



TENTH ANNUAL REPORT FOREIGNERS IN THE ITALIAN LABOUR MARKET

Summary of the main findings

Edited by
Directorate General for Immigration and Integration Policies



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Introduction

This is the tenth edition of the annual report on foreigners in the labour market. Over these years a consolidated institutional collaboration between the Directorate General for Immigration and Integration Policies and the Directorate General for Information Systems, Technological Innovation, Data Monitoring and Communication of the Ministry of Labour and Social Policies, INPS, INAIL, Unioncamere, and Anpal Services has made it possible to capitalize on the many statistical sources available on the social and employment integration of foreign nationals.

As is by now the norm, the 2020 edition has availed itself of invaluable contributions from the OECD and ILO, in addition to presenting the main data they have collected on the resident population, employment status, recruitment flows, social shock absorbers, social security, occupational and commuting accidents and the number of companies with foreign owners.

Yet again, the aim is to provide an accurate reconstruction of the participation of foreign nationals in Italy's labour market, despite the awareness that what is being presented describes a social and economic situation prior to the SARS-COV-2 pandemic which struck Italy and the rest of the world at the beginning of 2020 and whose overall consequences it will only be possible to assess in times to come.

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Demographic data and migration flows

As of 1 January 2019, **5,255 million foreign nationals** were living in Italy, accounting for **8.7%** of the population. Consequently, Italy was third in Europe among the countries with the most foreign residents after Germany (10 million, 12.2%) and the United Kingdom (6,171 million, 9.3%), and in front of France (4,882 million, 7.3%) and Spain (4,840 million, 10.3%).

Compared to 1 January 2018, the foreign residents in Italy had increased by **+111 thousand**, continuing the low growth pattern of the last five years, in the face of a steady decline in Italian residents.

The most numerous communities were **Romanian** (1,207 thousand), **Albanian** (441 thousand), **Moroccan** (423 thousand), Chinese (300 thousand) and Ukrainian (239 thousand), while those that had seen the largest increases were Nigerian (+10.7%), Pakistani (+7.3%), Ivorian (+6.9%), Bangladeshi (+6%) and Dominican (+5.7%).

There were 3,717 million legally resident **non-EU citizens**. In 2018 – the latest figure available – 242 thousand new residence permits were issued, 7.9% fewer than in 2017. More than half (50.7%) were issued for **family reasons**, followed by **asylum/humanitarian** permits (26.8%) and study permits (9.1%). New **work** permits numbered a meagre 6%.

Labour market

The employed, unemployed and inactive

In 2019, the foreign working-age population (15-64 years) numbered more than 4 million 33 thousand individuals. Foreign nationals **in employment** numbered **2 million 505 thousand (10.7%** of the Italian workforce), those seeking work 402 thousand (15.6%), and the inactive between 15 and 64, 1 million 175 thousand (8.9%).

Between 2018 and 2019:

- there was an increase in Italians **in employment** (+95 thousand, +0.5%), as well as EU citizens (+14,450, +1.8%) and non-EU (+35,734, +2.2%) for a total of +144,917 foreign workers;
- there were fewer **unemployed**, both Italian (-176,158, -7.5%) and non-EU (-5,103, -1.9%), while the number of unemployed EU citizens had increased (+7,317, +5.8%);
- there was an increase in non-EU (+24,404, +3.0%) and EU (+12,913, +3.9%) among the **inactive** population, and a decrease in inactive Italians (-124,265, -1.0%).

The **employment rate** among non-EU nationals was 60.1% (in line with 2018), 62.8% (down by 0.7%) among EU citizens, both of which were above the 58.8% of Italians (up by 0.6%). The **unemployment rate** had risen among EU citizens (14.0%, +0.5 points between 2018 and 2019), while it had fallen among non-EU (13.8%, -0.5%) and Italians (9.5%, -0.7%). The **rate of inactivity** among foreigners (non-EU 30.2%, EU 26.9%) was still lower than that of Italians (34.9%).

