

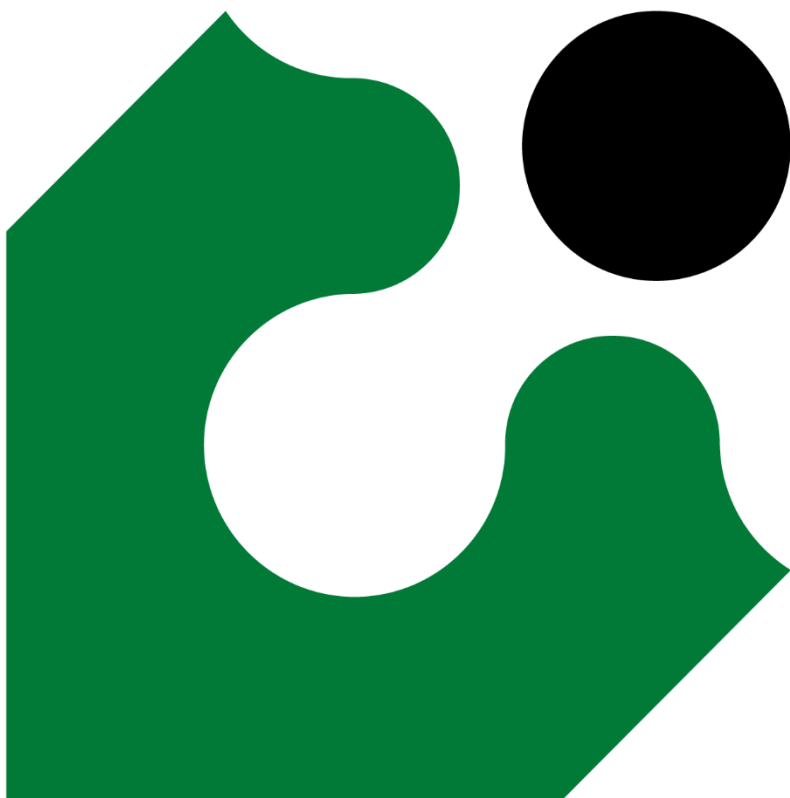


**Annual report on the labour market and the  
education and training system  
in the Lombardy Region (2020)**

***Executive Summary***

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## Executive summary

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 2019 and 2020. 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 comparison with other large Italian regions and with the European Union. The second chapter describes the evolution of the labour market in Lombardy in 2020 by analysing survey and administrative data. The analysis focuses on recent employment dynamics in the first paragraph, underlying gaps among different local areas. The second paragraph investigates in particular the labour market prospect of women and of young individuals not in employment, education, or training (NEET). The third and fourth paragraphs focus on labour demand, highlighting the existing mismatches with labour supply. The last paragraphs describes the role of apprenticeships (*contratti di apprendistato*) in the Lombard labour market.

The starting chapter describes the demographic and macroeconomic context in 2019 and 2020. Resident population declined by 0.65% year-on-year, as an immediate consequence of the pandemic emergency. Moreover, life expectancy fell for women and men by 1 and 1.4 years, respectively. The GDP per capita in Lombardy was well above the European average in 2019. Pandemic restrictions have severely hit all economic sectors in 2020, leading to a drop of 8.9% in the national GDP, with more severe contractions registered at the peak of the health emergency. Recent estimates project a GDP loss of about 10% in Lombardy for 2020.

The drop in production led to a decline in the number of firms, observed in almost all Lombard provinces. Worst performances, with net losses of at least 6% of firms, were recorded in Milan, Mantua, and Sondrio. Exports have also greatly suffered, with a year-on-year drop of 10.6%, the worst national record apart from Piedmont.

The second chapter analyses the main indicators of the regional labour market. Employment rate in Lombardy dropped by 2% in 2020 with respect to the previous year. The average figure, however, masks striking heterogeneity across different sub-groups of workers. The health emergency particularly hit the prospects of young workers and, even harder, of low-skilled. Among younger workers, the gender gap in employment widened, with the unemployment rate increasing by 0.5% for men and 1.5% for women.

The number of workers on open-ended contracts is substantially unchanged, reflecting measures as the extensive use of short-time work and the ban on firing which effectively froze the national labour market. Emergency interventions, however, did not prevent a dramatic drop in temporary employment, decreased by 14.6% on the previous year. Witnessing the rigidity of the labour market, hours worked fell substantially, by 11.4%, despite a much lower figure for employment. The use of short-time work was unprecedented, recording a 17-fold year-on-year increase at the national level.

