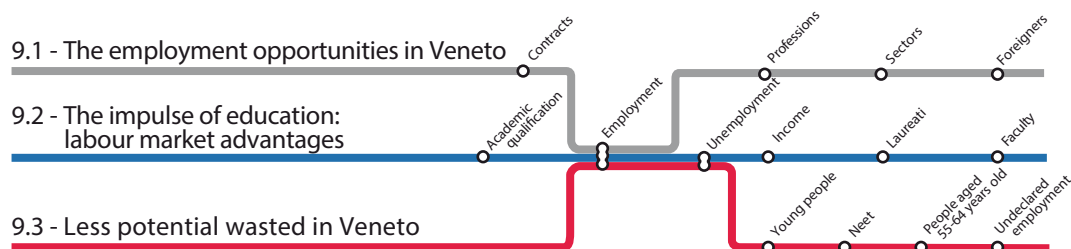


In the current condition of crisis, it is crucial to find new energies, ideas and skills to imagine and create a new model of development. People stand at the base of this. Jobs involve wages and family incomes to spend on the domestic market thus giving impetus of development to the entire community.

Fortunately, after two years of decrease, employment started to recover again in 2014 in Veneto: compared to the previous year, + 1.1%, about 22 thousand more people were called to work, while the number of unemployed persons, 167,059, reduced by 0.5%. As a consequence to this, employment rates started to rise, particularly for women and, albeit slightly, unemployment started to decrease, in contrast with the national figure which instead increased by 0.6 %. Once again, the Veneto region confirms being among the leading Italian regions and, in 2014, had the sixth highest employment rate for those aged 15-64 years (63.7% compared to 55.7% of Italy) and the second lowest overall unemployment rate (7.5% against 12.7% average Italian rate, and youth unemployment rate (18% for those 15-29 years of age compared to Italy's 31.6%). There are also fewer NEETs (Not in Employment Education or Training) in our region (young people not engaged in a working activity or included in any education or training program): in this past year, the boys in this condition decreased by 8% and, in 2014, was 16.8% of young Venetians between 15-29 years of age, i.e. just above 118 thousand; the second lowest rate in Italy.

Education, as always, plays a very important role: spending energies in education is convenient as the higher the qualifications are, less the unemployment will be, less the risk of loss of jobs and higher wages.



Working in Veneto, little energy wasted





9. Working in Veneto, little energy wasted

9.1 Employment opportunities in Veneto

2014 and early 2015 were marked by numerous new regulations involving the labour market.

After the Labour Market reform elaborated by Minister Fornero, together with the following amendments and additions enacted by the Letta Administration, the Renzi Administration that followed outlined a new program of reforms involving the labour market and Welfare, focused on the so-called "Jobs Act".

The tax benefits granted for hiring with open-ended contracts introduced with the Italian Financial Act 2015 is accompanied by the implementing decree relating to progressive entitlement employment contracts and the new amendment to the regulations concerning individual dismissal (implementing in part what provided for in the Jobs Act). Such measures, within the intentions of the Government, should persuade entrepreneurs to hire with open-ended contracts and give a new boost to the economy.

Increase of open-ended contracts in the first quarter of 2015

Although it is still too early to assess the effects of these measures, according to data from Veneto Lavoro, Veneto is experiencing the strong

and progressive growth of hiring with open-ended contracts: in the first three months of 2015, 40% more contracts compared to the same period of last year; it is a more positive result than all other first quarters from 2008. As for the transformation of contracts from fixed-term or apprenticeship into open-ended contracts, there is still a lower number than 2014, although a clear trend of growth in the month of March (+27% compared to March 2014). At the same time, fixed-term contracts have decreased even though the quarterly trend change is still positive (+5% in 2015 compared to the first quarter of 2014), while the strong growth of extensions of this type of contract continues (+37%); the reasons of the majority of hiring with fixed-term contracts are not absorbed in the case of open-ended contracts. A typical example of this is the case of substi-

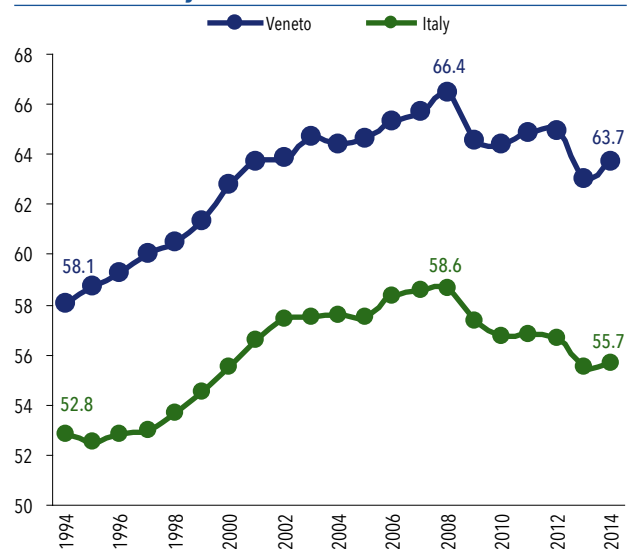
tuting or seasonality, typical of the tourism sector which plays a very important role in our economy.

Employment starts rising again in 2014

The revival of the economy cannot be separated from the revival of employment. The crisis, in fact, affected the labour market with great burden, eliminating much of the progress achieved by the European countries up to 2008.

Taking a step back, we must also remember that in our country many were struggling to find work in the 80s and 90s as well, when the baby boomers were busy trying to find a job, there was a heavy currency crisis in 1992, women's desire to enter the labour market was ever more pressing and there was the passage from a production that was typically industrial to one based on services.

Fig. 9.1.1 - Employment rate 15-64 years old (*). Veneto and Italy - Years 1994:2014



(*) $Employment\ rate = \frac{Employed}{Reference\ population} \times 100$
Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

With the reforms of the "Pacchetto Treu" (Minister Treu Package) of 1997 and of the "Legge Biagi" (Biagi Law) of 2003, Italy experienced a boost, generating an excellent performance as regards to an overall lowering of the unemployment level and increase of employment. Italy switched from an employment rate equal to 52.8% in the early 1990s to 58.6% in 2008 to then drop again in subsequent years due to the crisis. The same



trend was recorded in our region whereas in 2008, the employment rate 66.4%, the highest since the 70's, or since the data in this regard was available, compared to the 58.1% in 1994, but lower than the levels of the last period.

A ray of light in 2014

Fortunately, a ray of light was seen in 2014: after two years of decline, employment figures began to rise again, most significantly for the Veneto region and also on national level: compared to 2013, +0.4% in Italy and +1.1%, meaning 22,000 more people back to work in our region, therefore resulting in an overall 2,065,000 Veneto workers. As a result, the employment rate increased and, in particular, women workers who passed from 53.3% to 54.5% versus the 46.8% on national level¹, and once again our region has confirmed to be among the leading regions in Italy recording the sixth highest employment rate (15-64 years of age); 63.7% compared to 55.7% in Italy. Even the employment rate of workers 20 - 64 years old is increasing again. One of the objectives set of the Europe 2020 strategy conceived for an intelligent, sustainable and inclusive growth is to achieve, by 2020, an employment rate of 75% for people aged between 20 and 64 years. In 2014, compared to an Italian rate of 59.9%, the employment rate in Veneto is 68.4%; increased compared to the previous year (67.6%) and already in line with the goal set by the Italian Government for the European strategy being between 67% and 69%. This was a more realistic goal that Italy gave itself given its starting point in 2010 in terms of employment rate.

