



**FRANCESCO MANENTE - MASSIMO RESCE**

**LABOUR MARKET IN ITALY IN A COMPARISON BETWEEN URBAN CENTRES AND INTERNAL AREAS  
- SOME EVIDENCE ON LABOUR SHORTAGE AND MISMATCH FROM THE INAPP PLUS SURVEY -**

**EIGHT INTERNATIONAL ASTRIL CONFERENCE 22 - 24 JANUARY 2025**

*THE FUTURE OF WORK: TECHNICAL PROGRESS, ARTIFICIAL INTELLIGENCE AND WORKING TIMES*

Università degli Studi Roma 3 | Rome 22-24 January 2025

**INAPP SPECIAL SESSION – “LABOUR SHORTAGE” AND MISMATCH: GEOGRAPHY, GENERATION, CITIZENSHIP AND GENDER DISTRIBUTION**



Il presente studio è stato realizzato dall'Inapp in qualità di Organismo Intermedio del Programma nazionale Giovani, Donne e Lavoro FSE+ 2021-2027, Piano INAPP 2023-2026 - Operazione a titolarità n. 1  
'Accompagnare gli obiettivi di modernizzazione dei servizi per il lavoro, di equità, d'inclusione e riduzione dei divari territoriali tramite lo sviluppo di basi conoscitive e di analisi policy oriented'

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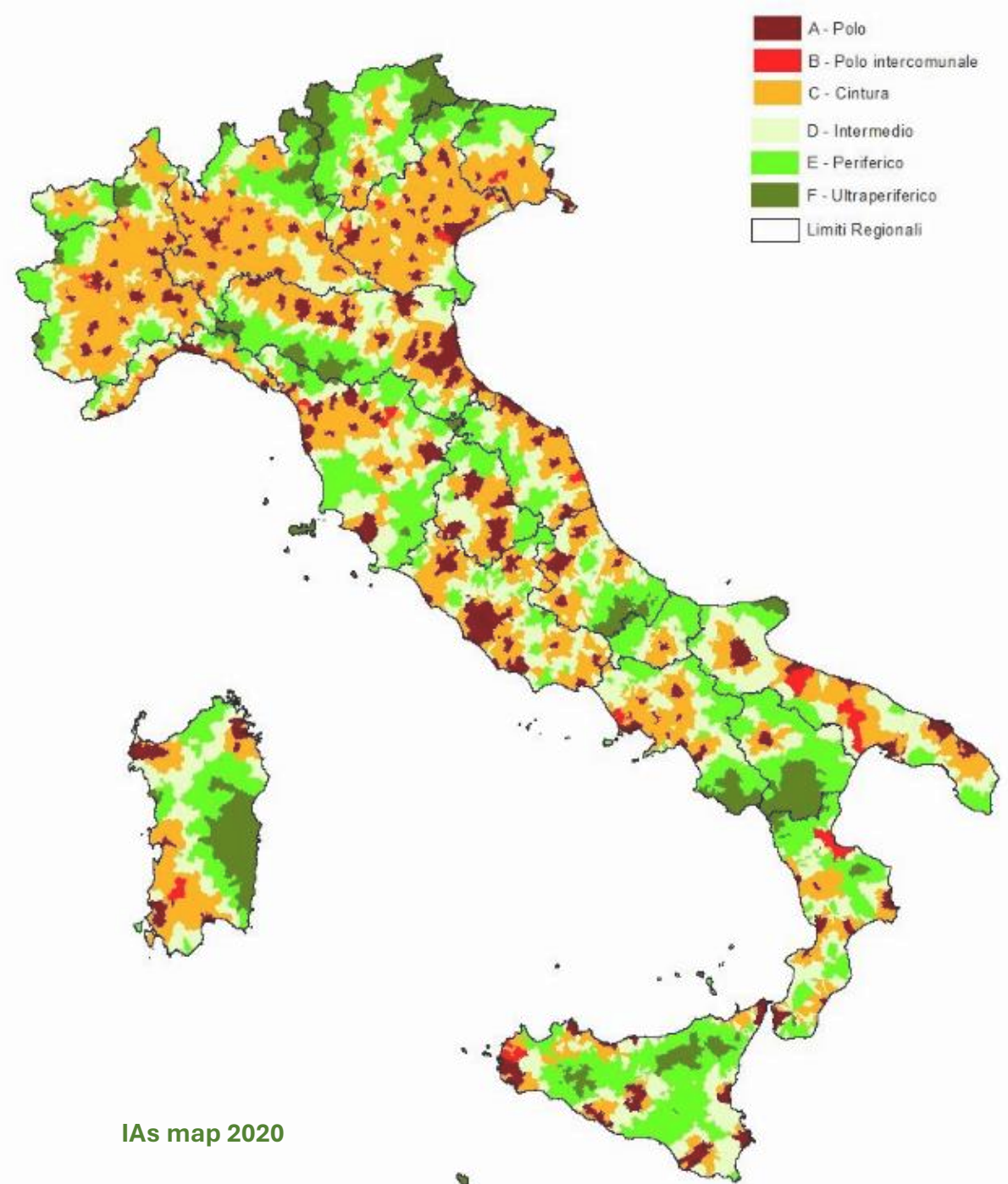
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# RESEARCH OBJECTIVE AND METHOD



The labour shortage is a complex phenomenon, some of its main causes in Italy can be identified in:

- 1. DEMOGRAPHIC CHANGES:** Ageing population: Italy has one of the oldest populations in Europe. As the average age increases, many workers are retiring and there are not enough young people entering the labour market to replace them. **Low birth rate:** The birth rate in Italy is among the lowest in the world. This means that there are fewer young people to contribute to the labour market. **Migration:** Although there is outward migration of young Italians seeking opportunities abroad, there are also challenges in attracting foreign workers.
- 2. SKILLS MISMATCH:** There are often mismatches between the skills required by companies and those possessed by workers. This mismatch can lead to unfulfilled vacancies. **Training/Education:** Lack of adequate training or skills required for certain jobs can lead to mismatches between available positions and qualified candidates. **Changes in the labour market:** Digitalisation and automation are changing the nature of work. Some workers may not have the necessary skills to adapt to these new technologies.
- 3. WORKING CONDITIONS:** In some sectors, such as agriculture, construction and services, working conditions may be perceived as unattractive, leading to a lack of applicants. **Changes in work preferences:** Younger workers may have different expectations of work, looking for opportunities that offer more flexibility, work-life balance or are aligned with their values.
- 4. LABOUR MARKET INSTITUTIONS AND SOCIAL ECONOMIC POLICIES:** Work-life balance institutions, welfare policies, taxation and labour regulation may influence labour supply. If conditions are not favourable, workers may be deterred from entering or remaining in the labour market.

The study we propose aims to analyse the **labour shortage** phenomenon from the **worker's side**.

An attempt is made to read some empirical evidence taken from the **Inapp PLUS survey** through two geographical dimensions, that of **Urban Centres (Ucs)** [or Urban Poles] and that of **Internal Areas (Ias)** [or Inland Areas], which as we know are at greater risk of demographic desertification, highlighting the conformity and dissimilarity of the territorial patterns taken into consideration.



# RESEARCH OBJECTIVE AND METHOD



The **Inapp PLUS survey** (Participation, Labour, Unemployment, Survey, <https://rb.gy/66ty46>) is a recurring national sample survey.

The survey collects information on approximately **46,000 individuals** interviewed by telephone using a CATI system. The questionnaire, of about **200 questions in total**, is submitted to a sample of residents aged between **18 and 74**. The last survey was conducted in **2022**.

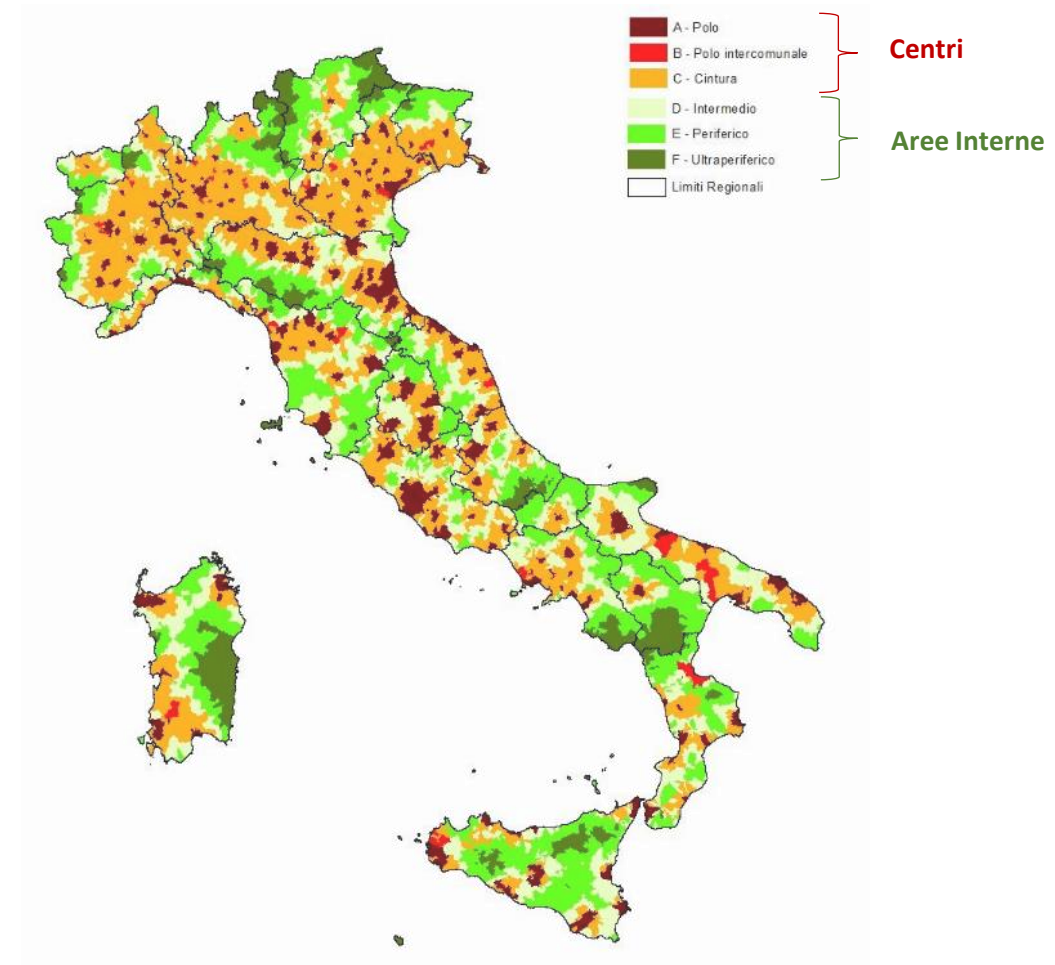
For the purposes of the proposed analysis, an appropriate match was made with the classification updated by the **Dipartimento per le politiche di coesione e per il sud** (<https://shorturl.at/e10hc>) (in particular the NUVAP technical note <https://shorturl.at/jAr91> and the previous DPS methodological note <https://shorturl.at/8agUn>).

