

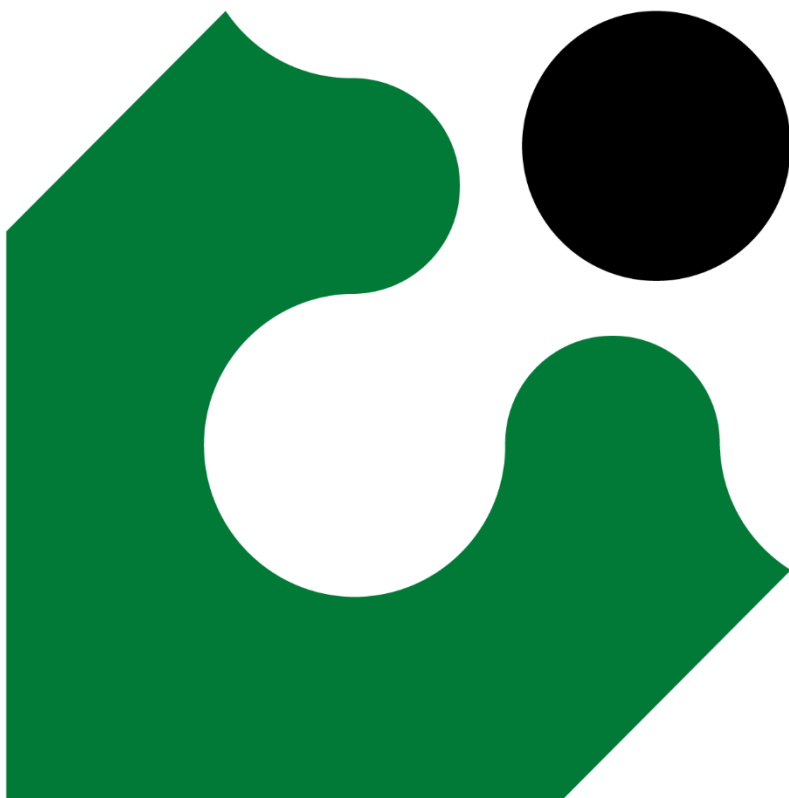


*Annual report on the labour market and the education
and training system
in the Lombardy Region*

Executive Summary

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The report is organised into four chapters.

The first two chapters focus on the demographic and economic context in Lombardy, and on the main labour market indicators in 2018 and 2019. The regional performance is compared to national benchmarks and to the European Union average.

The first chapter outlines the main trends in the Lombard economic and demographic context in 2018 and 2019.

Resident population in 2019 follows the upward trend started in 2002 (+0.2% on 2018).

In 2018, GDP per-capita in Lombardy has followed the worldwide slowdown. However, Lombard economic performance steadily stands out in the national and international contexts, outperforming the EU average by 27% (Piedmont, Veneto, and Emilia-Romagna, comparable Italian regions, outperform it by 3%, 9% e 19%, respectively). The 2019 estimates indicate a stagnating GDP growth of 0.5%. Future forecasts will suffer from the effects of the lockdown due to the COVID-19 pandemic, with a 6% GDP drop observed in the North-west of Italy in the first quarter of 2020.

Firm dynamics is in line with previous years, with outstanding growth of operating firms in the Milan and Monza-Brianza provinces.

Export dynamics is comparable to 2018 and reflects world-wide reduction in trade during 2019. Trade is mostly undertaken with other European countries (53.6% of the volume), despite a yearly decrease of 1.1%.

The second chapter focuses on regional labour market indicators.

The employment rate in Lombardy increased by 0.7% in 2019 on the previous year and amounts to 68.4%. The boost mainly accrues to three categories of workers. The employment rate of women, low-education workers, and elder workers (55-64 years old) increased by 2.4%, 1.6%, and 4.1%, respectively. The unemployment rate in 2019 is 5.6%, lower by 0.4% with respect to 2018 but still 1.9% higher than the level observed before the economic crisis, and it particularly hits women and young workers in the 15-24 age group.

In 2019, workers on open-ended contracts increased by 1.5% on 2018, doubling the corresponding figure for fixed-term contracts (0.8%). Part-time jobs, on the other hand, increased more than full-time jobs (2.7% and 1%, respectively).

Employment increase is heterogeneous across provinces, with Milan (70,6%), Lecco (68,9%), Monza-Brianza (68,4%), and Mantova (68,3%) ranking highest.

Although employment will certainly be affected by the COVID-19 emergency, precise estimates are not available yet.

Recent improvements in employment prospects are weaker among young and women workers, two groups which are severely affected by the crisis triggered by COVID-19. The employment rate of workers in the 15-24 age group in Lombardy is 24.3% in 2019 (+1.1% on 2018), substantially lower than both the 2008 level (-8.1%) and the EU average (35.7%). Among young workers, important differences are observed in the contractual type, with 38.5% of workers in the 15-24 age group in open-ended contracts against a 79.3% figure for 24-35 years old.