The regions that are already near the European target are Trentino Alto Adige that recorded 73.6% in 2014, the Valle d'Aosta and Emilia Romagna both at 70.7%. The Marche region, however, achieved the most effective result with an increase, compared to the previous year, by 1.6%, while the Southern regions, always protagonist of difficult problems, feature the worst conditions: Sicily, Calabria, Campania and Apulia fail to reach an employment rate of even 46%.

Sectors and professions: where to concentrate efforts today

The transition from a system that is typically industrial to one based on services has been noticed since the 80s, with a stronger boost especially since 2000.

Not all sectors were affected by the economic crisis in the same way: some areas continued to offer jobs and opportunities where their energies and resources

could be spent, while others experienced a significant aggravation. In particular, the crisis affected sectors that were in suffering already before and especially the industrial field: in Veneto, from 2004 to 2014, the industry had lost over 80,000 employees, of which more than 28 thousand only in the construction industry, that is, respectively, 10.1% and 17% less than ten years earlier. The drop in employment is even worse during the years of the crisis: 18% fewer people were employed between 2008 and 2013 in the construction field 15.4% in the industrial field alone.

In the long run, fewer workers were even recorded in the agricultural sector, -26.9% compared to 2004, although there has been a turnaround in recent years; in detail, after the considerable increase in employment between 2008 and 2012 (+28%), the figure decreased once again in the last two years (-14.9%).

The crisis also affected the field of financial and insurance activities, real estate and corporate services activities and transport firms, while a different trend involved those employed in the public sector, decreased in the last period by 4.4% as a result of a process of renewal and cost containment of the Public Administration.

Conversely, more and more are people working in the service sector: in ten years, an increase of about 11%. Good performance was recorded in the accommodation, catering and trading fields where employment

In ten years, the number of workers employed in the service sector grew by 11%

opportunities are always available even during periods of economic downturn: this represents a positive element especially

for a region like Veneto where tourism has always been a flagship. More jobs were available even in the areas of education, health and social services that counts for 13% of the total employed in Veneto and in the information and communication services as well, however, sector that absorbs less than 2% only.

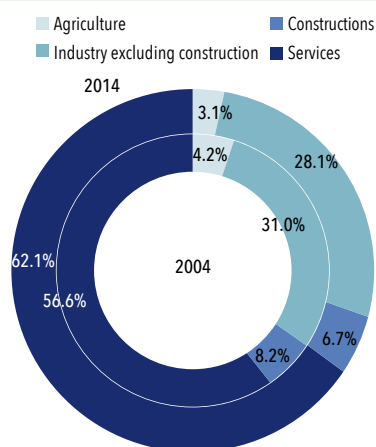
The sector that recorded the greatest increase of workers between 2008 and 2013 is the collective and personal services field (+36.4): the activities that are listed under this category are the services such as membership organisations, services for the individual and households activities as employers of domestic staff given the increasingly aging population and the difficulties of families to take care of elder those requiring household support because family members are busy with work.

¹ Further information is available in section 10.4 of chapter 10



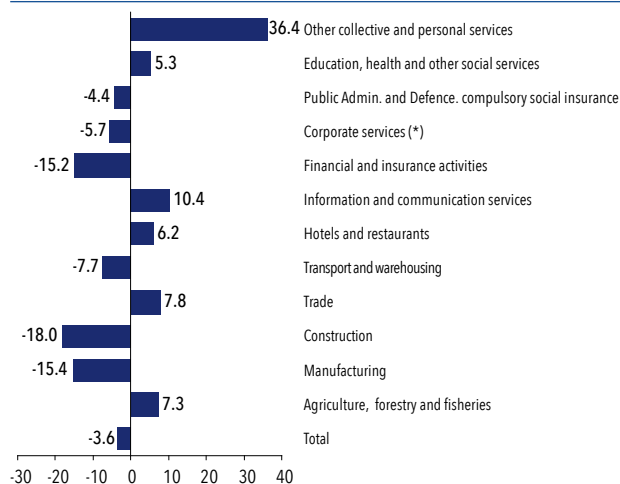
Working in Veneto, little energy wasted

Fig. 9.1.2 - Employed per sector. Veneto - Years 2004 and 2014



Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

Fig. 9.1.3 - % variation 2013/2008 of those employed per sector. Veneto



(*) Real estate, corporate services and other professional and corporate activities

Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

Over the past few years, there has been a shift in employment, even from the perspective of the composition based on professional figures. If, during the 1990s in Italy, there was a progressive trend of the demand for labour towards more skilled components, which was associated to the increase of outsourcing, starting

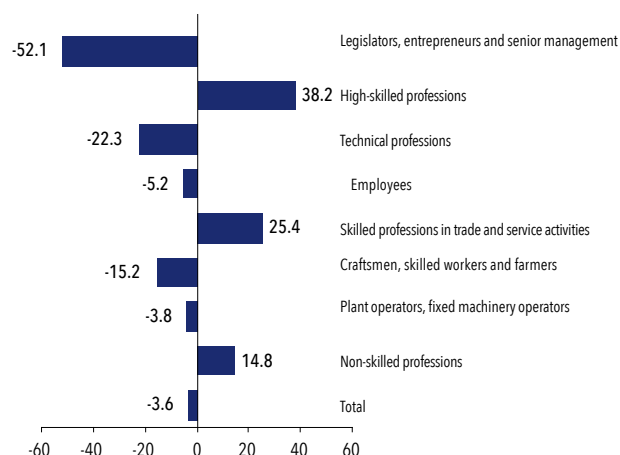
from the new century, there was a gradual shift towards figures with lower skill levels and with the crisis of the last period, this trend is even more evident.

In recent years, in Veneto, in fact, there was a significant drop in number of managers and entrepreneurs who have greatly suffered from the crisis and from the closing down of businesses. A drop even involving those who have a technical qualification and employees, while intellectual and scientific professions as well as those featuring high specialisations are resisting well. The latter manage to reduce some concern of a labour market with serious risk of mismatch between job offers that tend to require a high level of education and a demand which, however, tends to be increasingly addressed to professions that do not require high levels of education.

The number of people employed in skilled professions of the services sector has also increased thanks to a greater resistance of the sector, while the loss of medium skilled workers, such as craftsmen, skilled workers and plant operators, was mainly due to the industry's crisis that has exacerbated the structural reduction in demand in the field.

On the other hand, the growing demand for lower-skilled professional labour changed the characteristics of the offer, in particular, due to the high presence of foreign workers in this field.

Fig. 9.1.4 - % variation 2013/2008 of those employed per profession. Veneto



Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data



More specifically, there was a decrease of Veneto region entrepreneurs, especially of large-size corporations, which between 2008 and 2013 reduced in number by 70%. The increase of intellectual professions is however driven mainly by an increase in the number of employed persons between training and research specialists while, as regards the technical professions, those engaged in public services suffered a greater loss.

And what about the future?

Greater opportunities in tourism, catering and commercial activities

According to the latest data released by the Excelsior Database relating to the first quarter 2015, the most popular jobs in Veneto are still the typical professions involving

tourism, catering and trade.