The dataset implemented with the new information allows a reading of the most salient aspects of the PLUS survey also for the geographical dimensions suggested by the classification of municipalities according to **SNAI (Strategia Nazionale per le Aree Interne)**.

Since this is a sample survey, to avoid loss of spatial significance of the sample, only two analysis groups were identified:

- **URBAN CENTRES (UCs)** - includes municipalities classified as: **A - Pole; B- Inter-municipal Pole; C - Belt.**
- **INTERNAL AREAS (IAs)** - includes municipalities classified as: **D-Intermediate; E-Peripheral; F-Ultraperipheral.**

In order to identify conforming and dissimilar spatial patterns, the different distributional compositions of variables within the **two groups** were compared.

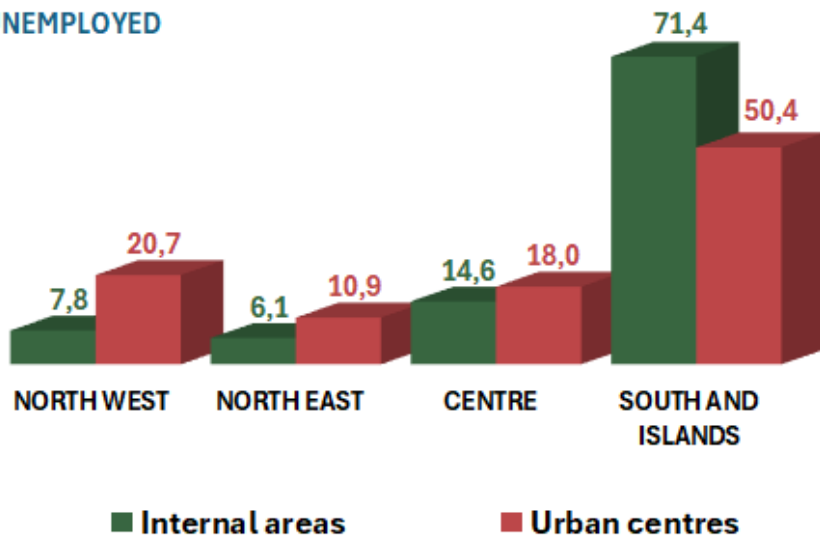


# THE LABOUR MARKET

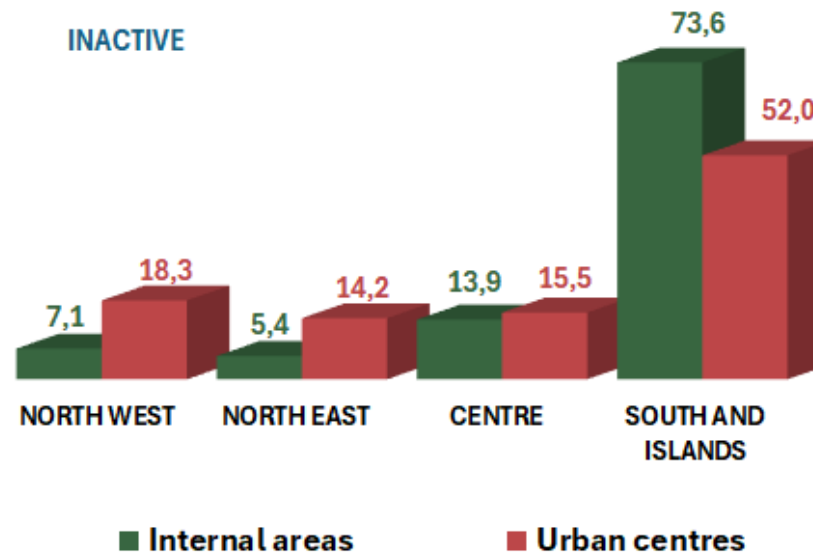


## DISTRIBUTION OF THE UNEMPLOYED AND INACTIVE BY GEOGRAPHICAL AREA IN 2022 (%)

### UNEMPLOYED



### INACTIVE



### Time to find employment

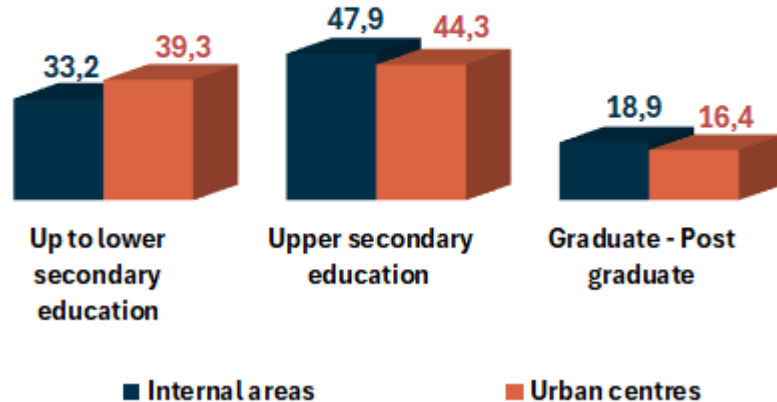
- **IAs:** The average time to find a job is **6 months**.
- **UCs:** The average time to find a job is **5 months**.

In addition to the long-standing disparity between the North and the South, there is the **further distress of the IAs, which alone in the South and Islands record far higher levels of unemployment and unemployability than in the UCs**. The North, in general, seems to have a better situation, with the **North East showing lower levels** of unemployment and unemployability in both the IAs and the UCs.

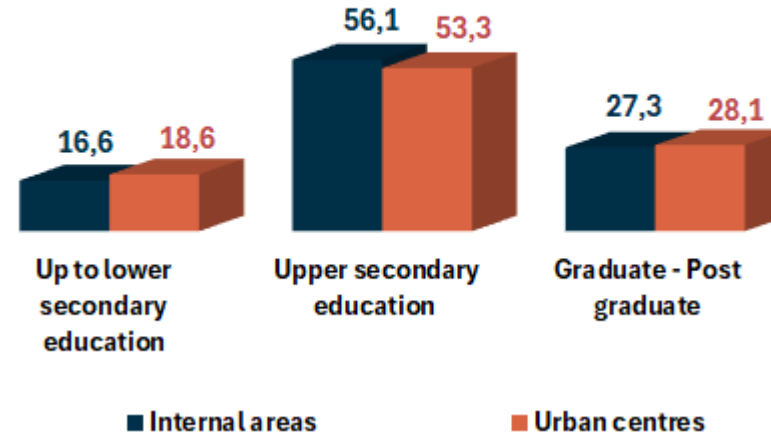


## DISTRIBUTION OF UNEMPLOYED AND NOT IN EMPLOYMENT PERSONS BY EDUCATIONAL QUALIFICATION IN 2022 (%)

### UNEMPLOYED



### INACTIVE



People with a “**Upper secondary education**” represent the majority of the **unemployed** and **inactive**, with a relatively higher concentration in the **IAs**.

Data on the **inactive** show that even with a **high level of education**, many people fail to enter the labour market. In this case there are no substantial differences between the IAs patterns compared to the UCs.

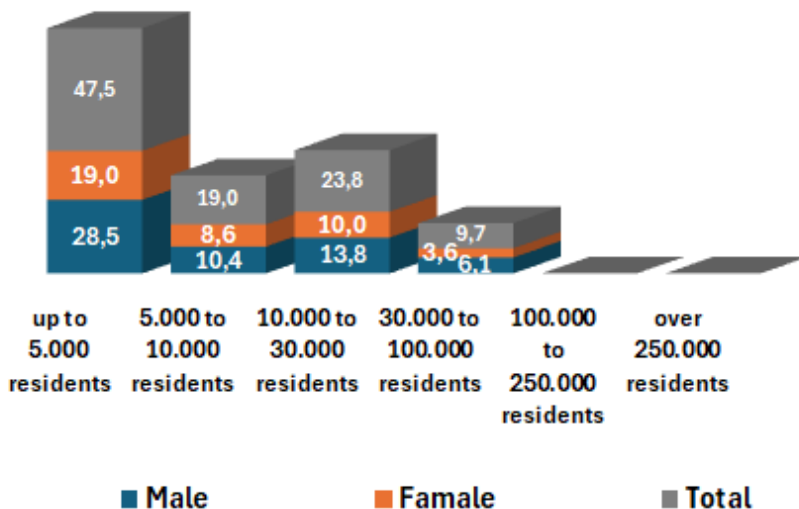


# THE LABOUR MARKET

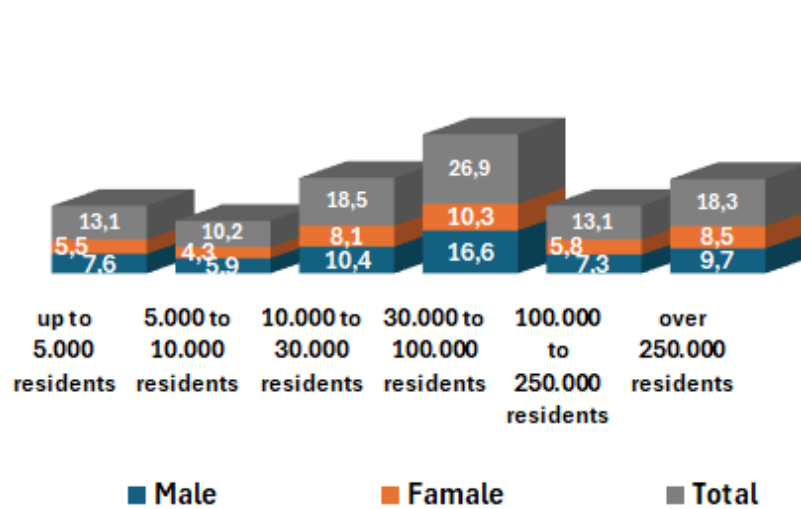


## DISTRIBUTION OF EMPLOYEES BY SIZE OF MUNICIPALITY OF RESIDENCE AND GENDER COMPOSITION IN 2022 (%)

Internal areas



Urban centres



### IAs

Employment is predominantly concentrated in smaller municipalities, **under 5,000 inhabitants**. Evidence to be investigated could be labour-intensive sectoral specialisations or simply a residential pattern.

