



## Italy

**T**his profile examines the health of local labour markets in Italy. It analyses data at the sub-regional level, which corresponds to the country's 103 provinces (*province*).

### Local employment growth

The change in the number of people employed can be a useful proxy for local job creation, for which internationally comparable data are not available. In Italy, the number of people employed decreased by an average annual rate of 0.04% between 2004 and 2014. While the number of people employed has not yet recovered to 2008 levels, it has been increasing since 2013. Figures 23.1 and 23.2 show the average annual employment growth rate across sub-regions during this time. It ranges from an increase of 1.3% in Rome to a decline of 2.4% in Benevento.

### Skills supply and demand

The level of skills supply (the percentage of people with post-secondary education) and demand (the percentage of medium- and high-skilled occupations and GVA per worker) can provide further insights into the quality of local job creation and the potential for future growth. Figure 23.3 shows that in 2012, 29 sub-regions were in a “high skills equilibrium”, with a relatively high supply of and demand for skills. Twenty-seven sub-regions were in a “low skills trap”. Here, both the supply of and demand for skills were relatively low; some of these sub-regions may find it hard to move to higher-skilled, higher value-added production and services. The remaining 47 sub-regions were in a position of imbalance, with a relatively high supply of skills and low demand for skills (skills surplus) or vice versa (skills deficit). Table 23.1 lists the sub-regions with the highest increase in skills supply and/or demand between 2001 and 2012.

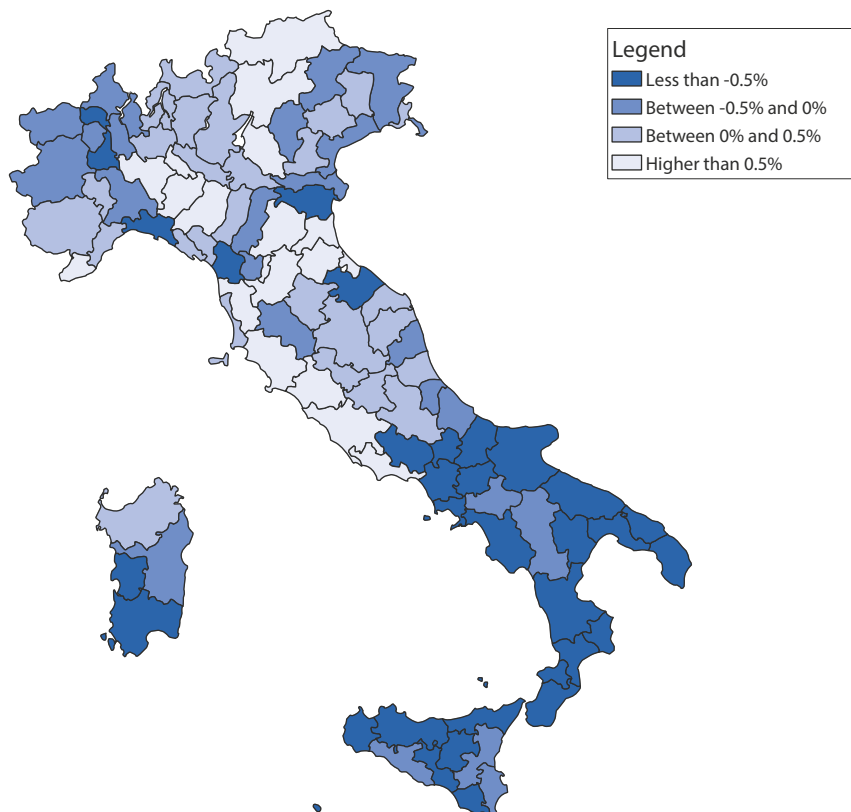
### Employment rate

The employment rate provides an indication of the extent to which available labour resources are being used, and can provide insights about the inclusiveness of labour markets. Figure 23.4 shows the sub-regional employment rate for the population 15-64 in 2015. Bolzano had the highest employment rate at 71.4% while Vibo-Valentia had the lowest employment rate at 35.8%. To show those places making the most progress over time, Figure 23.5 shows the twenty sub-regions that registered the highest average annual increase in their employment rate between 2005 and 2015. While the overall employment rate in Italy slightly decreased by 0.2% during this time period, it should be noted that the employment rate has been increasing since 2013.

### Places to watch: Moving towards more productive and inclusive economies

Looking across multiple indicators can provide a more balanced assessment of how sub-regions have performed. Table 23.2 shows the sub-regions that consistently ranked in the top half (i.e. above the median) of all sub-regions for employment growth, increase in skills supply and demand, and improvements in the employment rate over the reference periods.

Figure 23.1. **Local employment growth over time, Italian sub-regions, 2004-14**  
Average annual change (%)



Source: OECD calculations based on data from the OECD Regional Statistics (database), <http://dx.doi.org/10.1787/6b288ab8-en>.