The potential of foreigners

Foreigners represent an essential contribution to the economic and social well-being in our country. The drop of the demographic rate, the supported lengthening of life, the progressive ageing of the population and the resulting lower proportion of people at working age are the transformations that have helped make our country an attractive territory for many immigrants to put their skills and energies into act; a land of opportunity where you can find work and better conditions of well-being compared to their country of origin. Of course the turbulent growth of foreign immigration that characterised the pre-crisis years seems, however, to lower these flows, but not stopping them, given that the international crisis strongly affects the poorest countries, which generally these people come from.

Veneto is one of the first Italian regions in terms of number of foreign population: fifth in 2013 with 104 fo-

12.2% of employed people in Veneto are foreigners

reigners per thousand inhabitants. Consequently, our region is one of the first for number of foreign workers

in proportion of the total workforce: in 2013 Veneto counted nearly 255,000 foreign workers, representing approximately 11% of immigrant workers in Italy and accounting for 12.2% on the total of employed residents in our region, over 5% more than the figure for 2005.

The difference between North and South is once again quite clear: the southern regions are obviously less attractive when it comes to employment, so much that

the foreigners employed are only 4-8% of the total number of workers compared to the 10-14% accounted for in the Central-North regions.

Although in recent years we have observed a growth in the number of foreign women employed, due to family reunification, men made up 60.4% of legal migrant worker numbers in Veneto in 2013. In detail, the province that welcomes the most is Verona that, with almost 59,000 foreign employees, has a total of 14.8% of foreign workers in the province; followed by Vicenza (13.6%), while the lowest number is recorded in Rovigo (7.4%).

Foreigners, the most affected by the crisis...

With the crisis, however, the existing differences between local citizens and foreigners have increased: the negative impact on foreign employment is greater than that on Italian employment and this occurs more in the northern areas than in those of the South.

In the last year in our region, the differences in employment rates have been decreasing, however significant

More unemployed foreigners and with poorer work contracts

differences remain between foreigners and Italians in terms of unemployment rates and contractual terms and conditions.

Fewer immigrants are employed under open-ended contracts and they suffer a much higher unemployment rate which, in Veneto, amounted to 14.3% for immigrants compared to 6.6% for Italians, although standing among the lowest of the regions in Italy (increasing nationally as far as 17.3% for foreigners and 11.5% for Italians).

It is no surprise that, in recent years, the registration of foreigners in municipal registry offices have decreased (42% less than in 2010) and that the number of foreigners who decide to leave our region heading toward other countries is increasing. The balance between influx and outflow remains positive but falling due to the decrease in influx from abroad compared the increase of those who are leaving our territory. The economic crisis, the main reason for foreigners not choosing to settle down here, forces them to redirect their migratory routes and to address their energies toward areas that offer better opportunities.



Tab. 9.1.1 – Employment and unemployment (*) based on citizenship. Veneto and Italy - Years 2007:2013

	Employment		Unemployment	
	Italians	Foreigners	Italians	Foreigners
Veneto				
2007	65.4	69.6	2.8	8.6
2008	66.2	68.5	2.9	8.9
2009	64.6	64.7	3.9	11.5
2010	64.7	62.4	5.1	10.7
2011	65.3	62.4	4.3	10.2
2012	65.8	59.4	5.7	12.3
2013	63.8	60.1	6.6	14.3
Italy				
2007	58.1	67.1	5.9	8.3
2008	58.1	67.1	6.6	8.5
2009	56.9	64.5	7.5	11.2
2010	56.3	63.1	8.1	11.6
2011	56.4	62.3	8.0	12.1
2012	56.4	60.6	10.3	14.1
2013	55.3	58.1	11.5	17.3

(*) Employment rate = (Employed / population of 15-64 Years of age)x100 Unemployment rate = (Persons searching for employment / Workforce)x100 Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

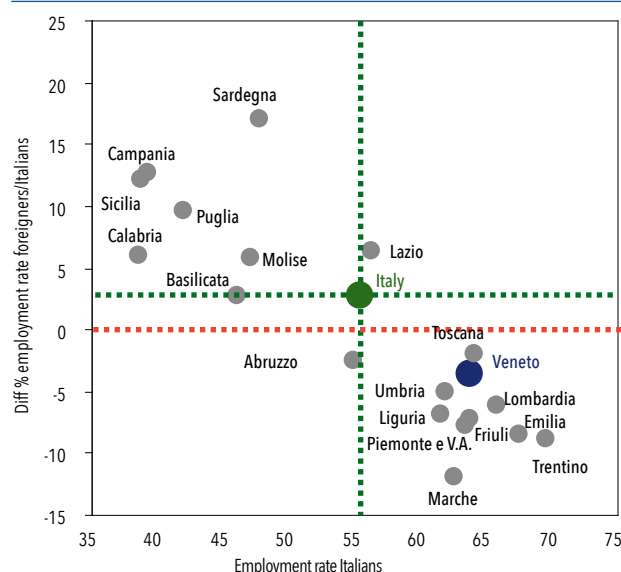
Foreigners in the South have the better hand on the employment gap

The unbalances between Italians and foreigners are more evident when compared between North and South. In fact, if on the one hand

there is a lower presence of foreigners in the southern regions, on the other it is clear that those who stay in these regions do so based on almost exclusively the job opportunities. In the absence of job opportunities, foreigners tend, more easily than the locals, to choose different destinations and move elsewhere, where the demand for labour is greater.

In the South, in fact, the employment rates of foreigners compared to Italians is higher and, on the other hand, unemployment rates are lower. In particular, the difference in employment levels in the Sardinian region is 17 %; on the regional ranking, Sardinia is the region with the highest level of foreigners employed (64.8% in 2013).

Fig. 9.1.5 - Employment rate 15-64 years of age based on citizenship (*) - Year 2013



(*) Employment rate = (Employed / reference population) x100 Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

In general, foreigners mainly carry out jobs under lower staff contract categories compared to their qualifications and their skills and are mostly workers in occupations that are often quite heavy. This concentration in lower-skilled occupations reflects on salary levels.

... with lower qualifications and therefore lower salaries

With reference to full-time employees, in Italy in 2013, the average monthly wage of foreigners is 230 Euros lower than that of Italians.

Foreigners who work in the North are paid better than those in the South, ranging from 1,270 Euros in Trentino Alto Adige to 750 Euros in Basilicata, Molise and Calabria.

In Veneto, Italians and foreigners earn the same salary

Veneto is the region where the wage imbalance between Italians and immigrants is the lowest; a difference of 100 Euros as compared to 550 Euros in Basilicata and Molise. In addition, there are also fewer people who earn less than 1,000 Euros per month: respectively, 21.5% of foreigners, the second lowest among Italian regions, and 9.6% of Italians do not earn under this wage per month. Trentino Alto Adige is the region

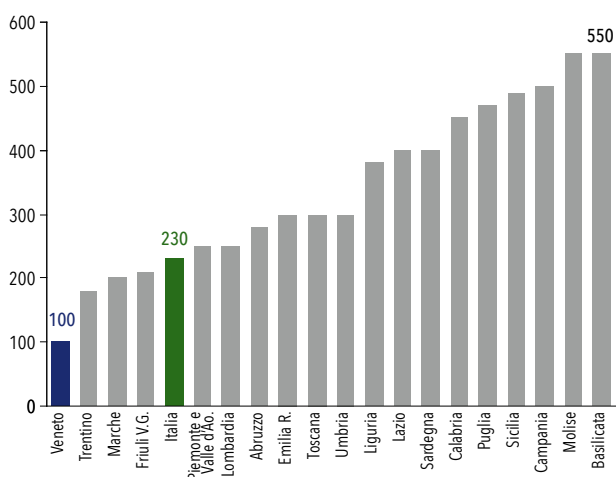


with the lowest share of foreign workers paid less than 1,000 Euros per month.

