

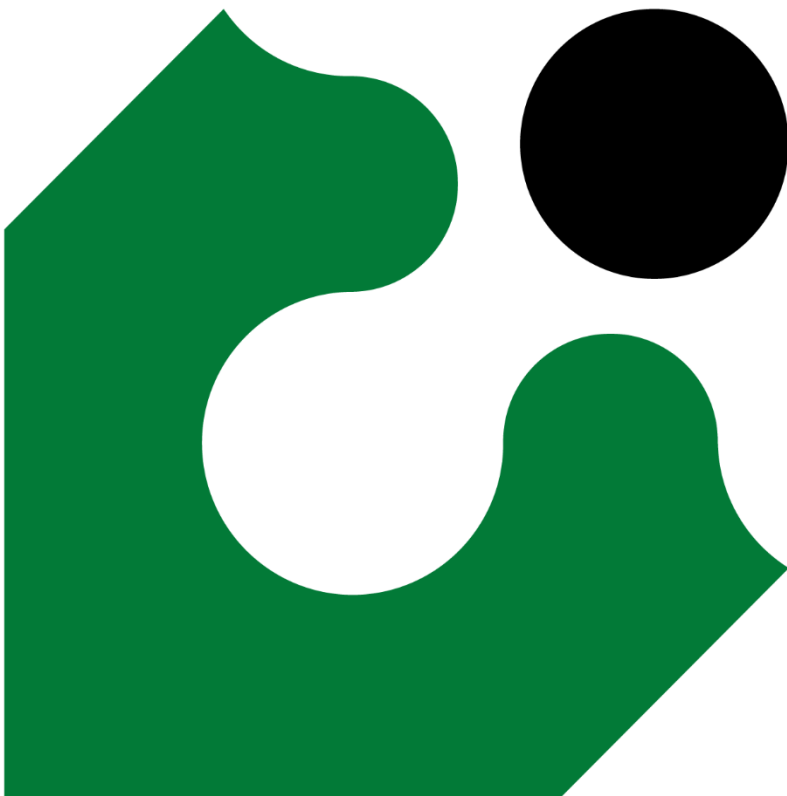


Annual report on the labour market and the
education and training system in the Lombardy
Region

Executive Summary

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Executive Summary

The Report on the labour market and the education and training system in Lombardy region describes and analyses the evolution of the labour market and the regional education and training system.

In the first part, the first two chapters analyse Lombardy region from a demographic, economic and labour market point of view, comparing the data for 2002 and 2023 with those for previous years, while the second part deals with the regional education and training system.

Chapter 1 shows a certain dynamism with regard to demographic trends in Lombardy. The total population stands at 9,950,742, with Milan emerging as the most populous province. Despite a natural population decrease, including a birth rate of 6.8‰ and a mortality rate of 11.3‰, **Lombardy achieves a total population growth of 0.8%.**

Foreigners contribute significantly to Lombardy's social fabric, constituting 5.8% of the population. Both internal and international migration trends reflect a balance between regional and global dynamics.

The regional economic outlook shows robust growth in 2022 with a GDP growth rate of +7.51%, surpassing both the national and the other Italian regional averages. Despite the inflationary pressures resulting from increased costs of raw materials, there is growth in the industrial and construction sectors. Lombardy's exports grew by 19.1% in 2022 with respect to 2021.

Chapter 2 delves into Lombardy's labour market. Section 1 looks at employment dynamics, covering gender, age, education, contract types, and regional differences. Section 2 focuses on labour supply, highlighting challenges related to an aging population, NEET individuals, and gender inequalities. Section 3 tackles labour demand, discussing workforce shortages and skills mismatches.