The number of **women in employment** was **far lower** than that of men. The employment rate among foreign women lay at 55% among EU citizens and 46.5% among non-EU, while the unemployment rate was 15.6% among EU nationals and 16.7% among non-EU, and the inactivity rate was 34.7% among EU and 43.9% among non-EU.

There were also considerable differences between the various communities and across the country.

Economic sectors and the nature of employment

The sectors which employed most foreigners in Italy were *Other Collective and Personal Services* (642 thousand), *the purely Industrial Sector* (466 thousand), *Hotels and Restaurants* (263 thousand), *Wholesale and Retail* (260 thousand) and *Construction* (235 thousand). In some cases, the contribution of foreign workers was particularly substantial: compared to **an average 10.7%** of the total number of those in employment, in *Transport and Storage* it was 11.8%, in *Construction* 17.6%, in *Hotels and Restaurants* 17.7%, while in *Agriculture*, it had risen to 18.3% of the total, with a further **36% in Other Collective and Personal Services**.

A good 87% of foreign workers were **company employees** (compared to 76% among Italians). In around 1 out of 5 cases these were fixed-term relationships, which were those which saw the largest increase between 2018 and 2019: +4% among foreigners, compared to +0.1% among Italians. The area of self-employment had only declined in the case of Italians (-0.3%), while among foreigners, there was an increase of +2.7% in one year.

As for white-collar positions, it can be seen that foreign workers were mainly concentrated in **executive positions**. It turned out that there were few foreign workers with managerial roles and the like: only 1.1% of those in employment had, in fact, a status as manager or executive compared to 7.6% of the Italians, while 77.1% were employed as blue-collar workers (in the case of Italians this accounted for 31.7% of the total considered).

Migrant entrepreneurship

The company owners born in a non-EU country numbered **383,462**, or **12.2%** of the total, an increase of +1.1% between 2018 and 2019.

The home countries most represented among owners were Morocco (64,173), China (53,297), Albania (33,294) and Bangladesh (30,682). These companies were mainly active in the **Wholesale and Retail Trade, Vehicle Repairs** (43.1% of the total), and **Construction** (21.1%).

From a territorial point of view, the highest **proportions** out of the total number of individual firms were most evident in Tuscany (17.9%), Liguria (17.5%), Lombardy (17.3%) and Lazio (16.5%). From a sectoral point of view, the highest proportions were seen in *Rental Services, Travel Agencies, Business Support Services* (23.7%), the *Wholesale and Retail Trade, Vehicle Repairs* (17.8%), *Construction* (17.4%) and *Manufacturing* (14.4%).

Of these **owners**, 21.9% were **women**. For some home countries, this quota rose considerably: Ukraine (54.5%), Serbia and Montenegro (49.2%), China (46.7% of the total), Nigeria (39.6%), Moldova (31.0%).

Foreign women between family and work

Among Italian women, 35.9% mentioned that they **looked after family members, the sick, the disabled, and the elderly**, but among EU nationals, this figure rose to 39.1% and among **non-EU** to **44.9%**. The percentages were much higher among women in certain foreign communities: 95.2% of Egyptians, 75.2% of Tunisians, 72.2% of Bangladeshis and 70% of Pakistanis.

Among women with **children aged 0-5**, a particularly problematic group for family care commitments, most Italians (56%) were using **public or private childcare services**, while most EU and non-EU citizens (56%) were not. For 31.2% of EU and 37.2% of non-EU citizens, the decision was down to the **high cost** of these services, compared to 8.9% among the Italians. In addition, among the Italians who claimed that they did not need such services, 39.9% used **relatives**, while this percentage fell to 15.5% among EU and 13.2% among non-EU.

Family care responsibilities **have serious consequences for employment**. The employment rate of Italian women with pre-school children was 48.9%, a figure which fell to 32.0% among EU and 22.7% among non-EU. The latter were predominantly inactive (more than 70 out of 100) and just 6 out of 100 were looking for a job.

Young people

In Italy, there were around 9 million young people aged between 15 and 29, of whom 89.8% were Italian nationals, 2.7% EU and 7.5% non-EU. Traditional labour market indicators showed **significant differences**.

