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The Impact of Covid-19 on the Employment Condition of Families in Italy

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Abstract: The employment trends and economic situation of Italian families have undergone a thorough analysis in light of the impact of the COVID-19 pandemic. Using official data such as employment statistics and economic indicators, this research aims to evaluate the pandemic's effects on the working conditions of Italian families. The pandemic has triggered a significant rise in unemployment and a substantial reduction in job opportunities in Italy. Key sectors such as tourism, hospitality, and retail have faced severe repercussions due to the restrictions implemented to contain the virus, resulting in layoffs, work suspensions, and salary cuts. The analysis highlights how families have experienced a decline in their household incomes due to reduced work capacity and the economic challenges brought about by the pandemic. This has directly impacted their socio-economic well-being, affecting financial stability, access to essential goods and services, and overall quality of life. Lockdown measures and economic difficulties have led to higher unemployment rates and diminished job opportunities for temporary workers, young individuals, women, and those who were already in economically vulnerable situations. On the other hand, specific segments of the population have been able to benefit from the evolving COVID-19 situation. For instance, sectors like e-commerce, digital technology, and healthcare have offered increasing job opportunities, such as online product delivery or healthcare assistance. The results reveal a complex situation for families in Southern Italy, with significant socio-economic consequences that call for targeted interventions to address long-term effects and stimulate economic recovery in the region.

Key words: employment, work, families, Covid-19, Italy

JEL codes: J1, J12, J13, J2, J21, J8, J82

1. Introduction

The impact of the COVID-19 pandemic has had significant consequences on the labor market worldwide, and Italy has not been an exception. While many sectors have experienced severe losses and businesses have reduced or halted their activities, one of the country's most valuable resources has played a crucial role in managing this crisis: family labor force.

During the pandemic years, Italian families have faced unprecedented challenges in terms of employment, balancing the need to generate income and the responsibility of taking care of their family members. The closure of schools and care facilities has made it even more difficult to reconcile work and family, pushing many people to seek alternative solutions to cope with this situation.

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One of the main consequences of the pandemic on Italian families has been the increase in unemployment and job instability. Many individuals have lost their jobs due to the restrictions imposed to contain the spread of the virus, while others have experienced reduced working hours or the loss of temporary contracts. This has created greater economic precarity for many families, who have had to cope with reduced or non-existent incomes.

Furthermore, the pandemic has exacerbated gender inequalities in the labor market. Women, who traditionally play a key role in the family workforce, have been particularly affected. Many women have had to give up or reduce their employment to take on the role of full-time caregivers, as the closure of schools and care services has required greater presence at home. This has had a negative impact on their economic independence and professional careers.

In this report, we will take a closer look at the impact of the COVID-19 pandemic on the family labor force in Italy. Summarizing the multidimensionality of the possible forms of family participation in the overall occupational structure poses both limits of representation and difficulties in illustrating the interdependencies among the different individuals that make up the family.

2. Sources and Method

Analyzing the “family-work” relationship means observing the heterogeneous ways in which members of the same family context relate to the reference labor market.

The phenomenological reconstruction approach considers the reference statistical unit. In fact, we are facing a population composed not simply of individuals, but of families that, as such, are nothing more than a group of individuals who can experience a specific employment condition in the labor market in different ways.

Through the use of official data, such as employment statistics and economic indicators, this study aims to assess the impact caused by the Covid-19 pandemic on the employment situation of families in Italy.

The first dimension of analysis, useful for highlighting the underlying macro-trends that characterize the relationship between family units and employment conditions, is time. In other words, given the effects that the well-known pandemic emergency and economic crisis have had on the processes of restructuring socio-labor arrangements, it is necessary to reconstruct how the relationship between the labor market and families has changed in recent years. To do this, the period between 2013 and 2022 was considered, with a focus on the years 2019-20-21-22, which were crucial due to the beginning and end of the Covid-19 period.

3. Components and Family Types in Italy (2013-2022)

The structure and size of families in Italy have undergone significant transformations in the last 10 years. Demographic and social trends have contributed to changes in the composition of families in the country. The size of Italian families has decreased over the last decade, with a trend towards smaller families and a greater presence of single-person households and childless couples. These changes reflect the social, economic, and cultural dynamics that influence family structure in the contemporary Italian context.