The regional dynamic mirrors the national trend, registering an increase in employment rate and a decline in the unemployment rate. The employment rate stands at 68.7%, surpassing the national average of 61%. Unemployment, at 4.4% in the first quarter of 2023, marks a two-percentage-point improvement from the same period in 2019. **However, challenges persist related to the decline in the working-age population, requiring strategic interventions to support growth.**

Lombardy stands out as a pole of attraction for employment, hosting 23% of internal migrations and 23% of Italy's foreign residents. Despite a 20% emigration rate in 2021, particularly from Milan, **the region remains a magnet for employment, especially for graduates.**

Job satisfaction indicators in Lombardy are encouraging, with 52.7% of workers expressing contentment in 2022, surpassing the national average. Factors such as job security, smart working, and safety contribute to these high levels of satisfaction. The prevalence of remote work, standing at 15.2%, reflects Lombardy's adaptability to modern work trends.

In 2022 there are 4.4 million employed people in Lombardy, with a 2.1% increase with respect to 2021. Notably, women contribute significantly to this growth, particularly in part-time contracts, underscoring Lombardy's emphasis on supporting employment for mothers. The service sector attracts the highest percentage of female workers, and part-time employment remains a popular choice for women, reflecting the need to balance work and family responsibilities.

Educational attainment emerges as a crucial factor impacting employment dynamics. Graduates, especially males, experience substantial growth in 2022.

Territorial variations within Lombardy reveal diverse employment rates, with Milan leading at 54% and Cremona lagging at 48.4%.

In 2022, Lombardy's total workforce reached 4.7 million, showcasing a 1% increase from the previous year. In terms of gender disparities, female participation remains lower than males, primarily due to a lower activity rate among women (66.5% compared to 89.3% for men). Despite a post-pandemic rise in female workforce participation, achieving gender equality in the job market remains a persistent challenge.

The demographic transition and youth participation introduce complexities as the aging population approaches retirement, creating difficulties in replacements. The entry age into the workforce is rising due to higher education pursuits. The issue of "NEETs" (Not in Employment, Education, or Training) is prominent among young individuals, particularly women.

The dynamics of job entries and exits still suffer from the impact of pandemic-related restrictions and uncertainties on the labour market, with net job creation still positive in 2022, but mainly in temporary positions.

In 2022, there were 1,032,330 new hires, indicating a continuous increase in labor demand. The construction sector stands out with the highest growth, while the commercial sector struggles to recover from pre-COVID levels. Replacement demand due to retirements significantly contributes to labor demand, emphasizing the impact of the aging population. Employment opportunities are on the rise, but over 40% of businesses in Lombardy face difficulties in recruiting due to both a shortage of candidates and a skills mismatch.

The second part of the Report focuses on Lombardy region education and training system. It is articulated in two sections (3 and 4).

Section 3 analyses structure and evolution of the regional secondary level education system as well as its participants (i.e. the pupils enrolled.).

Over the past decade, the average degree of education of the adult population in Lombardy region has increased. From one hand, the share of 25-64 years old with a middle school diploma has decreased (from 42.8% in 2012 to 34.6% in 2022). From the other hand, the share of both the population with a secondary and post-secondary non-tertiary education diploma (IFTS, ITS) and of those with at least a bachelor's degree have increased. The former from 41.4 percent in 2012 to 43.6% in 2022, while the latter from 16.5% to 21.8%. Lombardy is characterised by a slightly higher level of education than the respective Italian averages, but lower than the EU27 average: in particular, the share of 25-64 year olds with at least a university degree in Lombardy is 12.5 pp lower than the European average, amounting to 34.% in 2022.

The number of tertiary education institutions is particularly relevant in Lombardy region. **Lombardy region is at the top in providing non-academic professionalising tertiary education.** There are 24 ITS Academies into Lombardy region, representing the 18.8% of the number of ITS Academies at national level. While the Institutes of High Musical and Choreographic Education (AFAM) are 26, representing 16% of the national total. **There are 15 universities in Lombardy region,** accounting for 15.3% of the total number of Universities in Italy. After the pandemic, **the growth in matriculated students has resumed, while the positive dynamics in terms of graduates is confirmed.**

At the beginning of the 2022/2023 school year, a total of 392,297 pupils enrolled in public secondary schools, 1,877 less (-0.4%) respect to the previous year school. In terms of study fields, almost one out

of every two pupils in Lombardy region chooses a high school after eighth grade. However, unlike in recent years, the weight of high schools remains stable and the attractiveness of technical institutes decreases, while the percentage weight of those choosing a professional Institute increases.

