



Job Creation and Local Economic Development 2020: Rebuilding Better examines the impacts of COVID-19 on different types of local labour markets. It also considers their performance prior to the pandemic, and how COVID-19 could impact other ongoing local labour market transitions such as digitalisation, automation and the polarisation of jobs. Finally, it discusses the role local actors will play in rebuilding better. Consult the full publication [here](#).

Italy¹

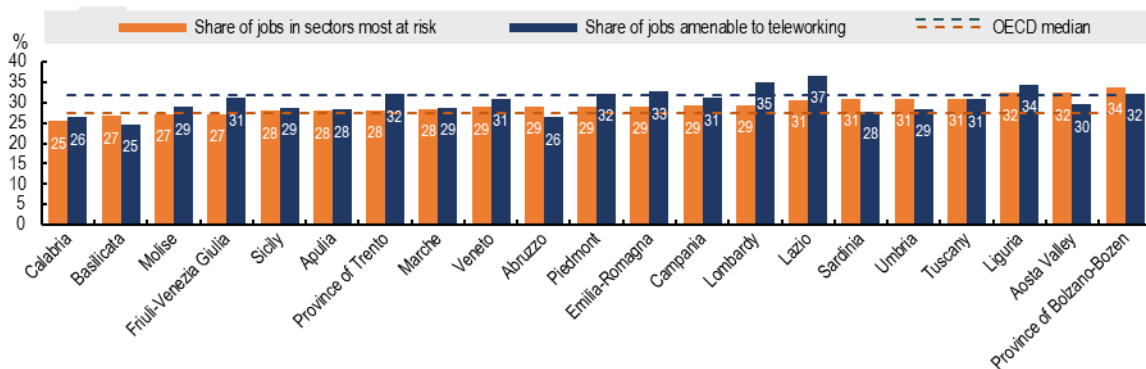
The share of jobs amenable to teleworking varies from 25% in Basilicata to 37% in Lazio.

Only six Italian regions saw net employment growth between 2008 and 2018.

In Liguria, Province of Bolzano-Bolzen, Sardinia, Lombardy, Piedmont and Marche, the share of middle skill jobs has fallen by over 10 percentage points since 2000, the largest relative decreases in Italy.

The potential impacts of COVID-19 on local labour markets

Jobs in sectors most at risk and amenable to teleworking



Note: Share of jobs at risk is based on estimates of sectors most impacted by strict containment measures, such as those that involve travelling and direct contact between consumers and service providers. The sectoral composition of the regional economy is based on data from 2017 or latest available year. Share of jobs amenable to teleworking is based on the types of tasks performed in different occupations, and the share of those occupations in regional labour markets. These figures do not account for gaps in access to IT infrastructure across regions, which could further restrict teleworking potential. The OECD median presented here is the median of OECD regions with available data for each indicator.

Source: OECD calculations on OECD (2020), "Regional economy", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/6b288ab8-en>; and OECD (2020), *OECD Regions and Cities at a Glance 2020*, <https://doi.org/10.1787/959d5ba0-en>.

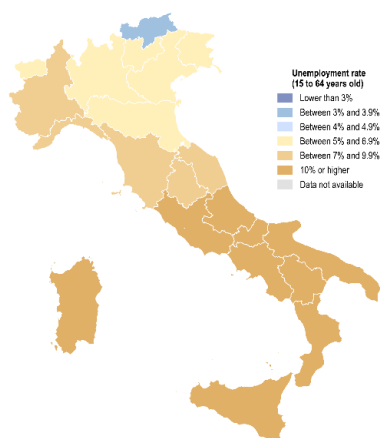
COVID-19 has put unprecedented pressure on local labour markets and economies. The share of jobs in the sectors most at risk from containment measures (e.g. accommodation and food services, and wholesale and retail trade) varies from less than 15% to more than 35% across OECD regions. In Italy, the share of jobs in sectors most at risk ranges from 25% in Calabria to 34% in the Province of Bolzano-Bozen. Compared to other OECD countries, the size of regional disparities is just below average. In four regions, the share of jobs at risk was close to or below the median OECD region.

While containment measures have restricted economic activity in some sectors, the rapid expansion of teleworking has helped maintain other jobs. Most regions had a lower share of jobs amenable to teleworking than the OECD median region, but widespread teleworking is more feasible in some regions than others. The share of jobs amenable to teleworking varies roughly 12 percentage points across regions, from almost 25% in Basilicata to just over 37% in Lazio.