In Italy, as of December 31, 2022, there are 18,673 families, with an average size of 2.2 members compared to the 2.4 members that constituted the family just ten years ago and the 2.6 members of twenty years ago.

This trend is consistent throughout the national territory, with the exception of the southern part of Italy, which shows a more pronounced contraction in the number of family members (Table 1).

Table 1 Family Members in Italy Distributed by Geographical Division: Average Years From 2013 to 2022

Years	Italy	Northwest	Northeast	Centre	South	Islands
2013	2.4	2.3	2.4	2.4	2.7	2.5
2014	2.4	2.3	2.4	2.3	2.6	2.5
2015	2.4	2.3	2,4	2.3	2.6	2.5
2016	2.4	2.3	2.3	2.3	2.6	2.5
2017	2.4	2.2	2.3	2.3	2.6	2.5
2018	2.3	2.2	2.3	2.3	2.6	2.4
2019	2.3	2.2	2.3	2.3	2.6	2.4
2020	2.3	2.2	2.3	2.3	2.5	2.4
2021	2.3	2.2	2.3	2.3	2.5	2.4
2022	2.2	2.2	2.3	2.3	2.5	2.4

The average number of family members remains higher in the southern regions (2.5 in the South and 2.4 in the Islands), but the reduction observed in recent years has affected these regions to a greater extent. Specifically, Molise, Campania, Puglia, and Basilicata are the regions most impacted by the decrease in family size (Table 2).

As the number of family members decreases, the number of families increases. Over the past 10 years, an increasing number of individuals have chosen to live alone, leading to a rise in the number of single-person households. This can be attributed to various factors, including a delay in marriage or parenthood, an increase in divorces, longer life expectancy, and changes in cohabitation patterns.

Single-person households, which now account for one-third of all households (33.2%), have grown by almost 10 percentage points compared to twenty years ago. Additionally, there has been an increase in couples without children or with a limited number of children. Many couples have chosen to have smaller-sized families for personal reasons or due to considerations related to their careers and more individualistic lifestyles.

Table 2 Average Number of Family Members in Southern Italy: Distribution by Region From 2013 to 2022

Anno	Italia	Abruzzo	Molise	Campania	Puglia	Basilicata	Calabria
2013	2.4	2.5	2.5	2.8	2.7	2.5	2.5
2014	2.4	2.5	2.4	2.7	2.6	2.5	2.5
2015	2.4	2.4	2.4	2.7	2.6	2.4	2.5
2016	2.4	2.4	2.4	2.7	2.6	2.4	2.4
2017	2.4	2.4	2.3	2.7	2.5	2.4	2.5
2018	2.3	2.4	2.3	2.7	2.5	2.4	2.5
2019	2.3	2.4	2.4	2.7	2.5	2.4	2.4
2020	2.3	2.3	2.4	2.7	2.5	2.3	2.4
2021	2.3	2.3	2.4	2.6	2.5	2.3	2.3
2022	2.3	2.4	2.3	2.6	2.5	2.3	2.4

At the same time, there is a decrease in large families, defined as those with five or more members. This can be attributed to various factors, such as a decline in fertility rates, an aging population, and changes in family cohabitation patterns. On the other hand, even large families, representing just over 5% of the total, have shown a significant decline (Table 3).

Table 3 Family Types in Italy: Absolute Values for the Years From 2013 to 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Nucleus-free families	7981	8136	8366	8552	8682	9055	9154	9033	9116	8979
Lonely people	7474	7645	7862	8016	8139	8487	8562	8410	8491	8363
Families with a nucleus	16455	16538	16565	16466	16428	16271	16165	16186	16133	15951
Nucleus without other people	15607	15714	15723	15646	15612	15421	15303	15310	15291	15164
Childless couples	4820	4904	4925	4928	4966	4901	4791	4801	4830	4861
Couples with children	8573	8653	8557	8442	8311	8196	8114	8000	7979	7828
Single parent with children	2214	2157	2240	2276	2335	2324	2397	2509	2482	2475
Nucleus with other people	848	824	842	820	816	850	863	875	842	788
Childless couples	258	256	261	266	271	271	261	260	258	252
Couples with children	391	369	371	365	349	353	382	385	341	314
Single parent with children	198	199	210	189	196	226	220	230	243	221
Families with two or more nuclei	360	343	335	368	383	390	396	374	344	333

Italian geographical areas exhibit significant differences among them, which are diminishing over time due to the ongoing trends. The proportion of single-person households is higher in the Northwest and Central regions, lower in the Islands, and especially in the South. Specifically, Southern Italy represents the geographical division that has observed the most significant changes over the last decade. The proportion of single-person households is on the rise, while the proportion of couples with children is decreasing, and the number of large families composed of multiple nuclei is also declining.