### UCs

Employment is more widespread in medium-sized and large cities, with a significant presence of employed persons in cities with a population of **more than 30,000 inhabitants**.

The **gender gap** is present in both areas but tends to be less marked in UCs than in IAs.



# THE LABOUR MARKET



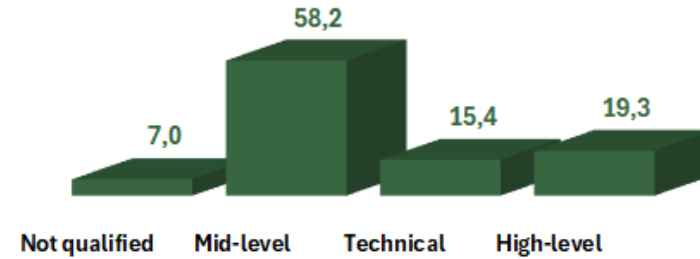
## DISTRIBUTION OF EMPLOYEES BY COMPANY SIZE CLASS, ECONOMIC SECTOR, AND PROFESSIONAL GROUP IN 2022 (%)

### INTERNAL AREAS

#### Economic sector



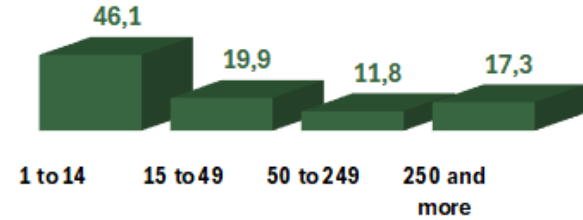
#### Professional group



### IAs

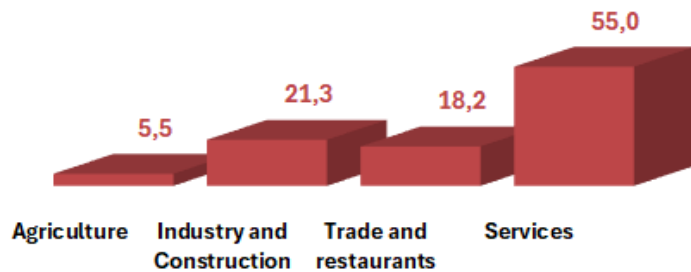
Relatively greater presence of **micro enterprises**. Relatively greater specialisation in the **agricultural sector**. Higher presence also in industry and construction and in trade and restaurants. Higher incidence of **mid-level qualification** in the professions.

#### Company size class

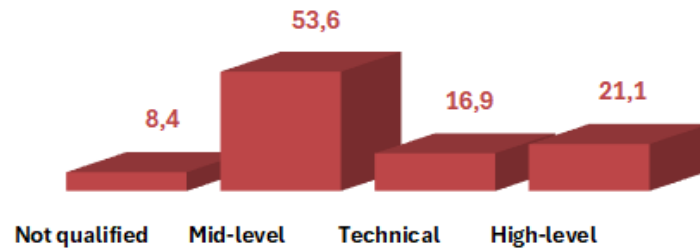


### URBAN CENTRES

#### Economic sector



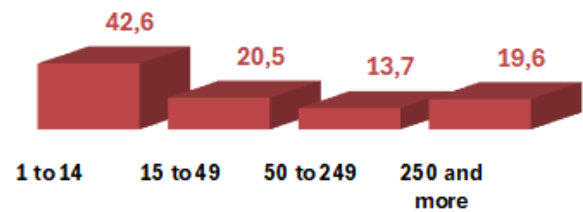
#### Professional group



### UCs

Relatively greater presence of **small, medium and large enterprises**. Greater specialisation in **services**. Technical and high-skilled professions are slightly more present.

#### Company size class

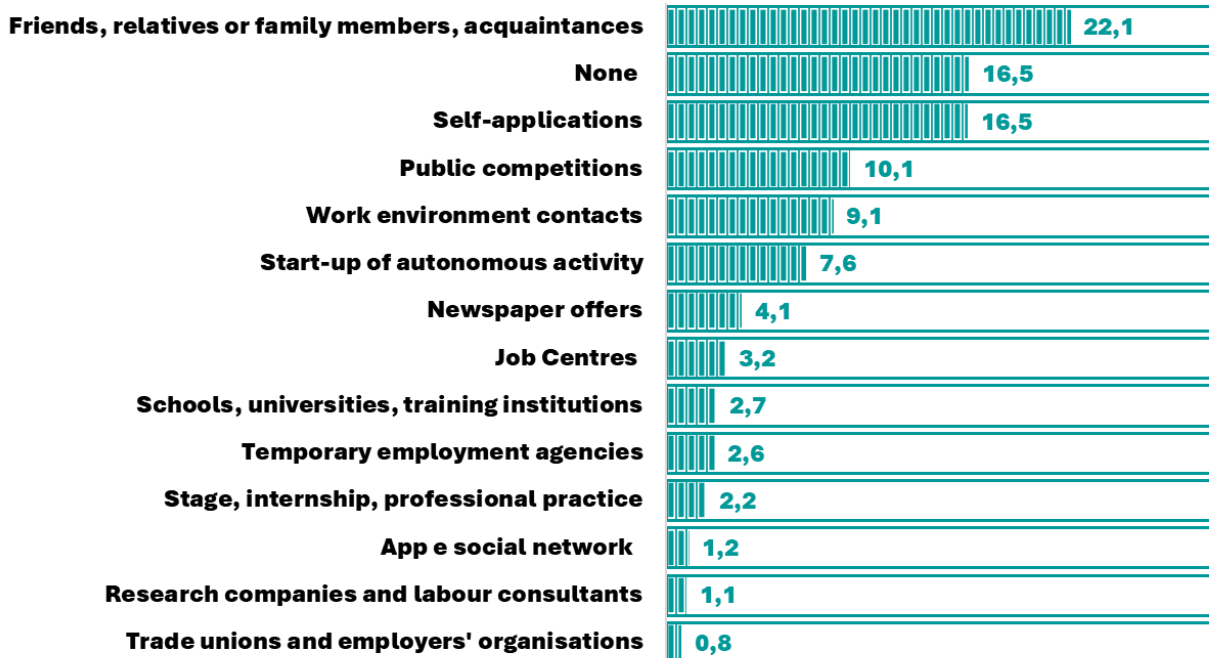


# RECRUITMENT CHANNELS



## WHICH CHANNEL GAVE YOU YOUR CURRENT JOB?

### URBAN CENTRES



### INTERNAL AREAS



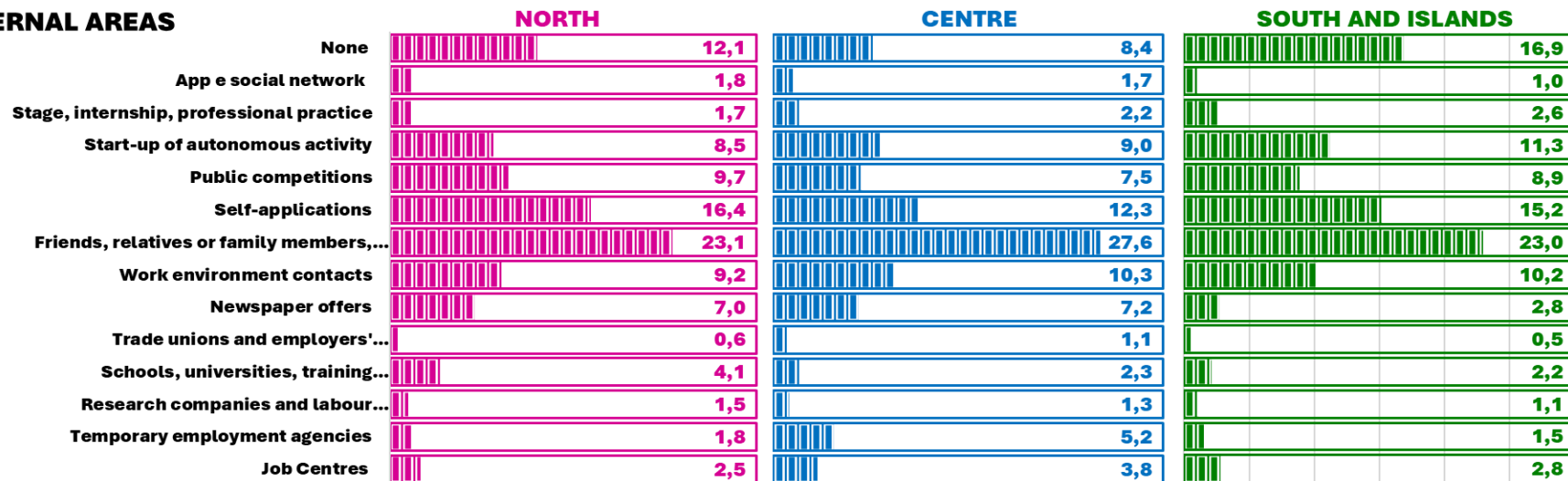
The employment channels show **slight deviations**, in particular the IAs compared to the UCs show a -3% on the channel 'None', a -1.5% on 'Self-applications', a -1.2% on 'Public competitions', a +2.3% on 'Start-up of autonomous activity', a +2% on 'Friends, relatives etc.' and a +1% on 'Newspaper offers'.