There are more foreigners employed than Italians in the South but their wages are smaller

What was discovered in many of the southern regions is quite baffling where over 75% of full-time employed foreigners are paid so little compared to the figure of local workers which is around 15-25%.

Fig. 9.1.6 - Difference in Euros between Italians and foreigners in average monthly income of full-time employees - Year 2013



Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

The high number of women foreigners earning less than 1,000 Euros per month compared to national women is also worth considering: in Italy, 55% of immigrants as compared to just 16% of national women, with peaks of over 90% for those living in the South. Even in this case it is more convenient to work in Veneto, where the salary for a foreign woman is less than 1,000 Euros in 41.5% of the cases; the second lowest percentage in Italy. Given the ageing population and the difficulties of families to take care of their family members having to go to work, domestic work is often assigned to women, mostly foreigners.

Tab. 9.1.2 – Full-time employees based on salary, citizenship and gender. Veneto and Italy - Year 2013

	Men		Women		Total	
	Less than € 1.000.	1.000 and over	Less than € 1.000.	1.000 and over	Less than € 1.000.	1.000 and over
Veneto						
Italians	7.1	92.9	13.8	86.2	9.6	90.4
Foreign.	13.3	86.7	41.5	58.5	21.5	78.5
Italy						
Italians	10.7	89.3	15.8	84.2	12.6	87.4
Foreign.	24.0	76.0	55.0	45.0	35.1	64.9

Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

9.2 The boost in education: benefits in the labour market

It is well known now that a greater offer of skills in the workforce and their full use are the keystones for economic and employment growth and to promote the social integration among the people.

The push towards a society based on knowledge and the enhancement of skills, on the one hand, produces an effect on productivity by increasing the efficiency of the use of production factors and, on the other, promotes the ability of individuals to make wise and efficient economic choices, adopt a consumer behaviour that is mature and to support social progress and the well-being of the populations.

Education plays an essential role in providing people with the knowledge and skills to actively participate in the social and economic life and in contributing to the expansion of scientific and cultural knowledge. Specifically, higher education levels stand at the basis of the growth of a company: it promotes employability and higher levels of employment contribute to reducing poverty; greater research, development and innovation capacity improve competitiveness and encourage the creation of new jobs. Thus, it is not just a personal benefit: a greater heritage of knowledge runs alongside long-term community development processes.



It's worth spending energies in education: fewer unemployed...

The advantages of achieving medium-high education qualifications are easily proved. Having a high education is, in fact, a bonus in the labour market in terms of greater employability and higher salary yields; the risk of job loss or of being unemployed appears to reduce the higher education is. For young people, a good education is an important safeguard to compensate for the lack of work experience.

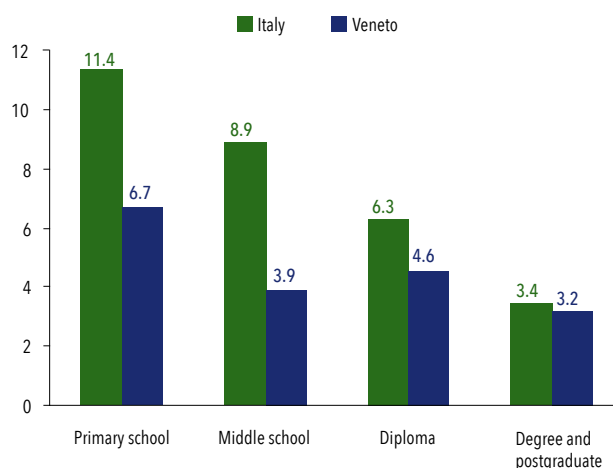
**Higher education,
lower risk of job
loss and fewer
unemployed**

If we consider that, in Italy, the unemployment rate among 18-29 year olds, i.e. the period of the first entries in the labour market, we can see that

higher degrees of education are proportional to lower levels of unemployment: in 2014 the rates are 26.8% for young graduates, 30% in high school graduates and over 37% of unemployment for those with lower educational qualifications. Even economic prospects show that the recent economic crisis, which had a significant impact on the level and structure of employment in our country, has affected individuals with various levels of schooling in different ways, showing a lower risk of loss of employment or higher chances of success in finding it for the better educated segment of the workforce. Both overall and in the early working age groups, it is clear that unemployment, in recent years, has increased much more for those with a lower education level. Taking into account Italian citizens 15 years of age and older, the growth in the unemployment rate between

2007 and 2014 is higher as the educational level drops; less obvious, though existing, are differences also in Veneto that records, as we shall see later, lower levels of unemployment compared to other Italian regions.

Fig. 9.2.1 - Unemployment rate (*) based on education level. Veneto and Italy – Difference % 2014/2007



Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

The same trend goes for young people who are getting ready for their first working experience: having invested in education yields benefits and an improved position in the labour market. For citizens in Italy aged 18-29 years, growth in the unemployment rate between 2007

Tab.9.2.1 - Employment rate 15-64 years of age and unemployment rate (*) based on educational qualification. Veneto and Italy - Year 2014

	Primary school. no education	Middle school	Diploma	Degree and Diploma	Total
Veneto					
Employment rate 15-64 yrs old	25.8	52.4	71.9	79.2	63.7
Employment rate 15 yrs and older	10.4	8.2	7.3	6.2	7.5
Italy					
Employment rate 15-64 yrs old	28.0	44.7	62.6	75.5	55.7
Employment rate 15 yrs and older	18.8	16.2	11.9	7.8	12.7

(*) Employment rate = (Employed/Reference population) x100 Unemployment rate = (Persons searching a job/Workforce) x100 Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data



and 2014 ranges from 22% (for those with a middle school qualification) to 17% for secondary school graduates to 12% for those with a degree.

Overall, in 2014, the employment rate is much higher for people with higher education: in line with the national trend, 79.2% of those with a degree and 71.9% of those with a secondary school diploma are employed in Veneto against the 52.4% and 25.8% of those who have a middle school diploma or lower education. Vice versa for the unemployment rate: in Veneto, the range passes from 6.2% for those with a master's degree to 7.3% for those with a diploma to 8-10% for those with a lower education; greater differences are observed in Italy which featuring a rate of 7.8% for university graduates the rate climbs to 16.2% for those with a middle school education and 18.8% for those with a primary school or no educational qualification at all.

... and higher wages

The level achieved in studies does not only influence employability but also on the income from employment: in fact, we can observe an exponential growth in pay checks the higher educational qualifications are. Given that a job qualifies the individual, and a good salary surely qualifies him/her within society, this leads to confirm once again that a good education not only contributes to the personal growth of the individual, but is also a true path of growth for the community, an engine of development.