The share of young individuals not in employment, education, or training (NEET) is 14.8% in 2019, slightly lower than in 2018 (15.1%) but still substantially higher than the European average (12.5%). Women are more likely to become NEET (18% against 11.8% for males). Educational attainment is an important factor, as 37.2% of NEET hold a lower-secondary qualification, 35.7% an upper-secondary qualification, and only 12.5% hold a university degree.

The entrance of young workers in the labour market is supported by the Lombardy Region through apprenticeship contracts.

The apprendistato professionalizzante is the most frequent apprenticeship contract, accounting for 90.4% of the total in Lombardy. The avviamento in apprendistato professionalizzante, targeted to the 15-29 years old, has mainly involved individuals with an upper-secondary qualification (39.5%) and with a university degree (20.1%).

Despite a higher growth of the employment rate in 2019 among women (0.8% against 0.5% for men), the gender gap remains substantial, 15.8%, with female employment at 60.4%. The employment rate of women in Lombardy substantially outperforms the national figure (50.1%) but it is lower than the EU average (64%).

Weaker labour market prospects for women are reflected in the unemployment rate as well. Moreover, substantial horizontal segregation is observed in 2019, with 53% of women employed in services, as well as vertical segregation, with just 4.7% of women in managerial positions against 8.7% of men.

The gender wage gap persists in 2019, with women hourly wage amounting to 95% of men's salary. A larger gap is observed in the private sector (93%).

The share of overqualified workers is 21.7% in 2019, similar to 2018 but higher than the pre-crisis level (+4.4%). The figure is lower than both the national average (24.9%) and comparable national contexts. Overqualification is more frequent among women, 22.8% in 2019 against 20.9% for men, similarly to 2018. However, the gender gap in Lombardy is lower than the national average (2.8%).

Challenges to filling vacancies persist across educational qualifications and are unchanged with respect to 2018. These are more pronounced at intermediate levels of education, as the 34.6% concern staff with secondary or post-secondary qualifications and the 29.9% concern staff with vocational qualifications.

The third chapter provides an up-to-date overview of the Lombard education and training system through the analysis of the main contextual data and reconstructs the offer of upper-secondary education paths and Vocational Education and Training (VET) paths, in a sense of complementarity.

In the last decade, the average level of education of the Lombard adult population increased. If on the one hand the participation in the education system of young Lombard people between 15 and 24 increases, attesting itself to a higher value than the national one and EU28 average, on the other the proportion of young early-school leavers is reduced.

These data seem to be related, at least in part, to the strong investment in Vocational Education and Training by the Lombardy Region, that led to a steady increase of learners registered in VET paths: students of the VET three-year course in 2019/20 are 48.749, 134 more than the previous year, as well as the number of students enrolled in the fourth year is slightly growing (8.407 and 8.362 for the two years respectively).

Furthermore, the analysis of the social and age characteristics of the first-year students highlights the double value that the VET presents today: on the one hand it continues to be a very important alternative solution for those young people enrolling after dealing with more or less serious educational failure, maintaining a central role in the regional strategies of containment of dispersion; on the other today it is characterized as a path with an autonomous value for a significant proportion of students (about 51%) who access it as first choice. The VET system is also characterized by a strong inclusiveness, in virtue of a substantial presence of students of foreign origins (23% of users), who have a higher average age than their classmates with Italian citizenship. Overall, VET paths are mainly attended by male students (60%), but the gender characterization presents a huge variability depending on the type of path, highlighting a horizontal segregation also common to the traditional educational paths.

The regional education system confirms to be a basic infrastructure for the Lombardy Region. Overall the flows of enrollment are growing and they confirm in the last year a greater willingness to the enrollment in high schools and technical schools, with a specular decline of vocational schools.

The fourth chapter focuses on the evolution of the post-secondary and tertiary system of technical and vocational training in 2018-19 and 2019-20, which sees the Lombardy Region engaged in the implementation of **Higher Technical Education and Higher Technical Education and Training** paths, confirming the will to provide Lombard students with a complete vocational training pathway, that enables young people to acquire all the qualifications of Vocational Education and Training (VET), from the vocational qualification to the tertiary qualification of **Higher Technical Education and Higher Technical Education and Training**, along the same vocational path.

In the last year, the post-secondary and tertiary system of technical and vocational training is offering an overall supply of 114 paths and nearly 3.000 students enrolled, with a good territorial coverage as well as in the technological areas involved. The growth trend of the system, favored by the Lombardy Region's choice to encourage the creation of many **Higher Technical Education** foundations at an early stage, shows its effectiveness. Instead, the strategy that transpires from the lines of action of the 2019/2020 call is to encourage the provision of a larger number of paths within foundations already rooted in the Lombardy Region, thus promoting a concentration of the paths and an improvement of the existing training offer.

Overall, in 2019/20 there are 58 **Higher Technical Education** paths for a total of 1.656 students enrolled, increasing compared to 2018/19 which had 52 paths and 1.409 students enrolled, while on the **Higher Technical Education and Training** side in the same years we go from 48 to 56 paths and from 1.193 to 1.377 students enrolled.