# RECRUITMENT CHANNELS



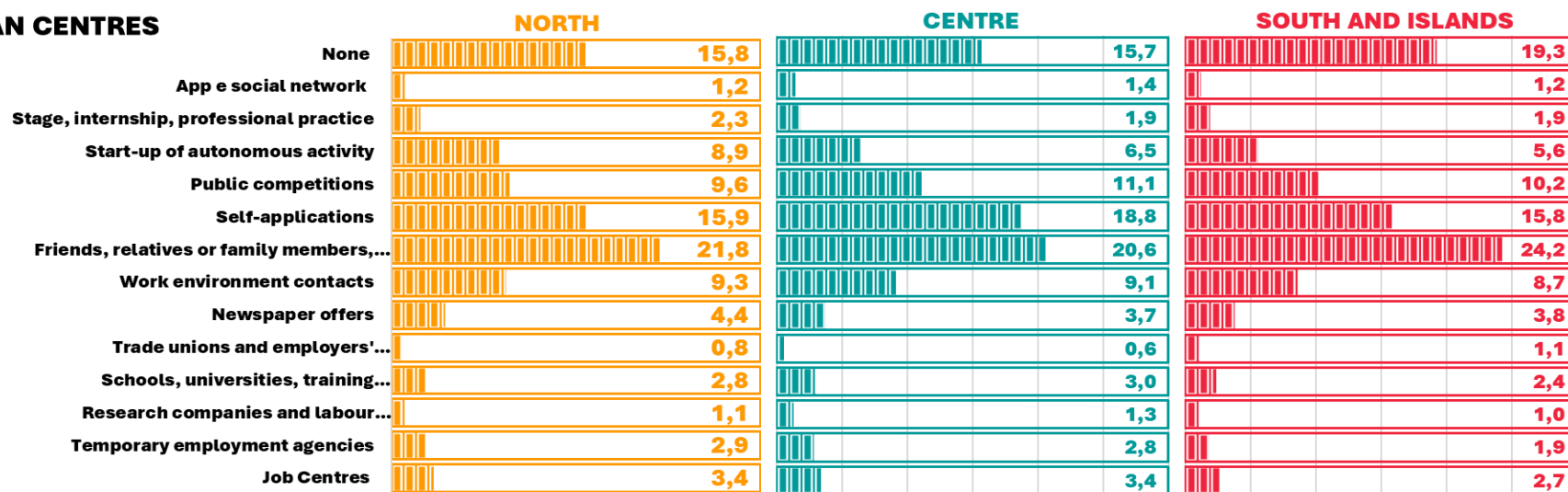
## INTERNAL AREAS



Some specialisations on recruitment channels

The channel 'Friends, relatives ...' records the highest value 27.6% in the IAs of Central Italy. It is followed by the channel 'None' 19.3% in the IAs of Southern Italy. Then there are 'Self-applications' 18.8% and 'Public competitions' 11.1% in the UCs of Central Italy. Then 'Start-up of autonomous activity' 11.3% and 'Work environment contacts' 10.3% in the IAs of Southern Italy.

## URBAN CENTRES

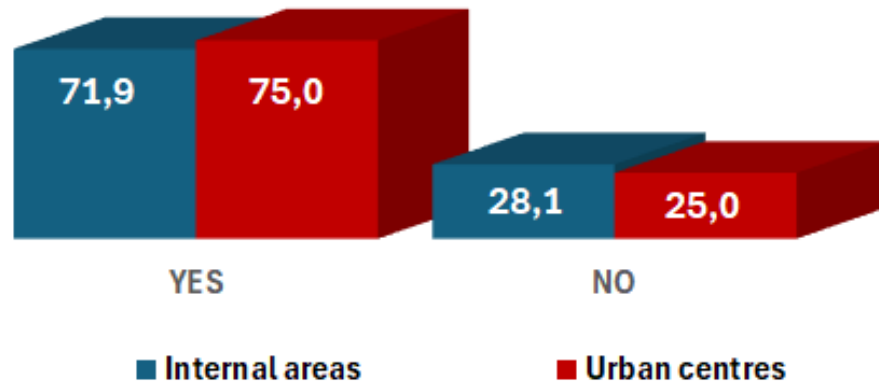


# MISMATCH AND INNOVATIONS

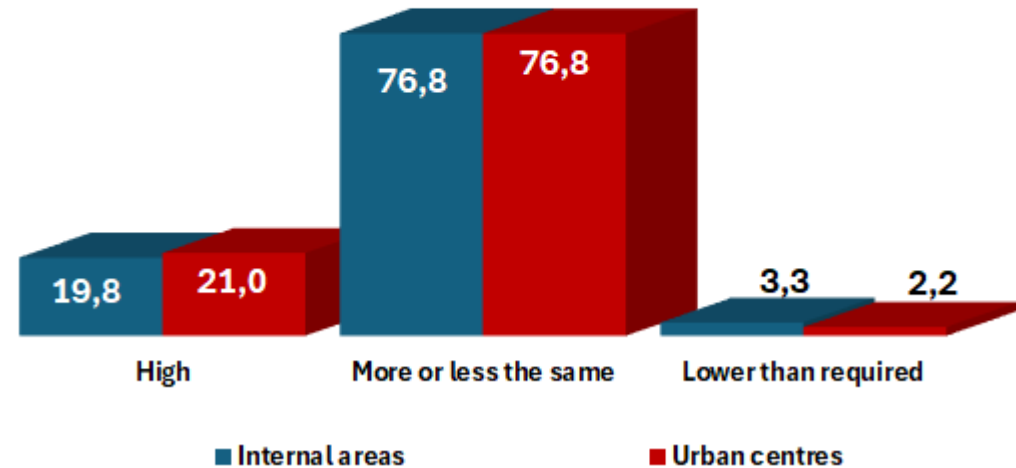


## DISTRIBUTION OF MISMATCHES BETWEEN EDUCATIONAL QUALIFICATIONS AND SKILLS REQUIRED FOR EMPLOYMENT 2022(%)

With reference to your current job, is your qualification necessary?



How well do your skills match the demands of your current job? Your skill level is:



The **educational mismatch** is slightly more pronounced in the **IAs (28.1%)** than in the **UCs (25%)**.

By contrast, **skill matching** is the same in the two aggregates (**76.8%**). The nature of the residual mismatch, however, differs even if only slightly. While in the IAs there is slightly more **underskilling (IAs 3.3% vs. 2.2% UCs)** in the UCs there is consequently slightly more **overskilling (19.8% IAs vs 21.0% UCs )**.

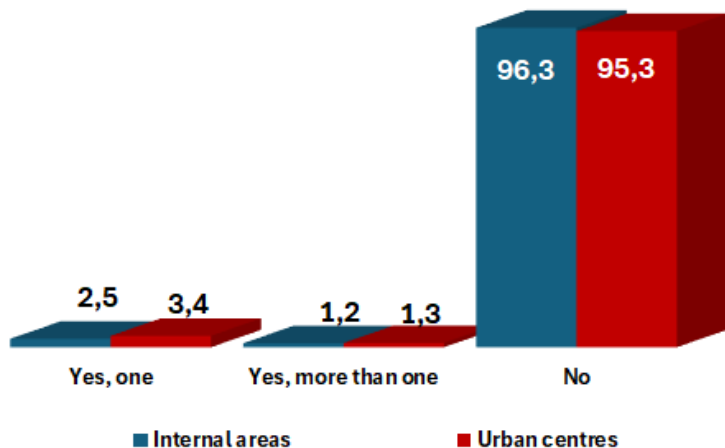


# MISMATCH AND INNOVATIONS

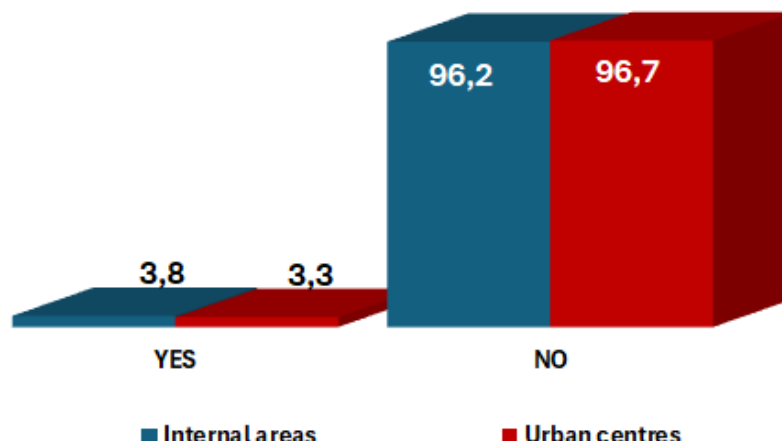


## DISTRIBUTION OF PARTICIPATION IN TRAINING COURSES AND INNOVATIONS 2022(%)

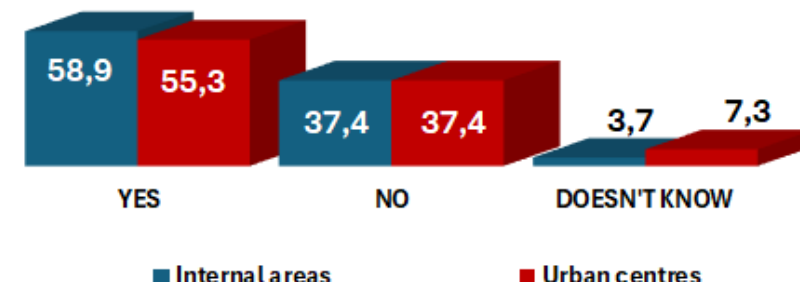
Has the individual participated in any training or professional development courses in the past 12 months?



Have there been any significant technological innovations introduced in your workplace between 2020 and 2022?



Following the introduction of new technologies, have any activities been undertaken to update employees' knowledge, skills, and abilities to operate and use these new technologies?



Participation in **training courses** is negative for both groups, slightly higher for the **IAs (96.3%)**.

During the pandemic, no technological innovations were made in the workplace that were relevant for both groups (**96.2% IAs vs 96.7 UCs**). In contrast to the **introduction of innovations**, activities to adapt workers' knowledge, skills and abilities were carried out to a greater extent in the IAs (**58.9% IAs vs. 55.3% UCs**).