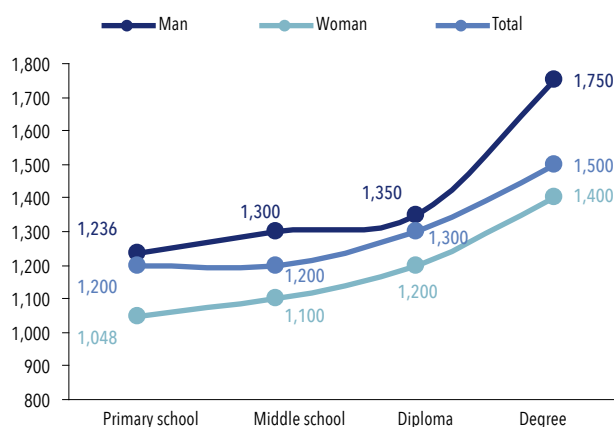
Higher salaries for university graduates

On average, in 2013, a graduate in Veneto earns 25% more than a person who achieved at most a middle school qualification and 15% more than a secondary school graduate. A female university graduate earns an average of 1,400 Euros per month, which is 200 Euros more than a secondary school graduate and 300 more than an employed person with a middle school qualification. These differences are more significant for men: a university graduate earns 1,750 Euros versus the 1,350 of a secondary school graduate and 1,200-1,300 Euros of those who have a lower qualification.

Obviously, it is increasingly necessary to invest money and resources in human capital with appropriate policies, being a country with an aged population and with low qualifications due to the low skills achieved by older age classes, and given the positive results in terms of employment for higher qualifications. In this

way, it would help promote greater employability helping to reduce poverty and social exclusion, according to targets set by the Europe strategy 2020.

Fig. 9.2.2 - Average monthly income (in Euros) of full-time employees based on gender and educational qualification. Veneto - Year 2013



Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

The job opportunities of graduates in our universities

If graduating leads to benefits, it is interesting to analyse what are presumably the university degrees that offer greater employment opportunities. Focusing on the employment status of graduates of our universities per type of faculty, we can analyse the data of the survey called "Employment Status of University Graduates", undertaken by the Consorzio Interuniversitario Alma-laurea (Almalaurea Inter-University Consortium).

Five years after graduation, studies in economic, engineering, education sciences and spatial planning feature the highest level of employability (between 92% and 100% of graduates). Furthermore, if we also consider specialised master's degree (excluding single-cycle courses), all those graduating in medicine in Verona find work; a positive trend is also reserved for those who graduate from law school and primary education sciences.

The expectation of a steady occupation are high in the economic, legal and medical fields while, as regards



the salaries, it pays to graduate in economics and medicine as well but also in engineering, mathematics, statistics and pharmacy offering salaries of more than 1,500 Euros per month.

Jobs for young people who study liberal arts are less well-paid and less secure.

9.3 Less potential wasted in Veneto

In the current condition of crisis, it is crucial find new energies, ideas and skills to think of and create a new model of development. Behind this concept, there are people. Jobs involve wages and household incomes that would be then spent on the national market; employment therefore does not only have an individual value, but it also means development of the entire community.

Starting from this, in a simplistic view, you may think of the unemployed as wasted resources and energies for our market — like batteries that could recharge it.

The European overview

The unemployment rate unequivocally describes the difficult times Europe is going through; in the maps presented here, you can see how they are coloured in green in 2004 (low unemployment) and red (high unemployment), notably marking the burdens in many regions of Eastern or southern Europe where unemployment rates in many cases exceed 10%, and the good performance of the regions in Northern Europe or Northern Italy with rates below 6%. Veneto, with an unemployment rate of 4.3 for every 100 people belonging to the workforce, falls almost in the lower class. In 2008, the red colouring almost disappears from the map of Europe: few regions exceed the 12.5% and the map turns green more and more. Veneto continues to be a low unemployment area with a rate of 3.4%.

By the end of 2008, however, many of the efforts and achievements in terms of employment are undermined from the beginning of the crisis and, in 2013, the colours in Europe started assuming a more red tint rather than green: unemployment rose in almost all regions but the difficult situations in Spain, Portugal, Greece, South Italy, Cyprus, Bulgaria, Slovakia and Ireland made their mark. In Veneto, the unemployment rate remains

among the lowest in Europe, despite the increase in the years following the crisis. Fortunately, in 2014, signs of improvement started to appear: in most European countries, unemployment started to decrease and the average rate recorded by EU countries finally returned to 10.2% after five years of continuous growth, compared to the 10.8 % the previous year.

Veneto: a region with energy to spare

Certainly, unemployment is a problem of our times, but we should not forget the years of misery as those between the two world wars, the difficulties of the baby boomers to find a job in the 1980s, the transformations that took place in the labour market with the 1992 currency crisis, the cultural change and the greater willingness of women to enter the labour market.

The current Italian unemployment rate is the highest of the past twenty years (since the availability of ISTAT data and consistent with those of later years). The positive results obtained thanks to the reforms introduced by the "Treu Package 1997" and the "Biagi Law" of 2003, which allowed Italy to have one of the best performances in Europe with regard to lowering the overall level of unemployment, were undone by the crisis. Today, in Italy, over 3,200,000 people are searching for employment, 5.5% more than last year; in detail, +7.2% for women and +4% for men.

Unemployment stopped growing in Veneto

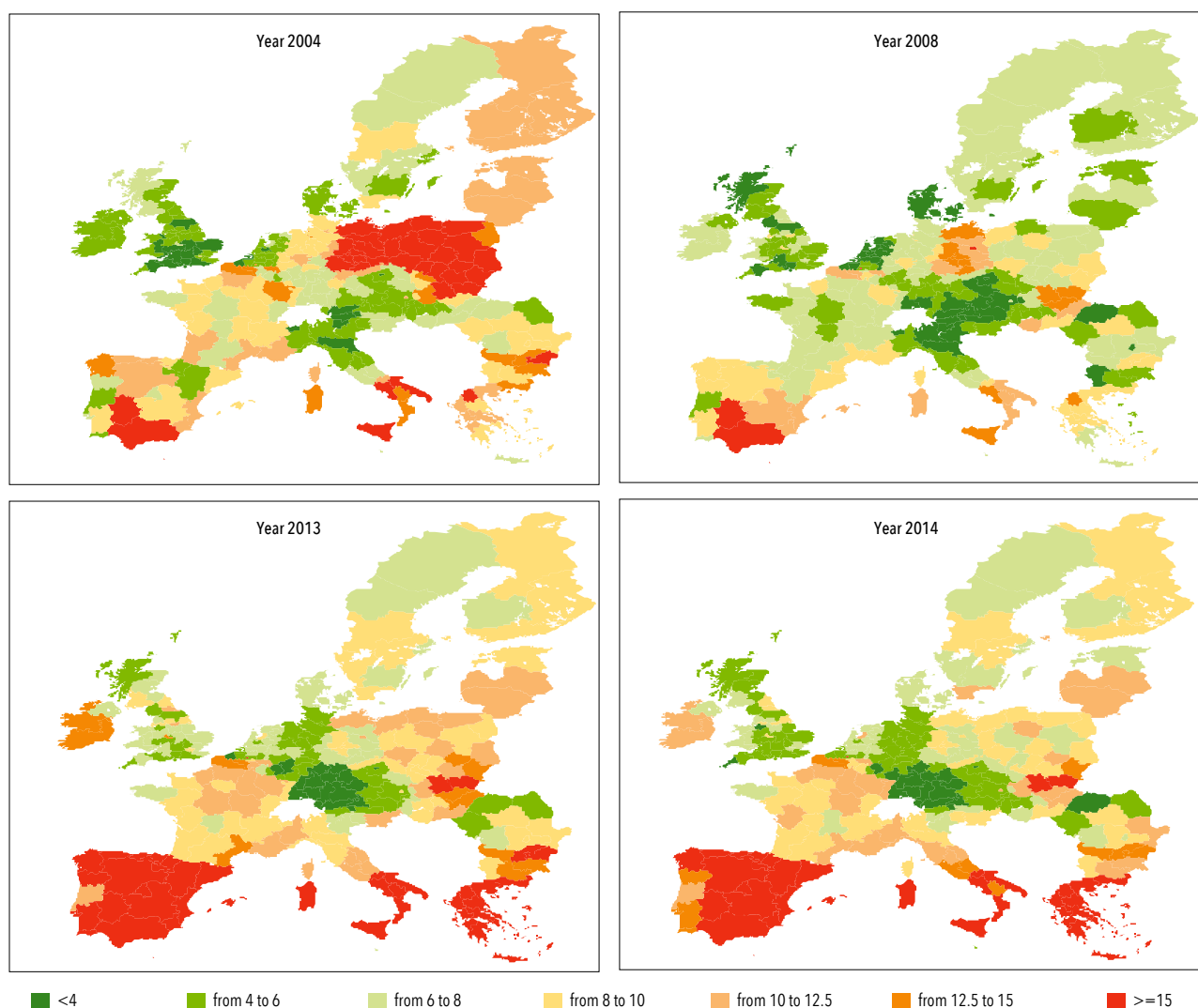
In Veneto however, the picture is different: the 167,059 unemployed fell by 0.5%. As a consequence, the unemployment rate also dropped, albeit only slightly, in contrast to the national rate that rose by 0.6%.