There was a higher employment rate for young EU citizens of 42.7%, falling to 37.8% for young non-EU citizens and 31.0% for young Italians. The highest unemployment rate was for young non-EU citizens (24.0%), followed by Italians (22.4%) and EU (16.9%). The rate of **inactivity** was exceptionally high among Italians under 29 (60.1%) and decidedly lower among non-EU (50.2%) and EU citizens (48.6%)

Education was a key factor in the status of young foreigners, particularly non-EU. Few of those who had not joined the labour market were studying, and among the employed and unemployed, there was an excessively high proportion of ELET (**Early Leavers** from Education and Training), in other words, young people between the ages of 18 and 24 who had not completed their secondary education: among the young non-EU, the figure was 15.1%, more than the young EU (12%) and three times that of Italians (5.3%).

Recruitment and terminations in 2019

In 2019, the Statistical Information System of Compulsory Communications [SISCO] registered **2,291,882 recruitments** of foreign nationals, divided into 714,545 EU citizens (31.2% of the total) and 1,577,337 non-EU (68.8%). Compared to 2018, this meant a decrease of -4.5% for EU citizens and an increase of +6.4% for non-EU. Overall, recruitments of foreigners had grown by **+2.8%**; those of Italians by +2.2%. The sector with the highest rate of recruitment involving foreign workers was *Agriculture* (38.4%), followed by *Construction* (23.9%), *the purely Industrial Sector* (20.9%) and *Other Service Activities* (15.6%).

With regard to the **types of contract**, for non-EU workers there was a marked increase in the various kinds of contract such as “on-call” (+20.3%), fixed-term (+6.3%) and open-ended (+3.8%), as well as in apprenticeships (+10.0%). In contrast, in the case of EU citizens, the volume of fixed-term recruitment had fallen by 6.4% and casual labour by 1.0%; compared with apprenticeships (+0.8%), open-ended (+1.2%), and other types of contract (+3.9%).

Again in the case of non-EU citizens, the percentage of open-ended contracts out of the total recruitments (24.7 percentage points) was much higher than that of EU workers (17.2%). In any event, recruitment involving temporary contracts predominated: these comprised around two-thirds of the new recruitments of foreign nationals.

In 2019, 2.3% more employment agreements **terminated** than in 2018. If only the agreements with non-EU are considered, the trend was +6.7%, compared to +2.1% among Italians. On the other hand, terminations of agreements with EU citizens had decreased: -4.5%. The sectors with the most terminations of agreements with foreign workers were *Other Service Activities* (52.3%) and *Agriculture* (28.8%).

There was a downward trend in the **redundancies** of EU workers (-5.6% compared to 2018) and, in contrast, an increase in the case of non-EU workers (+2.8%). Instead, **resignations** saw an increase both in the case of EU (+2.5%) and non-EU (+9.1%) workers. Finally, the number of terminations due to expiration affecting EU citizens fell (-3.9%), while for non-EU citizens there was an increase (+8.0%).

Labour and Welfare Policies

Access to public employment services

In 2019, **237,000 foreigners** looking for work (151 thousand non-EU, 86 thousand EU) said they had at least one **contact with a Job Centre** [*CPI* in Italian]. The percentage out of the total number of people seeking employment was 64.5% among EU citizens and 56.1% among non-EU, compared to 79.3% among Italians.

Those foreigners who came into contact with CPIs had a **fairly systematic relationship** with them: 54.4% said they had visited one in the previous 4 months, a figure 39.3% higher than that recorded among Italians. In particular, non-EU unemployed who had been in contact for less than a month numbered 25.4%, EU 18.5%, and Italians 12.5%.