# WORKING/LIVING CONDITIONS

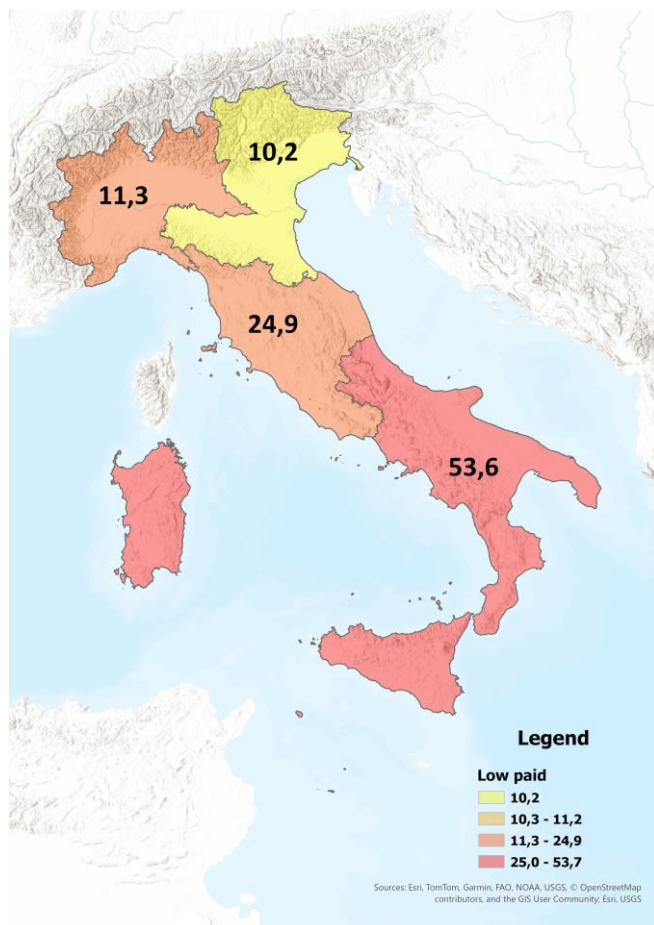
## DISTRIBUTION OF LOW-PAID WORKERS BY GEOGRAPHIC AREA 2022(%)



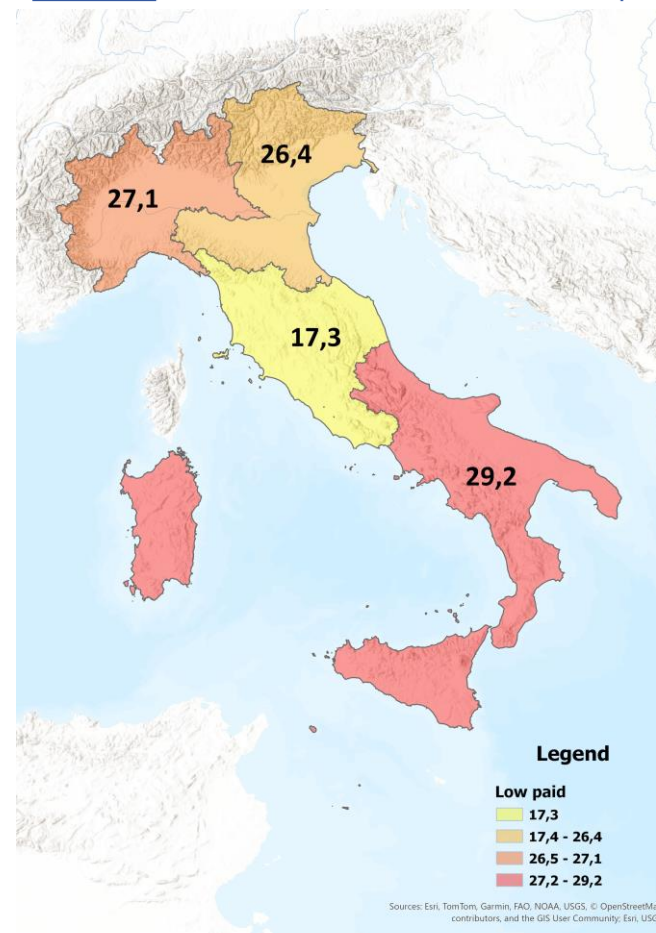
Cofinanziato dall'Unione europea



### Internal Areas



### Urban Centres



The **IAs** show a very **strong polarisation** of low paid workers with a very high concentration in the **southern regions (53.6%)**. As far as **UCs** are concerned, the territorial distribution of the low paid appears **more homogeneous**, in fact there is almost an identical concentration in the South and Islands and in the North-West.