Once again, Veneto was confirmed to be the leading region in Italy and, in 2014, recorded the second lowest unemployment rate; 7.5% (7.6% in 2013) against the 12.7% of the average Italian level. The most favourable situation was in Trentino Alto Adige that maintains the lowest levels of unemployment (5.7%), while the worst was in Calabria where nearly one out of every four people were out of work.

In detail, unemployed male workers decreased in Veneto (-7.4% compared to 2013), while the number of women in search of employment increased by 5.6%. During the crisis, the rate of the workforce population increased. In single-income families, the most pressing economic needs arising from an uncertain or inexistent income exerted a positive effect on the activity rate (the so-called "added worker effect") that has offset



Fig. 9.3.1 - Unemployment rate (*) of the European regions (**). Years 2004, 2008, 2013 and 2014



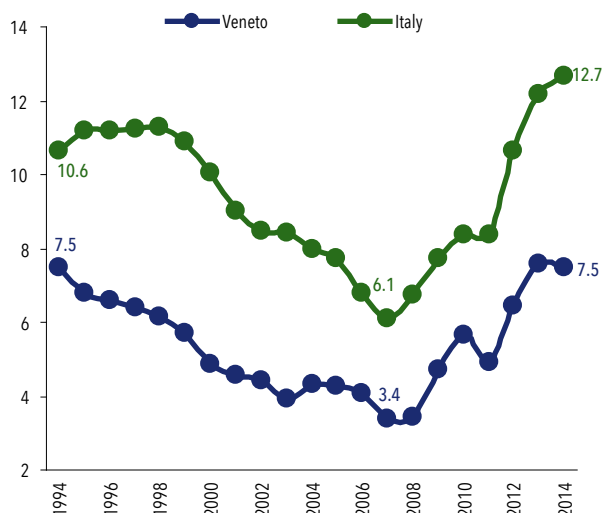
(*) Unemployment rate = $(\text{Persons searching for a job} / \text{Workforce}) \times 100$. (**) Some regions do not have the given reference is made at the rate of its State-level. For some regions for no data was available, reference was made to the rate of the relative country level.
Source: Veneto Region Data Processing- Regional Statistical System on EUROSTAT data Source

the negative effect of the "worker's discouragement", typical in periods of recession. The "added worker" effect determined a significant increase in the activity rate of women, from 50.6% in 2007 to 54.4% in 2014 in Italy and from 57% to 60.5% in Veneto; in part perhaps

due to tax incentives for women. Obviously, the growth the will of women to enter the labour market has been accompanied by a rise in unemployment as a result of the expansion of activity rates.



Fig. 9.3.2 - Unemployment rate (*). Veneto and Italy Years 1994:2014



(*) Unemployment rate = (Persons searching for a job / Workforce) X 100.

Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

The minor problems of our younger generation

Young people, representing the driving force of our country, are the age group most affected by the on-going job crisis: in recent years, youth unemployment has risen sharply and progressively and, in 2014, the Italian rate for those of 15 to 24 year olds almost reached 43% — more than double than what it was in 2007 before the crisis.

Those mostly affected by the crisis are the young...

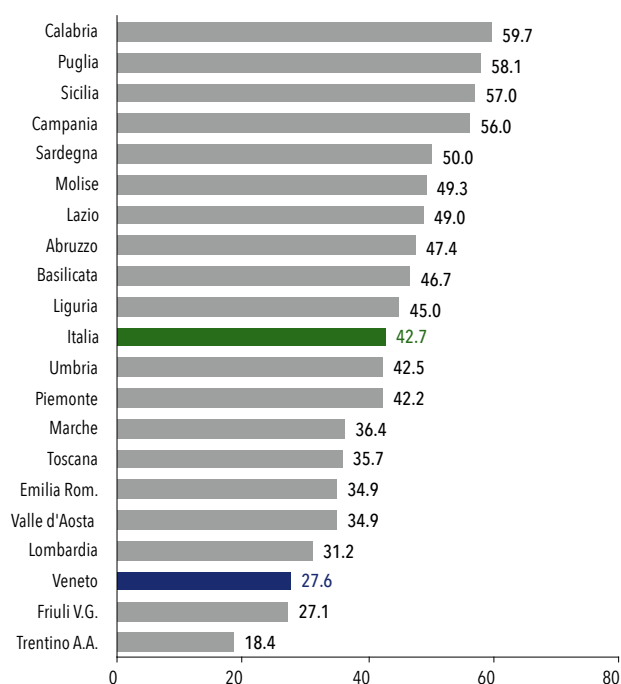
of this age: the worst figures are recorded in Calabria where 60% of young people looking for a job do not find one, to follow Puglia, Sicily and Campania, respectively with a rate of 58.1%, 57% and 56%.

... but people in Veneto are among those who have better lives: fewer unemployed and fewer NEETs

The situation in southern Italy is particularly serious, where the unemployment rate in many regions exceeds half of the population of this age: the worst figures are recorded in Calabria where 60% of young people looking for a job do not find one, to follow Puglia, Sicily and Campania, respectively with a rate of 58.1%, 57% and 56%. Fortunately, the situation of the younger Veneto population is among the most

favourable in Italy: in fact, although unemployment increased by almost two % compared to 2013 and three times more the figure recorded in 2007, with an unemployment rate of 27.6%, Veneto ranks, however, the third Italian region for the lowest levels of unemployment; first Trentino Alto Adige with 18.4% and second Friuli Venezia Giulia with 27.1%.