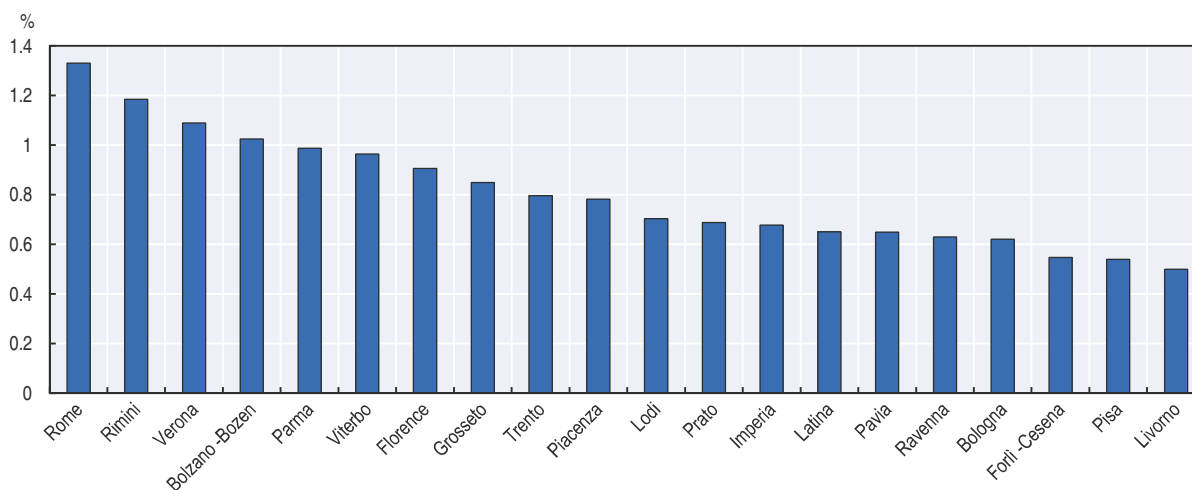
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Figure 23.2. **Local employment growth over time: Best performing Italian sub-regions, 2004-14**  
Average annual change (%)



Source: OECD calculations based on data from the OECD Regional Statistics (database), <http://dx.doi.org/10.1787/6b288ab8-en>.


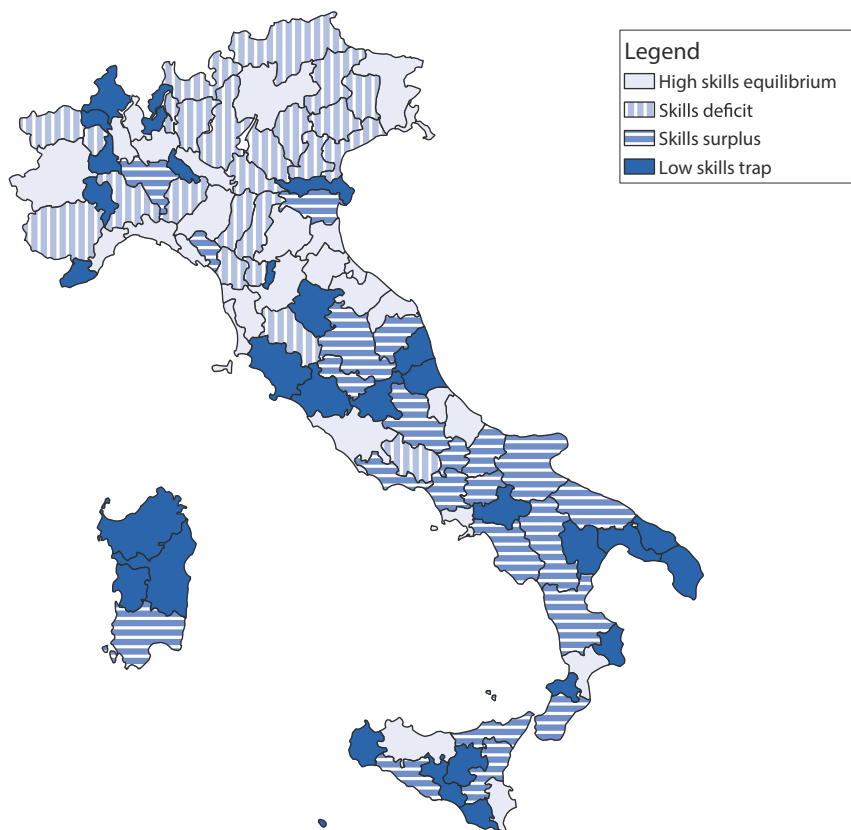
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Figure 23.3. **Skills supply and demand, Italian sub-regions, 2012**