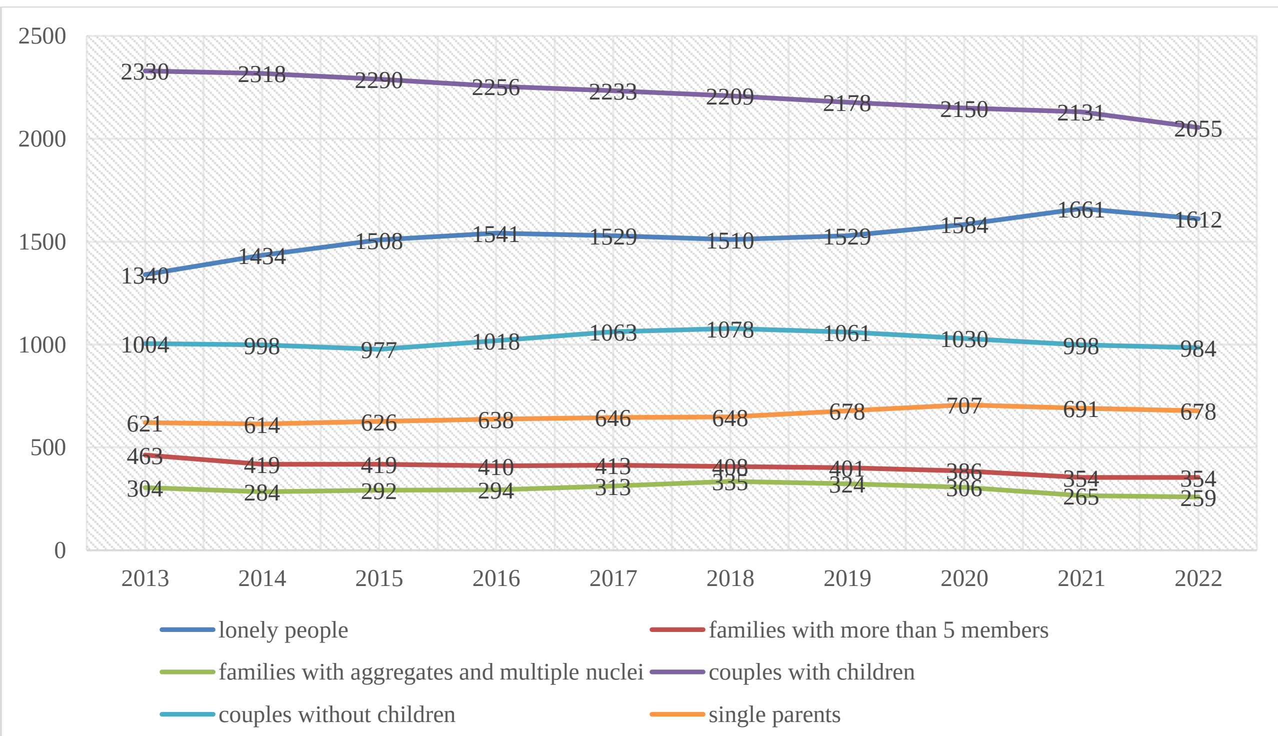

Figure 1 Family types in South Italy: Average years from 2013 to 2022

4. Labor Force and Employment Situation of Italian Families (2013-2022)

The labor force and employment situation of Italian families have been the subject of careful analysis over the years. The employment situation of families is influenced by various factors, including economic conditions, labor market policies, and social changes.

In recent years, Italy has faced a series of economic challenges, including the global recession of 2008, the subsequent Eurozone financial crisis, and the recent political and financial crisis accelerated by the Covid-19 health pandemic. These events have had a significant impact on the employment of Italian families, leading to increased unemployment and greater job insecurity.