Fig. 9.3.3 - Youth unemployment rate (*). Regional ranking – Year 2014



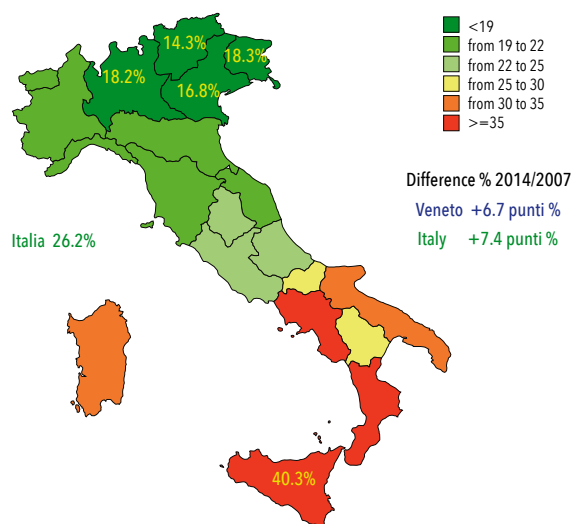
(*) Youth unemployment rate = (Youngsters 15 – 24 yrs. Old searching for a job / Reference workforce) X 100. Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

In Veneto, another positive record involves the situation of the NEETs: progressively increasing, compared to 2007, the rate in Italy is higher than 7.4 %; in 2014 this population was over 2 million and 400 thousand, i.e. 26% of the 15-29 year-old population, a percentage that exceeds 35% in some of the southern regions (Campania, Calabria) and up to 40.3% in Sicily. Unlike in Veneto, in contrast with the NEET number growth in recent years that recorded + 6.7% compared to the rate in 2007, the young people in this condition decreased by 8% compared to the previous year and



in 2014 was 16.8% of the young 15-29 year-old Veneto population, i.e. just above 118 thousand, the second lowest level in Italy; first, Trentino Alto Adige with 14.3%.

Fig. 9.3.4 - Percentage of 15-29 years old in NEET conditions (*) – Year 2014



(*)Not (engaged) in Education, Employment or Training Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

offer little right now and what they are willing to take on today: are they willing to do any job as long as they have the opportunity to work or could they afford to wait, counting on family support?

Finally, it is also worth highlighting that those who suffer most from this NEET condition are young foreigners: in line with the national figure, more than one foreigner out of three in our region in 2013 is not working or at school compared to 15% of young Italians (24.8% in Italy).

Tab. 9.3.1 – Distribution % of young people 15-29 years old per citizenship and professional condition. Veneto and Italy – Year 2013

	Foreigners		Italians	
	Veneto	Italy	Veneto	Italy
Occupati	37.9	37.5	37.6	28.3
Seguono corsi di studio o di formazione	27.1	27.0	47.6	46.9
Neet (*)	35.0	35.5	14.8	24.8
Totale	100.0	100.0	100.0	100.0

(*)Not (engaged) in Education, Employment or Training Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

But who are these young people? A portion are youngsters who had a job, but after having lost it, they are looking for new employment (unemployed/former employed), others have just completed their studies and are seeking their first employment (unemployed/looking for first employment) and others, after a period of inactivity, have started active search for work (unemployed/former inactive). However, the greatest part is made up of those young people who do not have a job and that, at the same time, are not looking for one, namely the inactive: in Veneto in 2013, 11% of the total number of young people aged 15-29 years forms part of this category, while the national figure is 15%. It must be said that calling them big babies would be too easy and hasty: you must understand the personal and social implications of this phenomenon and especially study the causes. The phenomenon is linked to the employment crisis, but it is not the only cause; it is also intrinsic to the area where the young person lives. Furthermore, it is necessary to question oneself about the feeling of discouragement that these young people experience in front of a society that seems to

In short, cross-checking data on the inactive NEETs with the unemployment rate of the same age group, it is evident that there are serious difficulties experienced by the young people in the South and that a great number of resources are wasted which instead could be useful, if well used, to improve the conditions of these territories and the working conditions in Veneto and in most regions of the North. Today, young people are facing new challenges and problems compared to their peers of past generations, especially the young populations who live in the South; in the difficult period that our country is going through, the poor employment opportunities in this part of Italy are likely once again to lead to depopulation and stagnation.

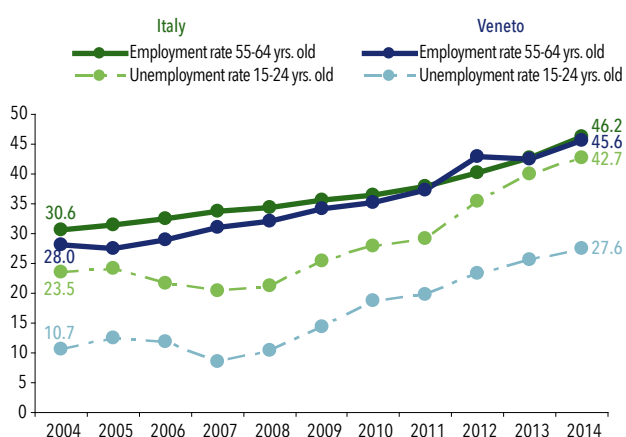
The young and the older: an energy mix for success

Due to the growing youth unemployment rate, it must be said that, in all the Italian regions, however, the employment rate of people aged 55-64 years is growing as well.



The population is ageing thanks to a continuous improvement of the quality of life, and this leads to review the balance between the generations and to reconsider the mechanisms for leaving the labour market: this is one of the main challenges of Italy and of the European Union. For some time now, European governments are committed to pursuing the raising of the retirement age so as to allow a significant increase in the employment rate of older people. To do this, the Lisbon Strategy set a goal for 2020 of 50% for the employment rate of the population aged 55-64 years, which was reached by the EU28 in 2013 (50.1%). Italy is getting closer and closer to this target as, in 2014, it recorded a rate of 46.2%, (45.6% for the Veneto region). Many Italian regions already exceeded the set quota, first among all Trentino Alto Adige which, up by 4.6% in 2013, reaches 54.4%.

Fig. 9.3.5 - Employment rate 55-64 years old and youth unemployment rate 15-24 years old (*). – Years 2004:2014



(*) $Employment\ rate = (Employed / Reference\ population) \times 100$
 $Unemployment\ rate = (Persons\ searching\ for\ a\ job / Workforce) \times 100$
 Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

For a sustainable recovery of employment rates, it is therefore necessary to focus on the youth asset as much as on older workers. For young people, it is necessary to ensure them a better chance of entering the labour market, giving more value to their academic qualifications in order to allow them obtain employment that will allow them to build their future and family. At the same time, it will be appropriate

to offer older people incentives and opportunities to exploit their experience acquired over time, to improve it, including through training and to continue to be an asset to society.

The potential workforce: fewer people of Veneto unused in the productive process

For a more complete view of the number of people potentially employable in the labour market, and therefore the potential energy available in the Italian production system that goes unexploited, without taking the unemployment indicator into account, the non-participation factor was analysed as well: it is an indicator that refers to the population between 15 and 74 years old, which consists of the number of unemployed and inactive persons who are not seeking a job but are willing to work as a fraction of the same figure plus the total workforce (employed plus unemployed).

According to international definitions, an unemployed person is defined as such if three conditions occur simultaneously: he/she must be unemployed, must have carried out at least one job search within thirty days preceding the reference period (active job search) and must be available within two weeks to accept a job if it were offered. If one of these three conditions does not apply, a person is no longer considered unemployed: in particular, if an individual does not actively seek work, or is not willing to accept a job if it were offered, the person will fall under the inactivity category.