Unemployed foreigners had gone to CPIs mainly to check on the **existence of job opportunities** (49.2%), or for **administrative reasons**: renewing their “Immediate Availability Declaration” [*DID* in Italian], to confirm their unemployment status (39.7%), or to register for the first time (16.2%). Fewer than 1% said they had received an offer of work, an internship, or the chance to participate in a selection procedure or training course from the CPI. Lastly, 3.9% went there to sign a Jobseeker's Agreement [*Patto di Servizio*]

Extracurricular traineeships

Extra-curricular traineeships are **active labour-market policy measures** which let trainees gain work experience in a company, making it easier to join the labour market. The total number of foreign nationals involved in 2019 was **40,108** (5,976 EU, 34,131 non-EU), a figure essentially in line with the previous year.

The sector involving the highest number of foreign nationals was that of **Other Service Activities** (21,557 new trainees, 53.7% of the total). This was followed by the *purely Industrial Sector* (20.1%), *Wholesale and Retail* and *Vehicle Repairs* (15.2%), *Agriculture* (5.5%) and *Construction* (5.4%). **Men** represented the majority in all sectors and in particular in *Construction* (94.6%), *Agriculture* (92.3%), the *purely Industrial Sector* (78.3%). Women were most represented in *Other Service Activities* (43.7%), in *Wholesale and Retail* and in *Vehicle Repairs* (38.1%).

Among the foreigners, 70% of the traineeships lasted **between 4 and 12 months**.

Social shock absorbers

In 2019, 52,060 non-EU nationals were beneficiaries of **ordinary income support**, i.e., 12.5% of the total beneficiaries, while 3,721 were receiving **extraordinary income support (2.2%)**. Non-EU citizens who benefited from mobility allowances numbered 328 – **2%** of the total number of beneficiaries.

As far as unemployment benefit [**NASpI**] is concerned, there were 377,424 non-EU beneficiaries, **13.8%** of the total number. There was an almost equal distribution among men and women (49.9% vs. 50.1%) and in 2019, Albania, Ukraine, Morocco and Moldova were the four home countries from which almost half of the beneficiaries (45%) came.

There was a higher number of non-EU citizens among beneficiaries of **agricultural unemployment benefit**: in 2018 (the previous year of the survey) there were 90,936, i.e., **16.8%**. In this case, males predominated (81%) and the home countries most represented were Morocco, India and Albania, from where 59% of the beneficiaries came.

Accidents and occupational diseases

In the period from January-December 2019, accidents involving workers born abroad were 108,173 (83,250 non-EU, 24,923 EU), with a fatal outcome in 205 cases. This represented **16.9% of the injuries reported in Italy and 18.8% of the total fatal injuries**. Compared to 2018, there was an **increase** of 3.4% in reports of accidents and 13.3% in deaths among foreigners, while for Italians both figures had decreased.

In 2019, 85.7% of the accidents involving foreigners occurred **during the course of their work**, a proportion higher than that for Italian workers (84.0%). Again compared with 2018, non-EU workers were involved in an increased number of reported accidents, both work-related (+4.9%) and on the journey to or from work (+5.2%), while for EU citizens there was a reduction in both, namely, 1.7% and 1.2%, respectively.

From the data available for the two-year period 2017-2018, as was the case for Italian workers (+2.5%) also for foreign workers there was an **increase in occupational diseases**, which had jumped from 3,768 to 3,919 (+4.0%). This increase was recorded in all insurance schemes: 5.2% in Agriculture (from 252 cases to 265), 3.9% in Industry and Services (from 3,504 to 3,639) and 25.0% in the Civil Service (from 12 to 15).

Social security

The number of **IOS pensions** (Incapacity, Old Age and Survivors) [IVS in Italian] provided by INPS to non-EU citizens at the end of 2019 were 65,926, or **0.39%** of the total; 34.4% of which were being paid to men and 65.6% to women. 86% of beneficiaries were resident in Italy. **There were 100,898 welfare pensions** being issued to non-EU citizens, **2.5%** of the total; 47.6% for men and 52.4% for women.

The non-EU nationals who were receiving **mandatory maternity benefits** in 2019 numbered 27,714 – **9.1%** of the total beneficiaries, while the 299,028 **recipients of parental leave allowances** accounted for **7.2%**. Non-EU workers receiving **family allowances** [ANF in Italian] numbered 305,441 – **12.5%** of the total.