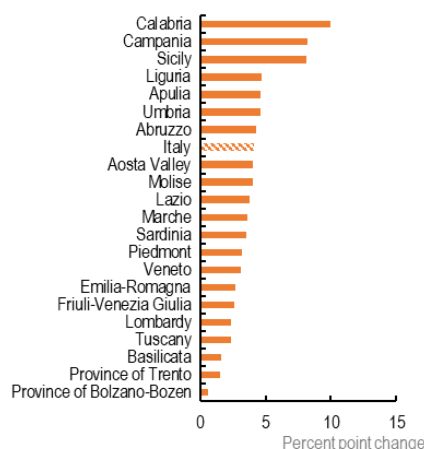
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Local labour market health prior to COVID-19

Unemployment rate, 2019



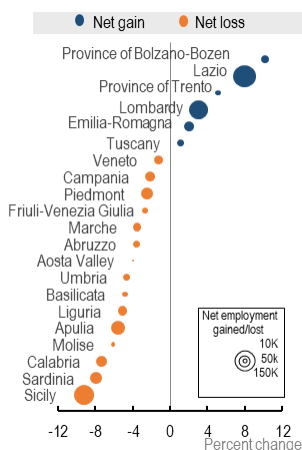
Change in unemployment rate, 2008-2018



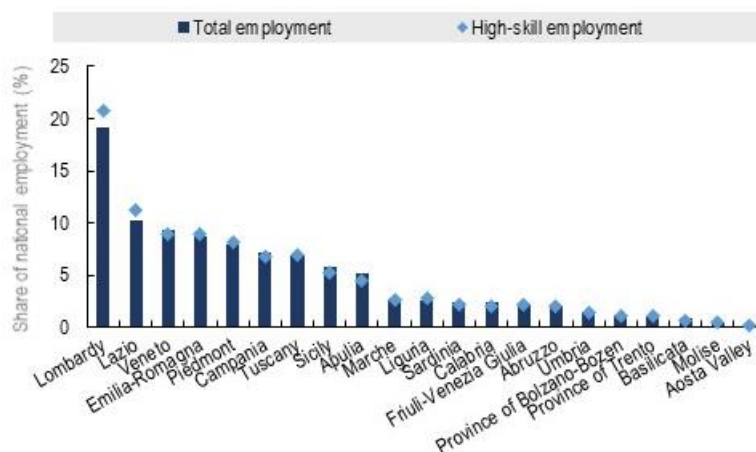
Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.
 Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>.

Before the COVID-19 pandemic, unemployment rates in Italy were generally high. They varied almost 19 percentage points across regions, from a low of 3% in the Province of Bolzano-Bolzen to a high of 21.7% in Calabria in 2019. Looking at the decade following the 2008 crisis, no region had unemployment rates lower in 2018 than in 2008, a pattern seen in less than one-third of OECD countries. Regional gaps in unemployment also grew, due to high increases in regions with already high rates in 2008, such as Calabria, Campania and Sicily.

Change in net employment, 2008-2018



Employment by region and skill level, 2018

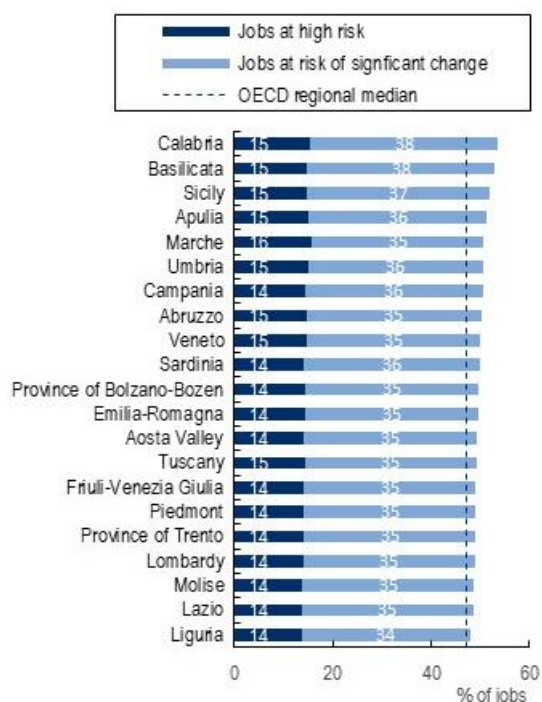


Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en> and OECD calculations on EU Labour Force Survey.