It is clear that this definition of unemployed is rather restrictive. The rate of non-participation is a particularly important indicator for countries such as Italy, characterised by a high proportion of people who are not actively seeking work and therefore do not fall within the statistical calculation of unemployment; the indicator provides a wider measure of the proportion of people who could potentially be part of the production system, taking into account even part of the potential workforces and accounts for assessment of the progress of Italian society and the measurement of well-being.

The rate of Italian non-participation in 2014 is 22.9%, with 19.3% among men and 27.3% among women. The high rate that characterises our country marks the persistence of discouragement factors that hinder entry into the labour market: in 2014 in Italy, those who did not seek work but who would have liked to work numbered around 3 million and 355 thousand people;

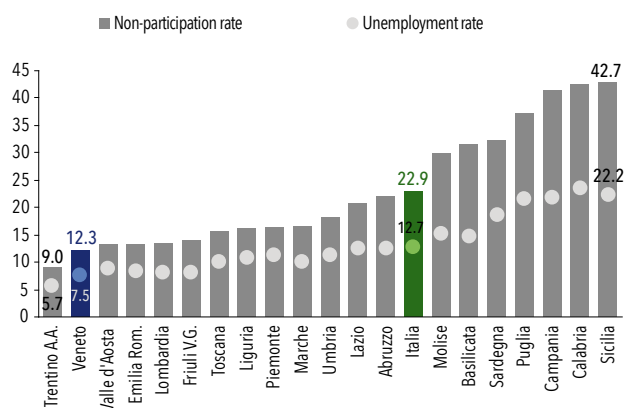


among these, 48.2% were discouraged claiming not to have sought work because convinced that it would not be able to find it. It should be noted that among the discouraged Italians, 69.5% live in the South and just 6.9 % in the Northeast.

The good performance of the Veneto region

Also in this study, the performance of the Veneto region emerges: the rate of non-participation in the labour market is equal to 12.3%, the second lowest rate among the Italian regions; in first place, again, Trentino Alto Adige that recorded 9%, at the bottom Sicily and Calabria with respectively 42.7% and 42.6%.

Fig. 9.3.6 - Unemployment rate and rate of non-participation to the labour market (*). – Regional ranking - Year 2014



(*) $Unemployment\ rate = \frac{(Persons\ searching\ for\ a\ job)}{Workforce} \times 100$
 $Non-participation\ rate = \frac{(Unemployed + Inactive\ not\ seeking\ work\ but\ available\ to\ work)}{Workforce + Inactive\ non\ seeking\ for\ work\ but\ available\ to\ work} \times 100$

Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

In particular, in our region, the rate is equal to 8.8% for men and 16.7% for women, respectively, the second and the fifth lowest values in the regional rankings by genre.

In summary, figure 9.3.6 highlights the numbers of the actual employment opportunities that are not absorbed by the commercial demand, offer that in southern Italy is far wider than that indicated by the unemployment rates. The rate of non-participation to work is a very important indicator from an economic point of view as its reduction determines an increased demand

for goods and an improvement of the economy, while its increase also is a sign of a reduction in consumption. This indicator, unlike the unemployment rate, also takes into account the potential workforce which could be activated in the presence of an increased demand from businesses and from a positive economic cycle. Finally, it should be noted that the unemployment rate does not consider the phenomenon of working hours lost by employees laid off, who are considered as employed, but who surely do not earn the same pay as when they are under normal conditions. To this end, for more complete information, it must be noted that in 2014 the demand for hours of short-term unemployment allowances decreased: in Italy the hours granted are over 1 billion, 6% less than the previous year; more significant was the decrease in Veneto, with 91 million recorded hours during the course of the year, 21.5% lower those authorised in 2013 as a result of the substantial contraction of hours requested notwithstanding management (-61%), followed by the request of ordinary hours (-30%). Transforming the working hours into workers, in Veneto there are about 55,300 workers receiving short-term unemployment allowances against the more than 70 thousand of the previous year, a rate of unemployed workers that is hypothetical because these are workers who have never worked².

Unexploited energy: non-regular work

It is clear that while it is essential to reduce unemployment and wasted energy that can be used in society on the one hand, on the other it is also important to highlight those energies that are kept hidden underground but which actually exist in the world of labour, that is, non-regular workers.

We often wonder: if all these workers were regularised, if tax was paid on their salaries, if their salaries were proportional to the work carried out, perhaps the Government would have fewer problems to solve?

The amount of undeclared work consists of multiple components: according to the internationally standardised definition, undeclared work is defined as ongoing activities carried out not respecting labour-tax legislation, undeclared occasional employment carried out by students, housewives or retirees, non-resident and non-regular foreign workers and the multiple undeclared labour positions.

The conditions of the labour market are less alarming than those observed throughout the entire national territory: in 2012 in Italy, for every 100 worker units, 12

² For further information see subsection 2.7 in Chapter 2..



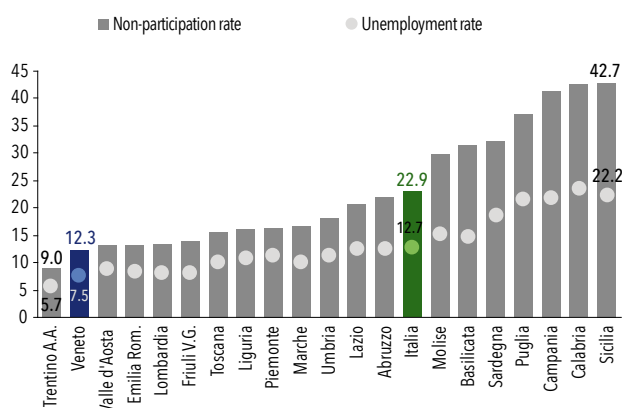
Working in Veneto, little energy wasted

were irregular (irregularity rate), while in Veneto the number of units that were not declared dropped to 8 out of 100, the fourth lowest in the regional ranking. The most troublesome picture concerns the South, whose data is to be read even taking into account what was claimed in the previous paragraphs: undeclared work involves 20.9% of work units versus the data recorded of the Northeast, which amounts to 8.2%. The worst situation is detected in Calabria, where nearly a third of the units are undeclared, while Lombardy recorded the lowest rate (7.1%).

Compared to the data of the beginning of the new millennium, the number of non-regular jobs in many southern regions recorded a worsening, particularly significant the increase in Molise, Calabria and Sardinia; worthy of note were also the increased figures in Piedmont and Valle d'Aosta. The best performances are evident, however, in Campania and Lazio where the rate of irregular workers in the ten years range reduced by 2.8 %. Even in our region, the measures implemented to remedy the phenomenon achieved positive results and undeclared work has decreased by almost 1 %.

It is clear that in Italy there are regions where undeclared work tends to provide only a marginal part of income and, at the same time, there are areas in which often irregular employment is a major source of livelihood.

Fig. 9.3.7 - Undeclared employment per (*). – Years 2002 and 2014



(*). Undeclared employment rate = (Non-regular work units/total work units)x100 S

Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data

In conclusion, there are also other forms of work in which are concealed the real offer and the potential that could be better exploited in the labour market, such as involuntary part-time, reduced-hours employees that are willing to work full time (frequently, part-time contracts are given as they are cheaper for companies) and with jobs that are below their level of skills education; we must not forget the numbers of inactive people actively seeking employment, but are not immediately available for work.