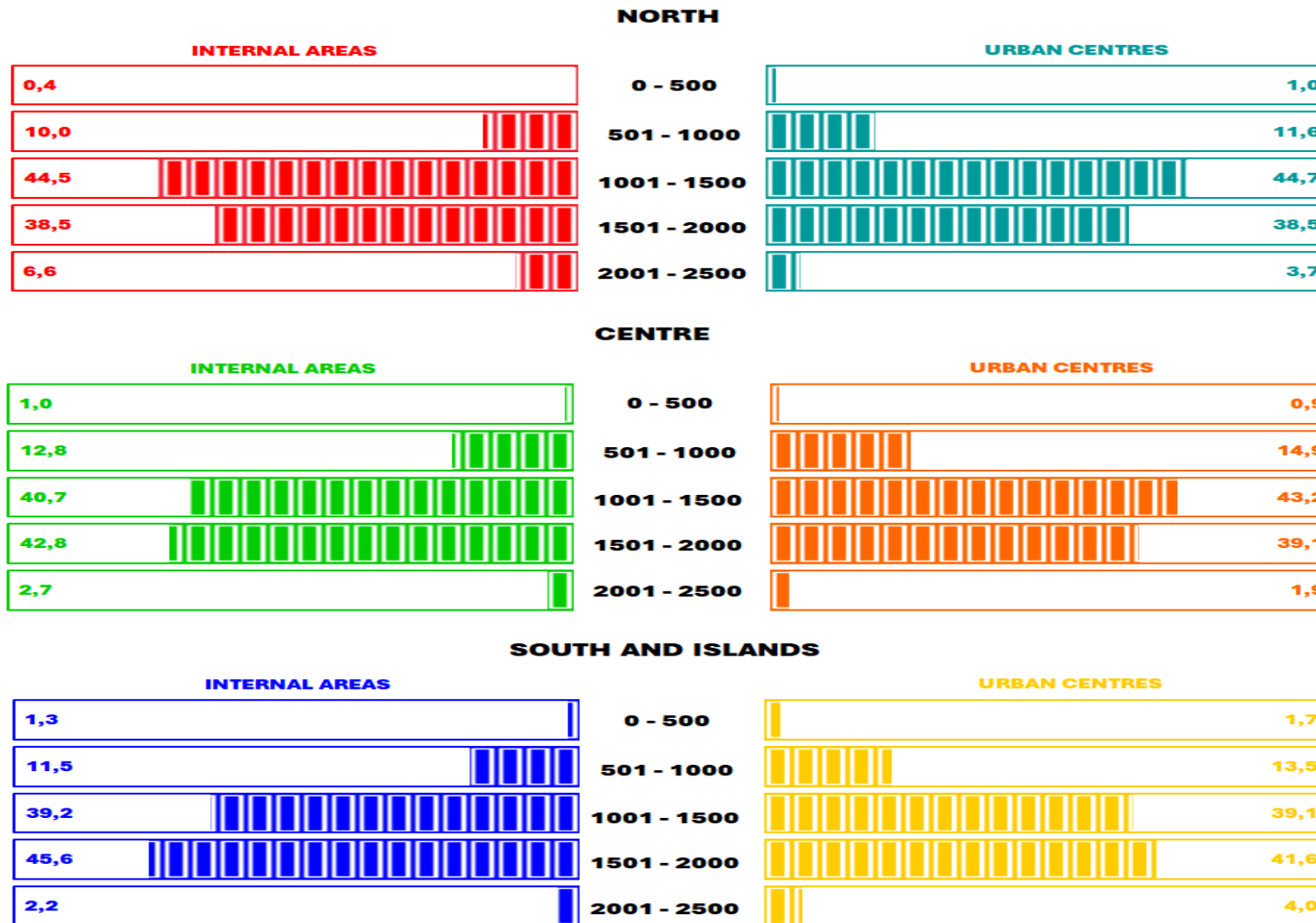
# WORKING/LIVING CONDITIONS



Cofinanziato dall'Unione europea



## DISTRIBUTION OF RESERVATION WAGES 2022(%)

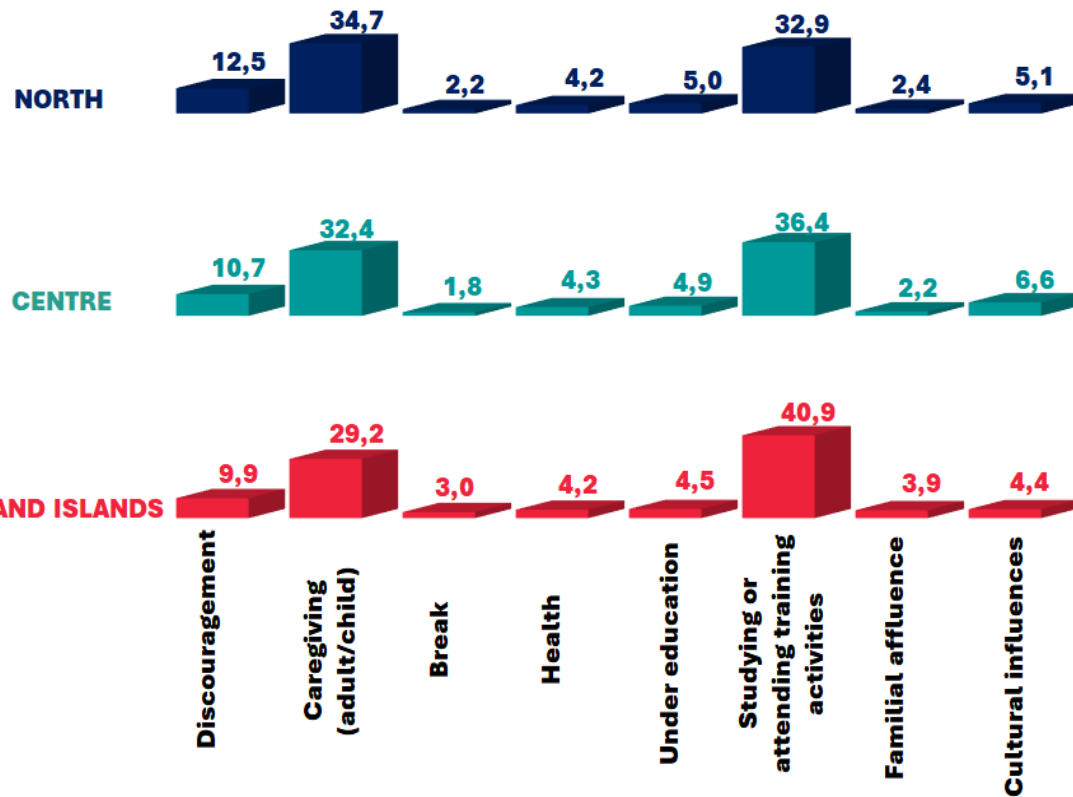


# WORKING/LIVING CONDITIONS

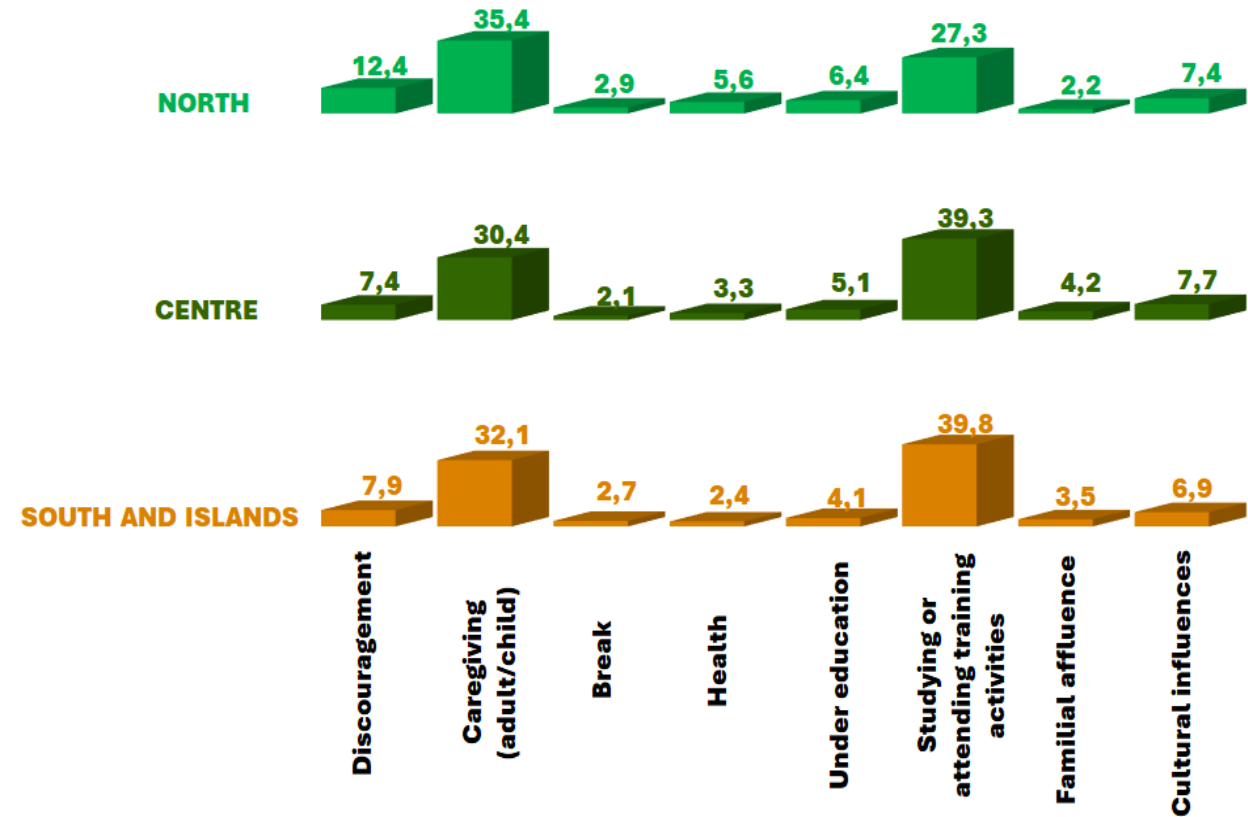


## WHAT IS THE MAIN REASON FOR NOT WORKING/NEVER HAVING WORKED? - GEOGRAPHICAL DISTRIBUTION 2022(%)

### INTERNAL AREAS



### URBAN CENTRES

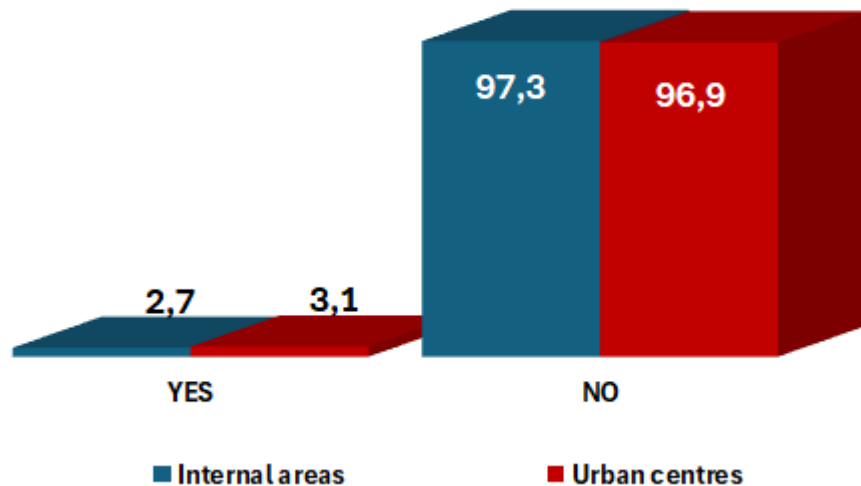


# WORKING/LIVING CONDITIONS

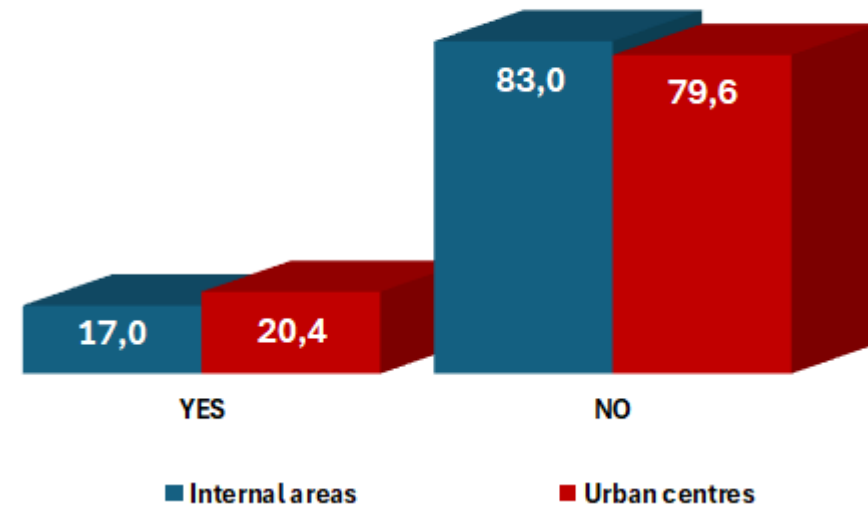


## DISTRIBUTION OF REMOTE WORK MODALITIES IN 2022

Before the pandemic (March 2020), did you work remotely (in agile or teleworking mode)?



Did you work remotely in the past year (2021)?



As is evident, remote working modes were not widespread before the pandemic. As is well known, the pandemic generated a **technological jump-up** and stimulated the use of this practice. Empirical evidence shows that **in the IAs remote working has increased to 17% compared to 20.4% in the UCs.**



# WORKING/LIVING CONDITIONS



## DISTRIBUTION OF MOBILITY RATINGS 2022(%)

Assessment on  
quality of urban transport - bus, tram, metro, train

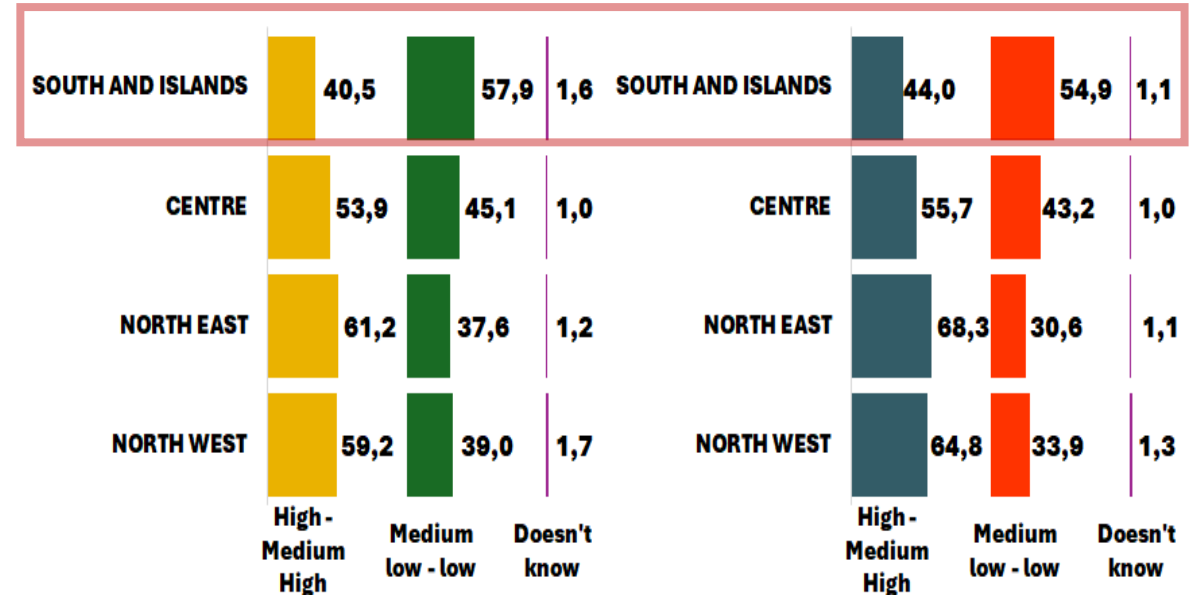
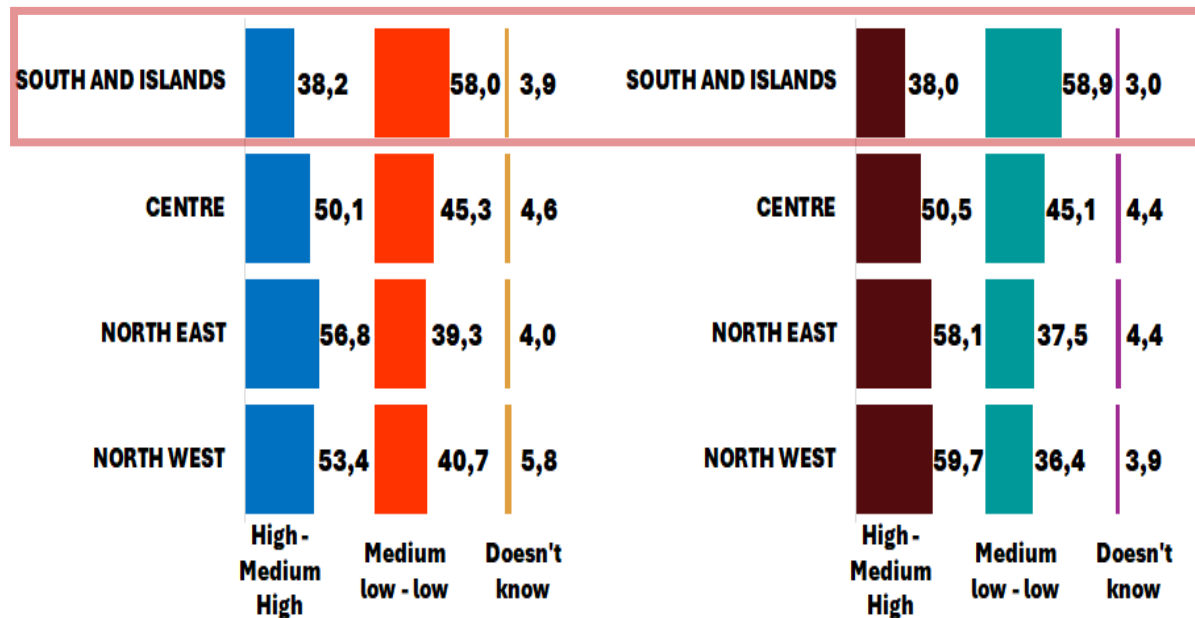
Assessment on  
road quality - roads, motorways, bypasses

