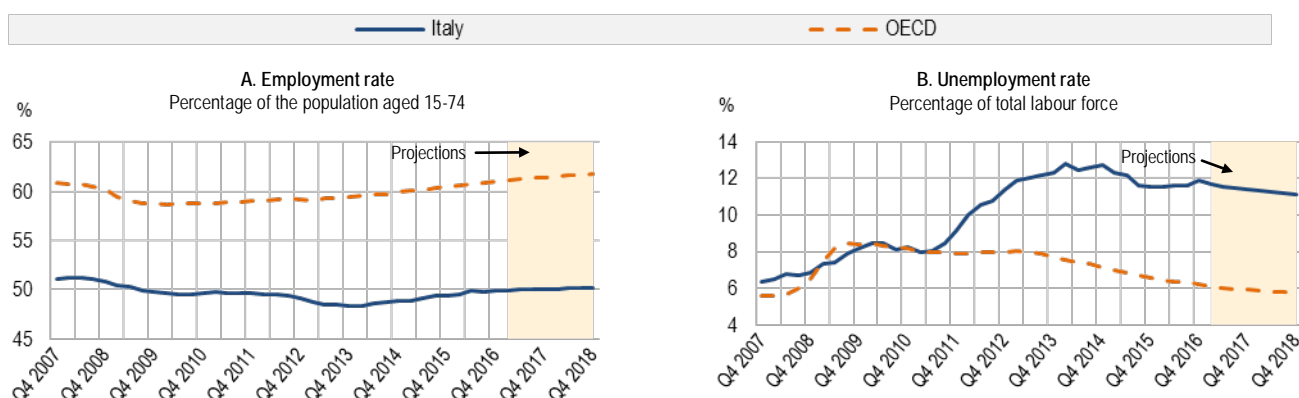


The 2017 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects. It also contains chapters on: benchmarking labour market performance based on the new OECD Jobs Strategy scoreboard; labour market resilience in the wake of the global crisis; the role of technological change and globalisation in transforming labour markets; and key country differences in collective bargaining arrangements.

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Labour market developments in Italy



Note: OECD weighted average.

Source: OECD calculations based on OECD Economic Outlook Database (No. 101), June 2017.

RECENT LABOUR MARKET TRENDS AND PROSPECTS

Labour market conditions continue to improve and the OECD average employment rate finally returned to its pre-crisis rate in the first quarter of 2017, nearly ten years after the global financial crisis erupted. The OECD-average unemployment rate continues its slow descent, but remains slightly above its pre-crisis level because employment has not increased enough to fully offset a rising trend in participation rates. The unemployment rate is projected to fall back to its pre-crisis level in late 2018 or early 2019. The recovery remains very uneven across countries and different groups within the workforce.

- Employment in Italy, as a share of the population aged 15-74, has almost come back to its pre-crisis level but at 49.9 percent it is the third lowest among OECD countries.
- On the opposite, after a significant decrease over 2014, the unemployment rate broadly stabilised over the past two years and decreased again in April. However, at 11.1 percent it remains the third highest among OECD countries and

4.5 percentage points higher than its pre-crisis level.

- Despite some modest improvement over the projection period, the employment and unemployment trends reflect an increase in the participation rate which went up by 2 percentage points since the Great Recession compared to a 0.7 increase on average across OECD countries.
- While this is a positive development, Italy needs to further implement the Jobs Act and, in particular, strengthen activation policies in order to avoid the risk of further increasing the share of long-term unemployment. The creation of the National Agency for Active Policies (ANPAL) is a significant step forward but the main challenge is now to effectively coordinate regions, which keep a key role in the delivery of employment programmes, and ensure common minimum standards. Allocating well-trained staff to Public Employment Services, holding regions accountable and developing an appropriate skill profiling tool are among the priorities for ANPAL to manage effectively the large numbers of jobseekers.

Scoreboard of labour market performance for Italy



Note: An upward ↗ (downward ↘) pointing arrow for an indicator means that higher (lower) values reflect better performance.

Earnings quality: Gross hourly earnings in USD adjusted for inequality. **Labour market insecurity:** Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. **Job strain:** Percentage of workers in jobs characterised by a combination of high job demands and few job resources to meet those demands. **Low income rate:** Share of working-age persons living with less than 50% of median equivalised household disposable income. **Gender labour income gap:** Difference between average per capita annual earnings of men and women divided by average per capita earnings of men. **Employment gap for disadvantaged groups:** Average difference in the employment rate for prime-age men and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities) as a percentage of the employment rate for prime-age men.

Source and definitions: OECD calculations using data for 2015 or latest year available from multiple sources. See [OECD Employment Outlook 2017](#), Table 1.2. for further details

NEW OECD SCOREBOARD SHOWS RELATIVE STRENGTHS AND WEAKNESSES OF THE ITALIAN LABOUR MARKET

The 2017 issue of the *OECD Employment Outlook* presents a comparative scoreboard of labour market performance that provides a rich overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quality (pay, labour market security, quality of working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- The Italian labour market tends to score poorly in most of the dimensions of the scoreboard. Beyond the poor performance in terms of employment and unemployment, Italy is just above the OECD average only in terms of earnings quality while it ranks at the bottom third in terms of labour market security and job strain.

- The degree of inclusiveness of the Italian labour market is also below the average. The employment gap of potentially disadvantaged groups, such as mothers with children, youth who are not in full-time education or training, older workers, non-natives, and persons with partial disabilities is the fifth highest among OECD countries.
- Moreover, the share of working-age persons living in poor households and the income gap between men and women are significantly higher than the OECD average.
- During the past decade Italy has shown some improvements, with a decline in the share of workers experiencing job strain as well as a reduction in the employment gap for potentially disadvantaged groups. In particular Italy has made remarkable improvements in the employment gap for older workers and, less starkly, for mothers with children.
- By contrast, as in most OECD countries, labour market security has worsened over the past decade as a result of the crisis and the share of working-age persons living in poor households has increased.

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