Labour supply decreased by 2.3% compared to 2019. This figure reflects workers discouragement in looking for a job, potentially explained by a drop in labour demand, or a surge in family-related duties. Consistently, the non-participation rate, including inactive as well as discouraged individuals, has increased substantially. Across all age groups, the non-employment rate is higher among women, and is particularly high for younger individuals (more than 30% in the 15-24 age range).

The share of young NEET substantially increased in 2020 for the first time since 2013, recording 17.4% against 14.8% in 2019. This figure wipes out 5 years of continuous improvement.

Apprenticeship contracts are one major instrument through which the Lombardy region favours the transition of young individuals into the labour market. Health emergency particularly hit these type of work arrangements, which dropped by 31% and fell below the 2017 level, breaking a constantly increasing trend.

Lombardy records a sizeable gender gap in the participation rate, 63.1% for women against 77.5% for men, even though the gap is narrower than the national average. In particular, the participation rate of women in Lombardy outnumbers the national figure by 10 percentage points. Opposite to the national trend, participation rate in Lombardy has fallen in 2020 particularly among men, by 2.3 percentage points against 1.7 for women.

Contractual conditions are also largely different for women, heavily under-represented among self-employed (one woman every 3 men) and disproportionately more likely to be employed in fixed-term jobs (3 employees out of 4 with a fixed-term contract are women). Both gaps further widened in 2020. The 23.3% of workers in Lombardy is over-educated in 2020, and this share increased compared to the previous year. Workers with a university degree are disproportionately likely to be over-educated, 12.4% among men and 22.6% among women. A substantial share of vacancies, especially at intermediate education levels, are hard-to-fill. The 47% of hard-to-fill positions require a university degree, and 44% a secondary vocational degree.

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.

The year 2020 has been marked by the Covid-19 pandemic, which, even in the educational context, brought out new needs and exacerbated old and new inequalities.

If, on the one hand, the impact of the health emergency on the skills acquired can only be assessed in the medium-long term, on the other hand, data already show negative effects on the lifelong learning front, as well as on participation in tertiary education and early school leaving. However, analysing the trend of the last decade, in Lombardy there are overall improvements in the education levels of the adult population, in the participation of young people in the education and training system and in tertiary education.

The strong investment of the Lombardy Region continues in the Education and Vocational Training channel which, even in the academic year 2020/21, attracts a significant number of Lombard students. The number of students enrolled in the fourth year increased compared to the previous year (+7%), but the number of enrolled in three-year paths decreased (-2%), for an overall negative balance of about 300 units.

In line with what emerges from national studies and reports, in Lombardy the leFP channel maintains, on the one hand, a central role in the regional strategies for containing dispersion and, on the other, represents a first choice for a significant share of students.

The leFP system is also characterized by a strong inclusiveness, in virtue of a substantial presence of students of foreign origins (23%, compared to 14% of the users of the secondary education system of the same year), who have a higher average age than their classmates with Italian citizenship.

Overall, VET paths are mainly attended by male students (60%, unchanged share compared to the previous year), but the gender characterization presents a huge variability depending on the type of path. In this regard, it should be noted that in 44% of the three-year paths (and in 38% of the fourth-year paths) the percentage of male students exceeds 80%, while in 16% of the paths it is the female component that exceeds 80%. This strong polarization of "male" and "female" paths, also found in

previous years, reflects still strongly rooted cultural and social models that lead to the known phenomena of horizontal segregation in training first and then in the labour market.

As for the regional school system, a fundamental infrastructure for the Lombardy Region, the data relating to the start of the school year 2020/2021 seem to outline a reduction in enrollment flows compared to previous years. Instead, the growing propensity to enroll in high schools and technical institutes is confirmed, to the detriment of vocational schools.

The fourth chapter focuses on the evolution of the post-secondary and tertiary system of technical and vocational training, 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 professional 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 professional training is offering an overall supply of 150 paths (+32% compared to the academic year 2019/2020) and about 3,500 students (+15% compared to 2019/2020), 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 birth of many **Higher Technical Education** foundations at an early stage, shows its effectiveness. In the last two years, the strategy that transpires from the calls' lines of action is to encourage the provision of a larger number of paths within foundations already rooted in the Lombardy Region. Furthermore, unlike the previous year, for the academic year 2020/21 foundations were provided with the opportunity to present new types of pathways and, in fact, this generated a further expansion of the existing training supply.

During the academic year 2020/21, the Lombardy Region supported the evolution of **Higher Technical Education** system through the dissemination of innovative teaching methods.

Overall, in 2020/21 there are 72 **Higher Technical Education** paths for a total of 1,839 enrolled, increasing compared to 2019/20 which had 58 courses and 1,377 enrolled, while on the **Higher Technical Education and Training** side in the same years we go from 56 to 78 paths and from 1,377 to 1,654 students enrolled.