### Internal areas

### Urban centres

### Internal areas

### Urban centres



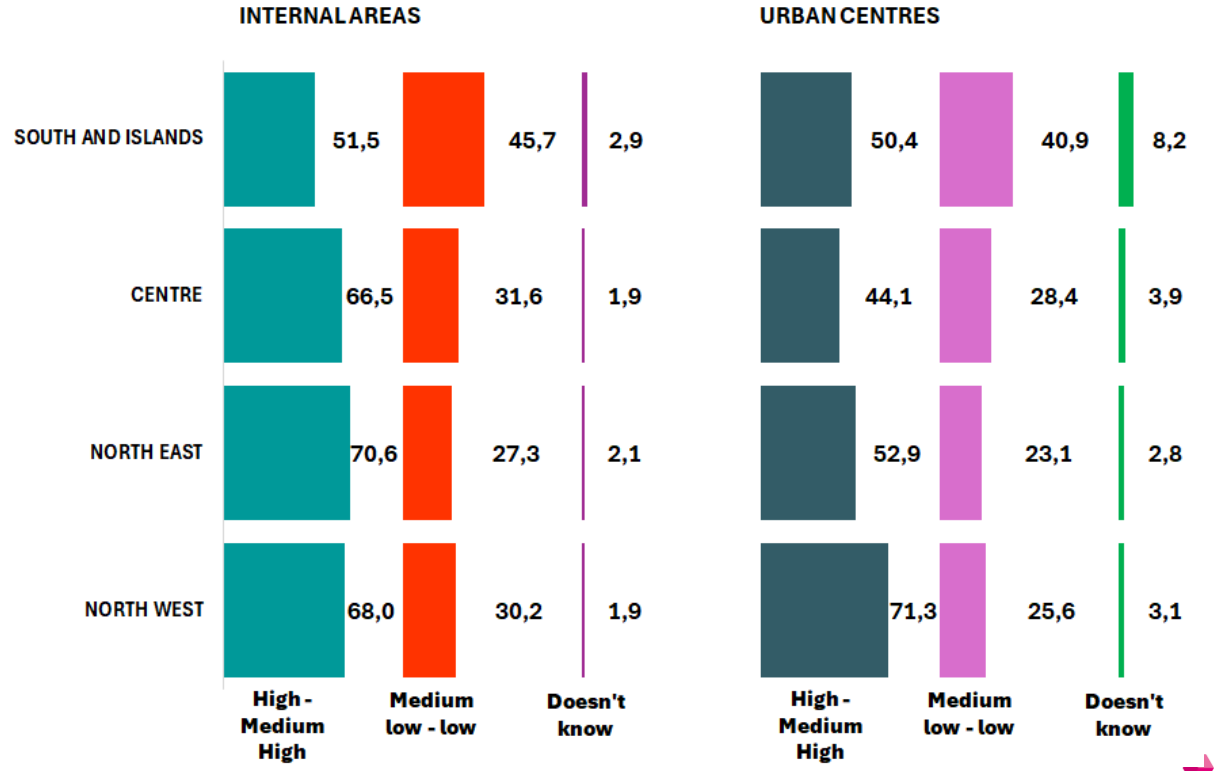
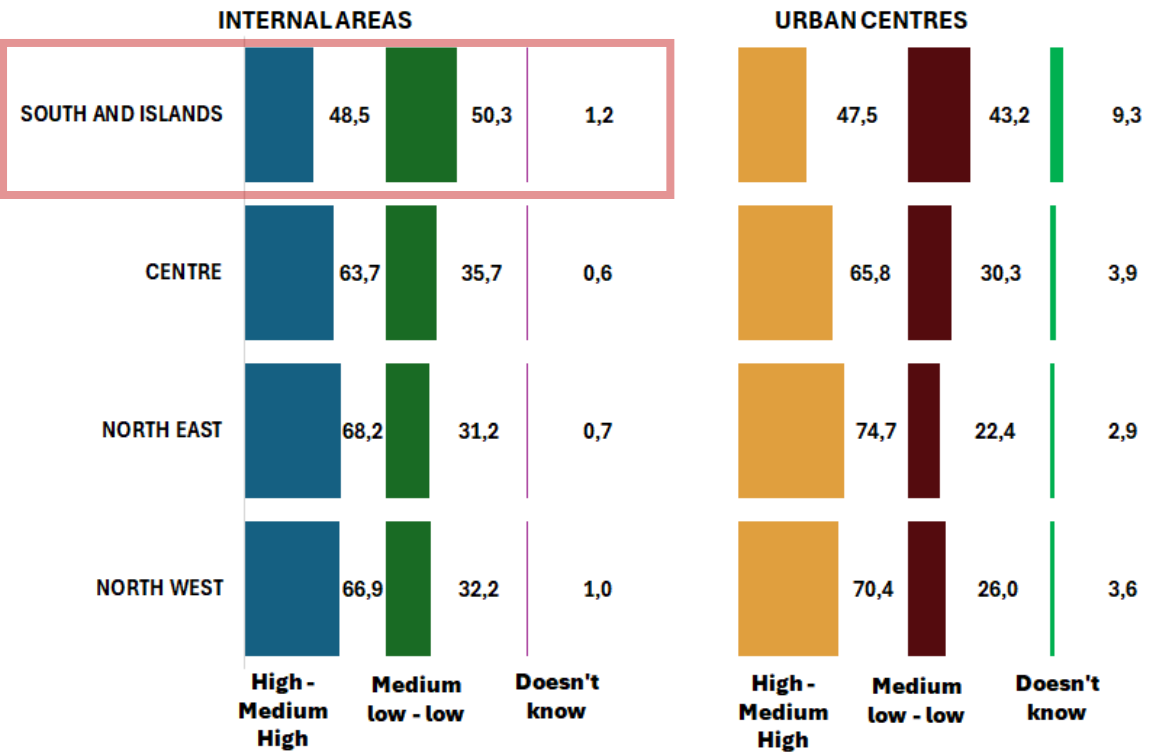
# WORKING/LIVING CONDITIONS



## DISTRIBUTION HEALTH CARE ASSESSMENT 2022(%)

Assessment of primary health care - ASL, hospitals, family doctor, outpatient clinics

Assessment of quality of emergency health care - 118, first aid, doctor on call



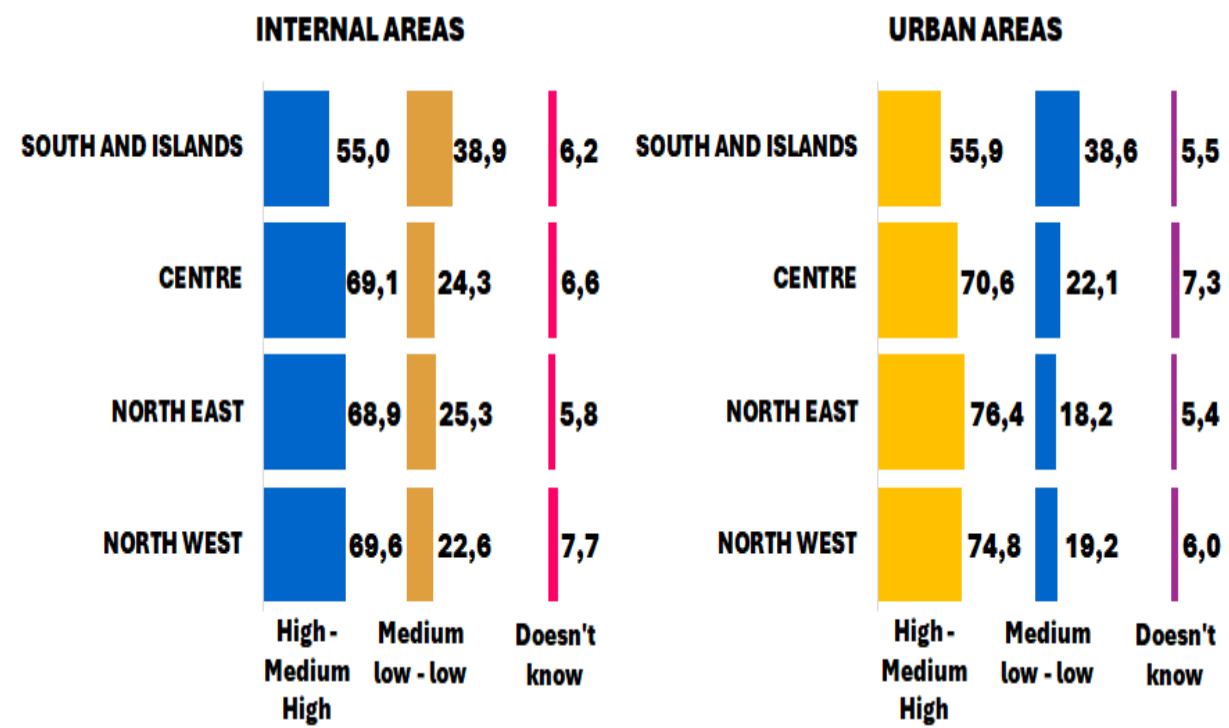
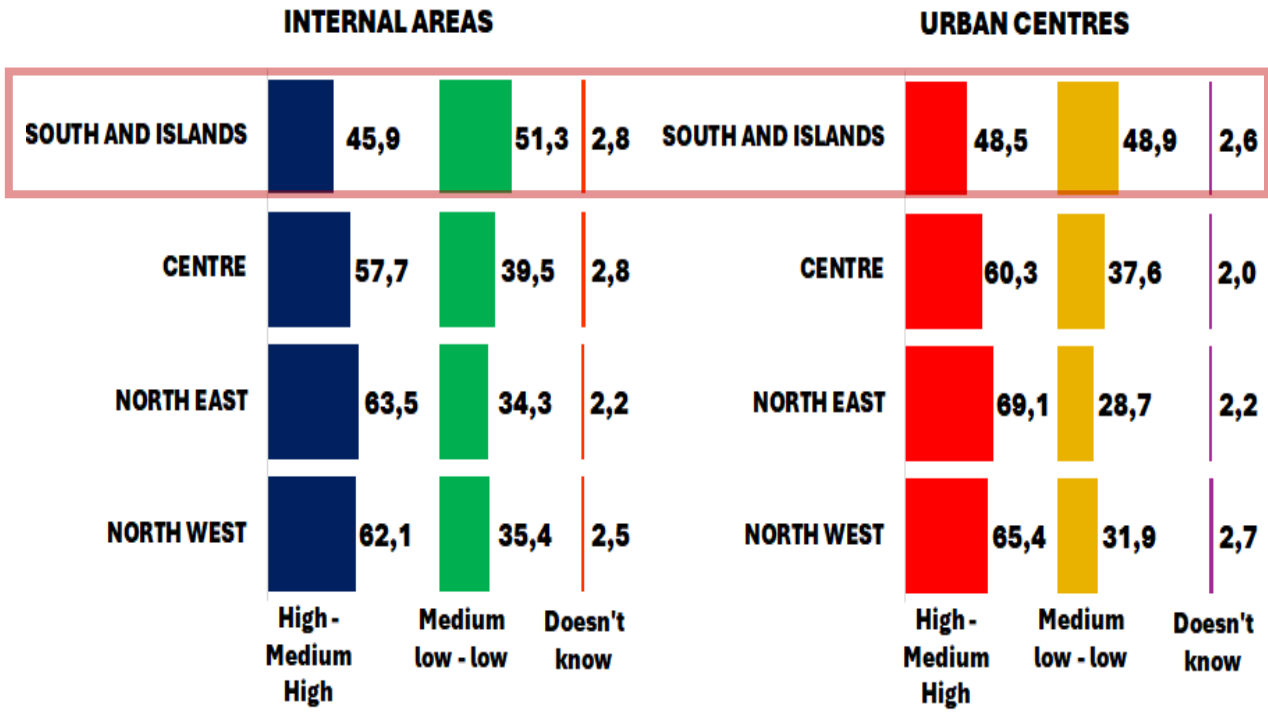
# WORKING/LIVING CONDITIONS