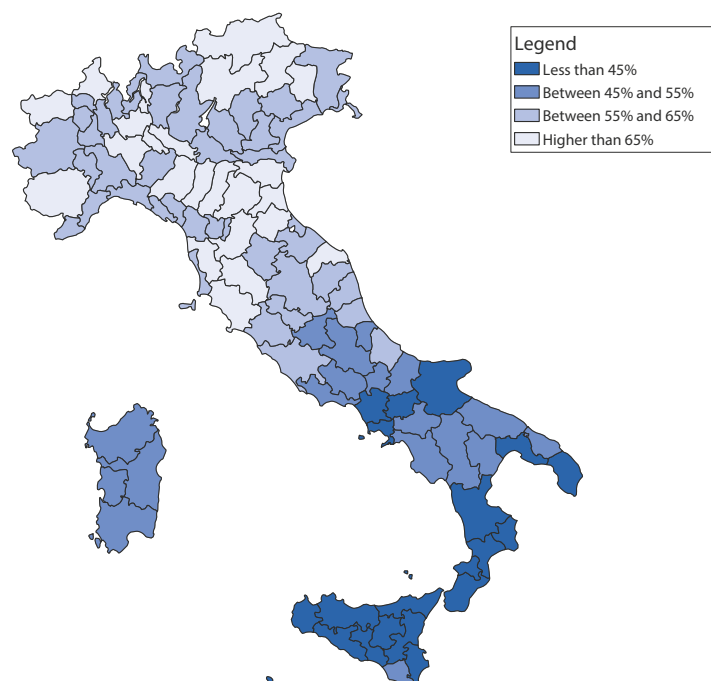


Source: OECD calculations based on data from the Labour Force Survey and Regional Accounts, Italian National Institute of Statistics.

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Table 23.1. **Places with the highest increase in skills supply and/or demand, Italian sub-regions, 2001-12**

Increase in supply		Increase in supply and demand		Increase in demand	
● Agrigento	● Latina	● Benevento	● Biella	● Gorizia	
● Brindisi	● Matera	● La Spezia	● Bologna	● Macerata	
● Cagliari	● Napoli	● Lucca	● Bolzano	● Milano	
● Caserta	● Pescara	● Potenza	● Campobasso	● Rimini	
● Catania	● Prato	● Salerno	● Catanzaro	● Siracusa	
● Enna	● Rieti	● Trieste	● Chieti	● Udine	
● Foggia	● Viterbo		● Firenze	● Valle d'Aosta	
● Frosinone			● Forli-Cesena		

Figure 23.4. **Employment rate (population 15-64), Italian sub-regions, 2015**

Source: Labour Force Survey, Italian National Institute of Statistics.


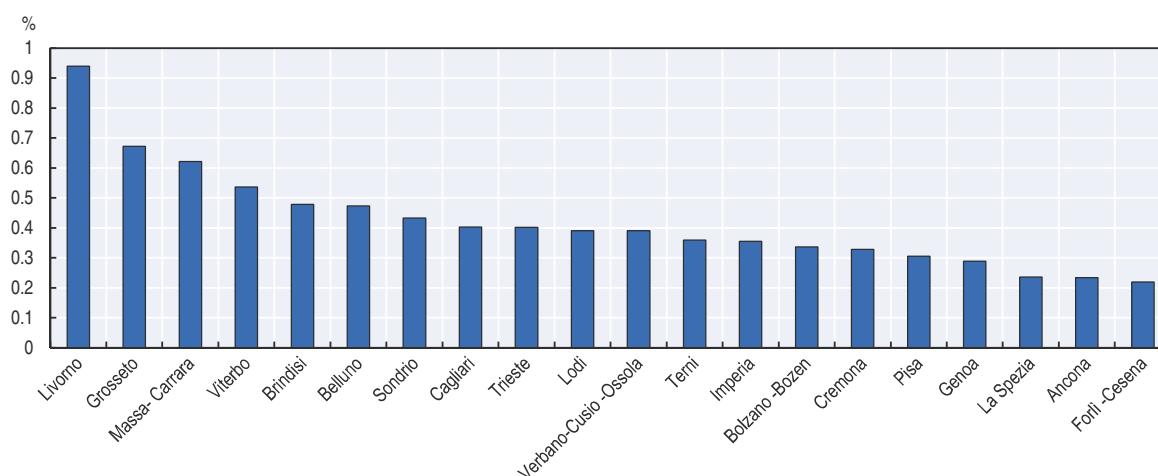
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Figure 23.5. **Employment rate change over time: Best performing Italian sub-regions, 2005-15**  
Average annual change (%)



Source: OECD calculations based on data from the Labour Force Survey, Italian National Institute of Statistics.


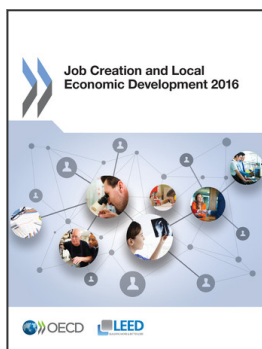
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Table 23.2. **Places to watch: Italian sub-regions making progress across indicators**

- Chieti
- La Spezia
- Livorno
- Trieste

Note: Italian sub-regions improving more than the median across employment growth (2004-2014), skills supply and demand (2001-2012), and employment rate (2005-2015).



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