Lombardy Region has developed in recent years a well-established system of Vocational Education and Training (leFP). This system -- through its preference for the dual training modality and its openness to innovative training contexts -- aims at employability, regional economic system competitiveness, educational mismatch reduction and school dropout contrast (Art. 2, c. 6bis of Regional Law No. 30/2015). Lombardy Region's dual system represents an organic arrangement within the national framework and is also configured as a professionalising supply chain up to non-academic tertiary training (IFTS and ITS).

Concerning the 2022/2023 training year, there are 178 accredited entities providing training services for vocational education and training in Lombardy, distributed over all the provinces of the Lombardy region.

The number of students enrolled in three-year leFP courses (training year 2022/2023) is 48,565, with an increase of more than 3,600 (8.1%) compared to the previous year; the largest number of enrollees participated in the courses for **Wellness Operator, Catering Operator and Motor Vehicle Repair Operator.** Compared with the previous year, there is a strong growth in enrollees in the pathways for **Computer Operator, for Business Services Operator** as well as for **Food Production Operator.**

Regarding to the activated pathways, 62% are characterised by a prevalence of male enrollees, with an increase in the gender difference.

Still considering the 2022/2023 training year, **there are 7,940 people enrolled in the fourth year of leFP courses,** an increase of 402 respect to the previous year. In particular, 34.1% of the total enrolments concerns three pathways that are the continuation of the two most frequented three-year courses (i.e., wellness and catering): **beauty treatment technician, hairstyling technician and kitchen technician;** participation in the two pathways for **graphic technician and motor vehicle repair technician** is also very significant. **Diploma pathways are attended by a higher proportion of girls compared to three-year pathways (44% vs. 38.4%)** and with an increase respect to last year (+ 1 pp).

Section 4 presents the reconstruction of the supply of higher education in the regional system, namely focussing on the IFTS (Istruzione e Formazione Tecnica Superiore) and ITS (Istruzione Tecnica Superiore) pathways. In the last years, Lombardy Region has launched a comprehensive strategy improving and strengthening these pathways. This strategy has also been implemented according to companies' requests, to create a complete professionalising training chain.

In the 2022/2023 training year, **the technical and vocational post-secondary and tertiary training system shows a relevant empowerment in terms of courses and enrolments,** albeit with different dynamics for the two typologies of pathways. Compared to previous training year, there is a 35% increase in courses and a 34% increase in enrolments. However, the positive dynamics is entirely attributable to the expansion of the ITS segment, since the IFTS system shows a reduction in both the number of courses and the amount of enrolments.

The number of Foundations which activated ITS pathways, in Lombardy region, in the 2022/2023 training year, increased compared to the previous year (from 21 to 26 Foundations), and there was a significant increase in the number of activated pathways (from 156 to 242), too. Accordingly, also the number of enrolled students increased, by 1,852 units, from 3,588 to 5,480.

The pathways – in which the largest number of enrolments is concentrated -- are **New Information and Communication Technologies, New Technologies for Made in Italy/Mechanics System, and New Technologies for Made in Italy/Business Services** (15.1%).

The programming of ITS courses is flanked by that of **annual IFTS pathways**. In the 2022/2023 training year, there was a slight decrease in the number both of activated pathways (from 78 to 74) and of enrolled students (from 1,724 to 1,613). The largest number of pathways and enrolments relates to **Culture, Information and Information Technology area**, followed by the Mechanics, Equipment and Construction area.