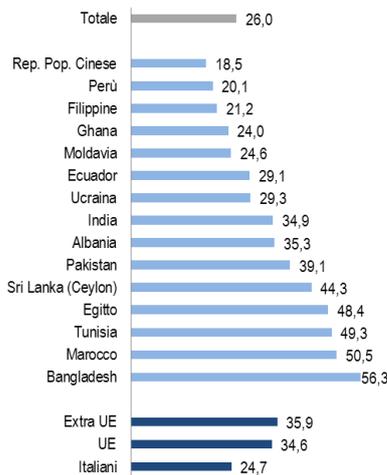
In addition to the unemployment data, there has been an increase in the inactive foreign population – that has reached 1.275 million (+77 thousand units on annual basis) mainly involving the non-EU component (+52 thousand) – due to the phenomenon of family joining, to the increase in the amount of “second generation” foreign citizens and the shares of non-

programmed entrances of non-EU foreign citizens such as refugees, asylum applicants or entrances for family reasons. On the basis of the data taken into consideration, inactivity seems to have a different relevance compared to the past, also from a strictly numeric viewpoint.

✓ **NEET**

The total number of NEET youth (*Not in Employment, Education and Training*) between 15 and 29 years of age estimated in 2013 was equal to 2,434,740 units, of whom 385,179 foreign citizens, 15.8% of the population taken into consideration. It is interesting to notice that the female presence is higher in EU and non-EU components compared to what evidenced for the Italian NEET. With reference to Morocco, Bangladesh, India, Moldavia, Ukraine, Pakistan, Sri Lanka (Ceylon), women count for two thirds of the NEET, that is they are more than 70% of the total.

Rate of NEET 15-29 years old per citizenship (v%). Year 2013



Source: elaboration SSRMDL Staff of Italia Lavoro on micro-data RCFL-ISTAT

As regards the values of the NEET rate – that is, the incidence of the 15-29 year old NEET over the total of the population of the same age – the communities with the highest value tend to be the same of those listed above. The rate of the Italian component, equal to 24.7%, is lower than what identified for Bangladesh (56.3%), Morocco (50.5%), Tunisia (49.3%), Egypt (48.4%), Sri Lanka (39.1%); whereas, below the average (equal to 26%), there are Moldavia (24.6%), Ghana (24%), the Philippines (21.2%), Peru (20.1%), the Republic of China (18.5%).

✓ **Families and labour market**

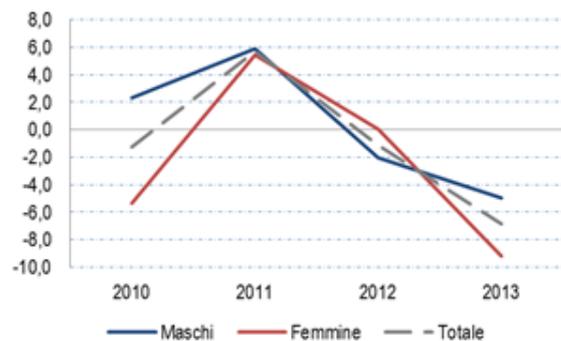
In 2013, the amount of immigrant families amounted to a little more than 1.8 million, of which 585 thousand EU and 1.2 million non-EU, with parental structures, members' ages and

number of the components different compared to Italian families, and also different among communities. At aggregated level, 59.8% of Italian families counts at least one worker against 82.8% of foreign citizen families. However, the higher the participation in the labour market, the greater the exposure to the risk of unemployment. In 2013, foreign citizen families with at least one member struck by unemployment due to dismissal, termination of the employer's business or due to expiry of a fixed-term contract, counted 24% of the total against 14.6% of corresponding Italian families. The percentage varies upon the varying of the typology of family taken into consideration; the gap between foreign citizen families and Italian families if even wider, for example, in case of "couples without children" (28% vs. 8.7%), or in case of "singles" (16.3% of the cases against 4.7%).

✓ **Labour demand: data from the Mandatory Communications on dependent and subordinate jobs [Comunicazioni Obbligatorie sul lavoro dipendente e parasubordinato]**

Administrative data confirm the difficulties that foreign citizen workers are facing in the Italian labour market. In 2013, the Sistema Informativo delle Comunicazioni Obbligatorie registered a volume of activated work relationships which involved foreign citizens for an amount equal to 1,861,943 units, of whom 766,150 EU (41.1% of the total) and 1,095,793 non-EU (58.9%).

Percentage variation of the number of activated work relationships that involved foreign citizen workers (v.a. e %). Years 2010-2013



Source: Ministry of Labour and Social policies – Information System of Mandatory Communications

In the past twelve months, the contraction of labour demand has been relevant. With reference to the volume of employments registered in 2012, it is possible to observe a contraction equal to -9% for EU citizens and -5.4% for non-EU citizens. In the whole, contracts destined to foreign citizens have decreased by almost 7 points, with peaks equal to -7.7% in the Northern labour market and -6.8% in the Central labour market.

THE MAIN DATA IN SYNTHESIS

- About 30% of the foreign citizens residing in Italy is a EU citizen: the first community, with almost one million people, is represented by the Romanians. Also the share of non-EU countries is very relevant (22.5%), with a strong presence in particular of Albanians (about 440 thousand residents) and Ukrainians (about 190 thousand).
- Among the residents from non-EU countries, there is a prevalence of citizens from Morocco (more than 400 thousand), the Republic of China (more than 200 thousand), the Philippines (140 thousand) and India (120 thousand).
- The numbers increase even considerably when considering, for non-EU citizens, residence permits instead residents: in fact, as regards lawful residents, Morocco and Albania are around half a million, China counts more than 300 thousand, Ukraine 220 thousand, the Philippines and India 150 thousand.
- Between 2012 and 2013, the number of EU and non-EU citizens employed registered a slight increase with little less than 22 thousand units – against a drop in native employment equal to -500 thousand individuals.
- The employment rate, even if higher than that of the Italians, has been worsening in the past years; in fact, since 2008 it has lost 5 points percentage, currently setting at 58.1%.
- In 2013, about 500 thousand foreign citizens were unemployed, a share that in the past year has increased by 100 thousand units.
- The unemployment rate has reached 17.3% exceeding that of the Italians by about 6 points.
- The rate of the Italian NEET youth, equal to 24.7%, is lower than what identified for Bangladesh (56.3%), Morocco (50.5%), Tunisia (49.3%), Egypt (48.4%), Sri Lanka (39.1%); whereas, under the average (equal to 26%), there is Moldavia (24.6%), Ghana (24%), the Philippines (21.2%), Peru (20.1%), the Republic of China (18.5%).
- In the past twelve months, the contraction of labour demand has been relevant. With reference to the volume of employments registered in 2012, there has been a contraction equal to -9% for EU citizens and -5.4% for non-EU citizens. In the whole, contracts destined to foreign citizens has decreased by about 7 points.
- In 2013, there were a little more than 1.8 million immigrant families, of which 585 thousand EU and 1.2 million non-EU.
- 59.8% of Italian families counts at least one worker against 82.8% of foreign families.
- In 2013, foreign families with at least one member unemployed due to dismissal, termination of the employer's business or expiry of a fixed-term contract was equal to 24% of the total against 14.6% of corresponding Italian families.