One characteristic of the Italian labor market is the high percentage of temporary workers, especially among young people. This form of employment offers less stability and security, posing a challenge for families trying to plan their future and ensure economic stability. The COVID-19 pandemic has further affected the labor force and employment situation of Italian families. The restrictions imposed to contain the spread of the virus have resulted in a significant reduction in economic activity, leading to layoffs and business closures. Many families have faced financial difficulties and uncertainty about their future employment.

Revisiting the data from Istat's Continuous Labor Force Survey (RCFL), which forms the basis of this research, provides a concrete opportunity to address some simple questions regarding the employment dimension of Italian families, with particular attention to the southern regions. Through the main empirical evidence presented in the detailed tables and figures that follow, it is possible to answer some questions.

Considering the parameter that an individual is classified as "labor force" if they are between the ages of 15 and 65, in 2022, there is an incidence of families with at least one worker, totaling 16,015 out of 18,673, representing 85.8% (Table 4). This value is distributed by geographical area and varies over time, especially considering the years of the health pandemic. What emerges from the annual data is that, starting from 2020, there has been a reduction in family participation in the labor market. The 84.8% in 2021 is below the previous year, and while the decrease is slight, it appears significant.

Table 4 Families With at Least One Workforce Distributed by Geographic Area (Absolute Value and Percentage on the Total Number of Families): Years From 2019 to 2022

	2019			2020			2021			2022		
Territory	Total	Families with at least one workforce		Total	Families with at least one workforce		Total	Families with at least one workforce		Total	Families with at least one workforce	
	V.A.	V%	V.A.	V.A.	V%	V.A.	V.A.	V%	V.A.	V.A.	V%	V.A.
Italy	18.854	86.8	16.368	18.813	85.5	16.090	18.887	84.8	16.014	18.673	85.8	16.015
Northwest	5.183	89.7	4.651	5.188	88.6	4.599	5.197	88.3	4.590	5.136	89.2	4.581
Northeast	3.690	90.9	3.354	3.684	90.1	3.321	3.734	88.7	3.314	3.690	89.9	3.319
Centre	3.848	89.2	3.434	3.834	88.3	3.387	3.825	87.4	3.342	3.781	88.2	3.333
South & Islands	6.133	80.4	4.929	6.107	78.3	4.783	6.131	77.5	4.767	6.066	78.8	4.782

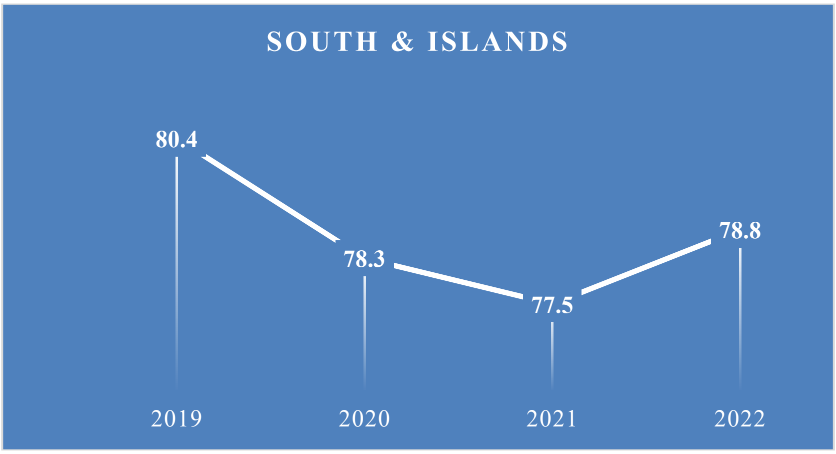

Figure 2 Families With at Least One Workforce Present in Southern Italy and on the Islands (Absolute Value and Percentage on the Total Number of Families): Years from 2019 to 2022

It is the southern regions that show the most significant contractions, further affecting areas that were already structurally challenged. In confirmation of the empirical picture described above, the southern regions are also the ones with the highest number of families without any members in the workforce.