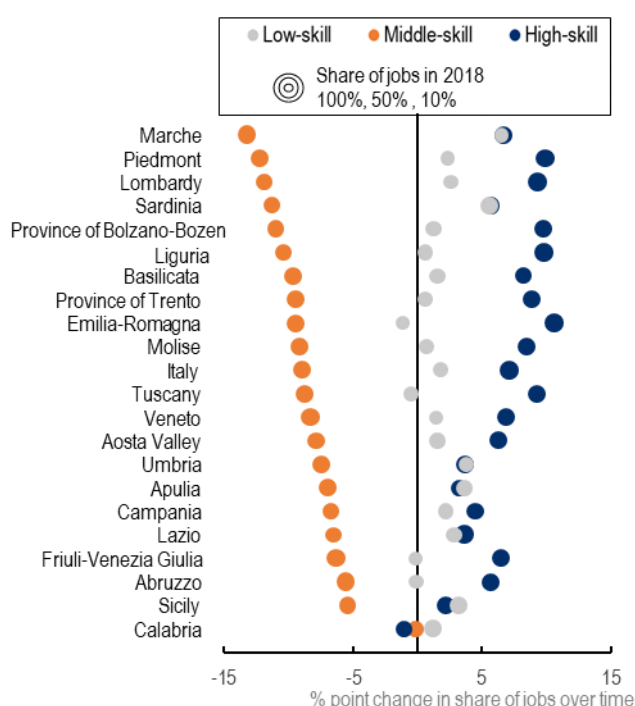
Employment declined overall in Italy between 2008 and 2018, but six regions saw an increase in the number of people employed. Lazio and Lombardy saw the biggest absolute increases in number of people employed, while Sicily and Apulia saw the biggest absolute declines. In 2018, Lombardy accounted for over 19% of all employment in Italy and 21% of all high-skill employment. Looking at a longer time period (2000-2018), the geographic concentration of jobs (as measured by the number of people employed) increased in Italy, but more strongly for high-skill jobs than jobs in general, in line with general OECD trends.

Local labour market transitions

Share of jobs at risk of automation, 2018



Job polarisation, 2000-2018



Note: In Panel A “high risk” refers to the share of workers whose job faces a risk of automation of 70% or above. “Significant risk of change” reflects the share of workers whose job faces a risk of automation between 50% and 70%.

In Panel B, high-skill occupations include jobs classified under the ISCO-88 major groups 1 (legislators, senior officials, and managers); 2 (professionals); and 3 (technicians and associate professionals). Middle-skill occupations include jobs classified under the ISCO-88 major groups 4 (clerks); 6 (skilled agricultural workers); 7 (craft and related trades workers); and 8 (plant and machine operators and assemblers). Low-skill occupations include jobs classified under the ISCO-88 major groups 5 (service workers and shop and market sales workers); and 9 (elementary occupations).

Source: OECD calculations based on Survey of Adult Skills (PIAAC) (2012) and EU Labour Force Survey; Nedelkoska, L. and G. Quintini (2018), “Automation, skills use and training”, <https://doi.org/10.1787/2e2f4eea-en>; and OECD (2020), *OECD Employment Outlook 2019: The Future of Work*, <https://doi.org/10.1787/9ee00155-en>.

COVID-19 will likely accelerate automation, putting additional pressures on places with relatively high shares of jobs at risk. All regions in Italy have a higher share of jobs at high risk or risk of significant change from automation than the OECD median region. The share of jobs at risk ranges from 48% in Liguria to 54% in Calabria.

Following general OECD patterns, in Italy, all regions saw the share of middle-skill jobs decrease between 2000 and 2018. The share of middle-skill jobs decreased by 10 percentage points or more in Liguria, Province of Bolzano-Bolzen, Sardinia, Lombardy, Piedmont and Marche. In Piedmont and Lombardy, this represents almost 200 000 and over 250 000 middle-skill jobs respectively. In most regions, decreasing shares of middle-skill jobs were predominantly offset by increasing shares of high-skill jobs.

Active labour market policies: institutional arrangements

Active labour market will be of growing importance as the COVID-19 response transitions from emergency backstop supports to facilitating labour market transitions. The institutional arrangements for these policies, and the subnational role, varies significantly across countries.

| | | |
|---|--|---|
| | <i>Centralised, including branch offices of national ministry / agency</i> | Through the Jobs Act (2014), Italy has been undertaking a series of labour market policy reforms, including for the institutional framework for active labour market policies. While the initial design was intended to centralise the competences for active measures from the regional to the national level (i.e. with the Ministry of Labour and Social Policy and the National Agency for Active Labour Market Policies) the negative results of a 2016 referendum prevented this from happening. Instead, competences are being consolidated at the regional level. In this context, the Regions are responsible for steering the local employment offices (<i>centri per l'impiego</i>), which provide employment services alongside accredited, private providers. The Ministry of Labour and Social Policies consults with the State-Regions Conference to develop three-year strategies and yearly objectives and set minimum service levels. |
| | <i>Decentralised to subnational governments</i> | |
| | <i>Fully outsourced or delivered through network of public, private, and/or non-profit providers</i> | |
| X | Combined system with shared competences, or different systems for different target groups | |

Source: OECD (forthcoming), "Local and regional variations in labour market and skills policies: A cross-country comparison", *OECD Local Economic and Employment Development (LEED) Papers*.

Notes

¹ Data is presented at the TL2 level, which typically corresponds to the first administrative tier of subnational government. See Reader's Guide of the full report for more information on the methodologies behind the calculations.