## DISTRIBUTION OF ASSESSMENT ON EDUCATION 2022(%)

Assessment of quality of public offices - registry office, municipal, provincial, regional offices, taxes

Assessment of quality of education (schools of all levels)



# FINAL REMARKS



Initial analyses for the two groups of municipalities identified, those in the Internal Areas (IAs) and those in the Urban Centres (UCs), show both divergences and uniformities depending on the variables selected. The first results of this analysis are summarised below:

## LABOUR MARKET

### • Unemployed and inactive

- From a *territorial* point of view, there is a strong polarisation that highlights the suffering of the IAs, which, only for the South and Islands, record far higher levels of unemployment and inactivity than the UCs.
- If one considers the distribution of the two variables according to *educational qualifications*, there are no significant differences between IAs and UCs.

### • Employed

- From a *territorial* point of view, in the IAs the highest number of employed people is concentrated in small municipalities with a population of up to 5,000 inhabitants, while in the UCs in municipalities between 30,000 and 100,000 inhabitants.
- When considering enterprise *size*, economic *sector* and *occupational grouping* there are only slight differences (e.g. a relatively greater presence of micro-enterprises in the IAs, a relatively greater presence of Services in the UCs and of enterprises in the agricultural sector in the IAs, a relatively greater high qualification in the UCs and medium in the IAs).

## EMPLOYMENT CHANNELS

- The distribution of entry channels appears to be homogeneous but is characterised by small variations which, however, connote a diversity of local labour markets both when considering IAs/UCs breakdown, as well as when considering the North-Centre-South and Islands breakdown.



# FINAL REMARKS



## MISMATCH AND INNOVATION

- **Educational and skill mismatch**

- There are no major mismatches between IAs and UCs.

## WORKING/LIVING CONDITIONS

- **Salaries**

- From a territorial point of view, there are strong differences with a higher concentration in IAs of low-paid workers in the South and Islands, especially in the peripheral and outermost areas. The North East and North West show a greater presence of low-paid workers in the UCs.
- Looking at the reservation wage, the results contradict expectations of a concentration of reservation wages in the lowest bands in the South and Islands given the wage conditions in the local markets.

- **Reasons for not working**

- Among the reasons for not working, 'Caregiving (adults/children)' and 'Study and training activities' stand out, which reach their highest values in the UCs of the North 34.5% and in the IAs of the South and Islands 40.9%, respectively.

- **Remote working**

- Since the pandemic, the use of remote work has increased more in the UCs than in the IAs.



# FINAL REMARKS



## WORKING/LIVING CONDITIONS

### • Judgements on mobility, health and education

- Negative judgements are concentrated in the IAs of the South. In particular for *mobility*, negative judgements exceed positive ones in both the UCs and the IAs.
- For *basic healthcare* and *PA public services* negative judgements exceed positive ones only in the IAs.
- In *emergency healthcare*, on the other hand, the positive ones exceed the negative ones.
- This is also the case for *education*, which registers among the services the highest satisfaction in the IAs of the South and Islands (55% positive vs. 38.9% negative).

In this first attempt to analyse the **labour shortage** phenomenon, from the **labour supply side**, only a few variables from the Inapp-PLUS survey have been taken into account, with many others still uninvestigated according to the different needs of the study. The interpretative capacity can certainly increase with the integration of other sources.

The comparison between Urban Centres (UCs) and Internal Areas (IAs) has highlighted many conformities between the two territorial groups in relation to the selected variables, but in some cases there are real **polarisations**, especially if the comparison between UCs and IAs is read by North, Centre, South and Islands.

**Territorial contexts are important** and can determine the success and failure of a policy aimed at stemming this phenomenon.

In the **IAs of the South**, there is a higher propensity to unemployment and inactivity as well as a higher concentration of work-in-poor. These circumstances, combined with a negative assessment of essential services (mobility, transport, education), do not satisfy the professional and life aspirations of young workers who prefer to migrate, contributing to the **imbalance of labour supply/demand**.

**A policy aimed at mitigating the labour shortage phenomenon cannot start from assessments of the territorial context.**



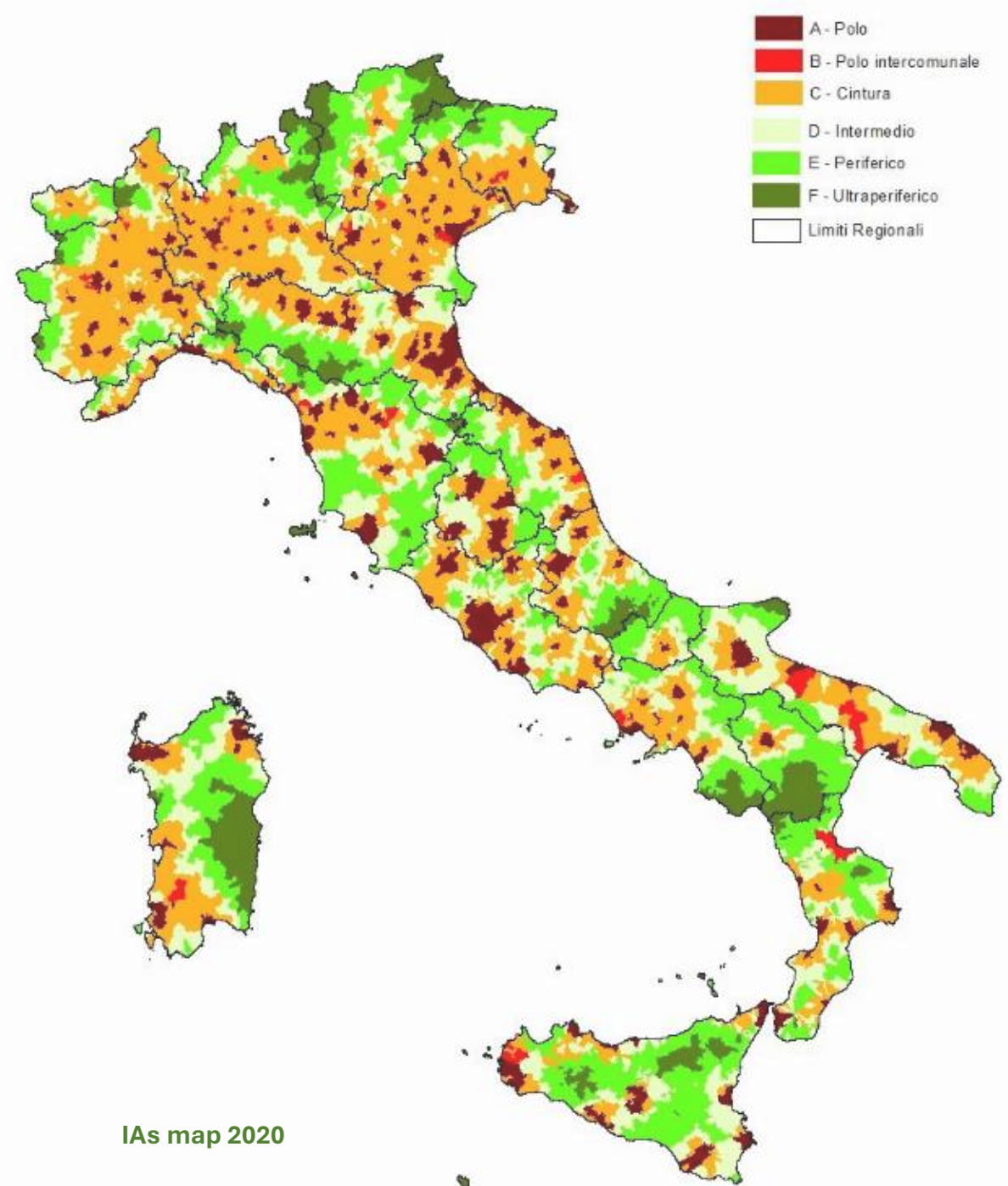
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THANKS FOR THE ATTENTION



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