Table 5 Families Without Members Belonging to the Workforce Distributed by Geographic Area (Absolute Value and Percentage on the Total Number of Families): Years from 2019 to 2022

	2019			2020			2021			2022		
Territory	Total	Families without members belonging to the workforce		Total	Families without members belonging to the workforce		Total	Families without members belonging to the workforce		Total	Families without members belonging to the workforce	
	V.A.	V%	V.A.	V.A.	V%	V.A.	V.A.	V%	V.A.	V.A.	V%	V.A.
Italy	18.854	13.2	2.486	18.813	14.5	2.723	18.887	15.2	2.874	18.673	14.2	2.657
Northwest	5.183	10.3	532	5.188	11.4	589	5.197	11.7	607	5.136	10.8	554
Northeast	3.690	9.1	336	3.684	9.9	364	3.734	11.2	420	3.690	10.1	371
Centre	3.848	10.7	414	3.834	11.6	447	3.825	12.6	483	3.781	11.8	448
South & Islands	6.133	19.6	1.204	6.107	21.7	1.324	6.131	22.2	1.364	6.066	21.2	1.284

Figure 3 Families Without Members Belonging to the Workforce Present in Southern Italy and on the Islands (Absolute Value and Percentage on the Total Number of Families): Years from 2019 to 2022

As of December 31, 2022, Italian families with at least one employed member number 15,178, representing 81.3% of the total. The pandemic years have had a negative impact on the employment status of families, which experienced a loss in terms of income opportunities, especially during the years 2020-2021. Although 2022 has shown a recovery, it is not sufficient to equal the pre-COVID employment rates (Table 6).

Southern Italy has consistently shown lower percentages of workforce participation compared to other geographic regions, even before the pandemic. In 2019, approximately 7 out of 10 families had at least one employed member. The health crisis further exacerbated the situation, particularly in 2021.

Table 6 Families With at Least One Employed Member Distributed by Geographic Area (Absolute Value and Percentage on the Total Number of Families): Years from 2019 to 2022

Territory	2019			2020			2021			2022		
	Total	Families with at least one employed person		Total	Families with at least one employed person		Total	Families with at least one employed person		Total	Families with at least one employed person	
	V.A.	V%	V.A.	V.A.	V%	V.A.	V.A.	V%	V.A.	V.A.	V%	V.A.
Italy	18.854	81.6	15.390	18.813	80.8	15.202	18.887	79.6	15.035	18.673	81.3	15.178
Northwest	5.183	86.5	4.483	5.188	85.7	4.445	5.197	85.0	4.420	5.136	86.5	4.442
Northeast	3.690	88.4	3.261	3.684	87.7	3.230	3.734	86.4	3.225	3.690	87.7	3.237
Centre	3.848	84.9	3.268	3.834	84.3	3.233	3.825	82.7	3.163	3.781	84.5	3.195
South & Islands	6.133	71.4	4.380	6.107	70.3	4.295	6.131	68.9	4.227	6.066	70.9	4.303

Figure 4 Families With at Least One Employed Member Present in Southern Italy and on the Islands (Absolute Value and Percentage on the Total Number of Families): Years From 2019 to 2022

The analysis of the workforce and employment in Italy during the COVID-19 years reveals a decrease in the percentage of families composed of two or more individuals actively engaged in the labor market. In 2019, families with two or more employed members accounted for 33.7% of all families. This percentage decreased by approximately 8 percentage points during the years 2020-2021. The following year witnessed a gradual recovery. The share of families without any employed members increased by nearly ten percentage points (from 19.2% in 2019 to 28% in 2021). The number of families with only one working member remained stable (Figure 5).

Table 7, which pertains to the employment condition, allows for an examination of the family-work relationship. One of the findings concerns the presence of a very substantial portion of family units that do not have any employed members among their constituents. This amounts to a total of 18.7% of the observed total. In particular, when looking at the composition by family type and the number of individuals, this mostly includes single individuals and childless couples composed of two individuals. In fact, this phenomenon seems to be more the result of demographic dynamics than labor market participation. A significant portion of these family types consists solely of individuals over the age of 65.

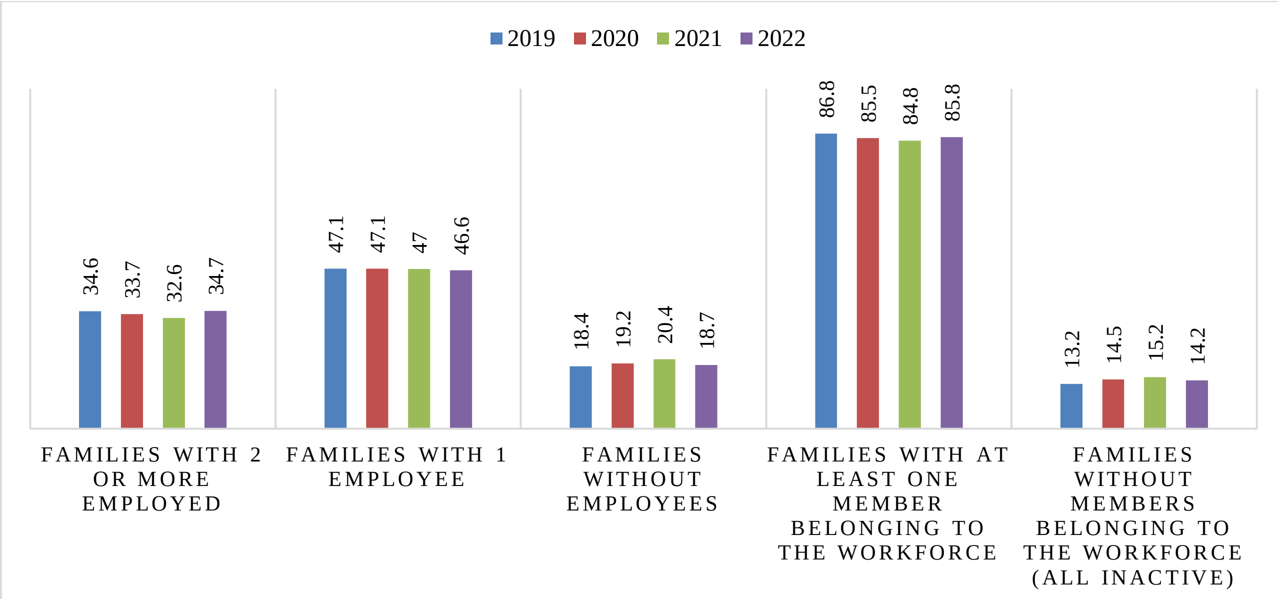

Figure 5 Households With at Least One Member Belonging to the Labor Force in Italy: Percentage Values for the Years 2019-2020-2021-2022

Table 7 Italian Families Distributed by Family Type, Number of Members, and Number of Employed Individuals (Year 2022)

Family type	Total families	Single-person	Families with 2 or more people	Couples without children	Couples with children	Mono-parent	Other multiple families components*
Total families	18.673	4.742	13.930	2.735	8.104	2.140	951
Families with at least one employed person	15.178	3.500	11.679	2.025	7.383	1.549	722
Families with 2 or more employed	6.472	..	6.472	1.155	4.586	372	358
Families with 1 employee	8.707	3.500	5.207	870	2.796	1.177	364
Families with 1 male employee	5.690	2.170	3.520	555	2.328	403	234
Families with 1 female employee	3.017	1.330	1.687	315	468	775	129
Families without employees	3.494	1.243	2.252	710	721	591	230
Families with at least one member belonging to the workforce	16.015	3.798	12.218	2.079	7.643	1.710	786
Families without members belonging to the workforce (all inactive)	2.657	945	1.713	656	461	430	166

*(Families without households with several people, with a single household with other residents, with two or more households)

5. Conclusion

Unemployment and a reduction in job opportunities have affected casual workers, young people, women, and those who were already in economically vulnerable situations. Key sectors such as tourism, hospitality, and retail have been particularly hard-hit by the imposed restrictions, leading to layoffs, work suspensions, and salary reductions. Meanwhile, other sectors such as e-commerce, digital technology, and healthcare have been able to offer growing job opportunities, such as online product delivery or healthcare assistance.

The analysis highlights how families in Southern Italy have experienced a workforce shortage due to reduced work capacity and overall economic difficulties caused by the pandemic. This has had a direct impact on the socio-economic well-being of families, affecting financial stability, access to essential goods and services, and overall quality of life. In nearly half of Italian families, the male figure constitutes the workforce, and during the pandemic years, there has been a decrease in the percentage of families where women were also working. Additionally, the percentage of families where none of the members are part of the workforce or receive a pension subsidy should not be overlooked. Such data necessitate targeted interventions to mitigate the long-term effects and promote the region's economic recovery.

A range of factors, including economic conditions, labor market policies, and social changes, have contributed to an increase in the gender gap and its impact on employment. Although measures have been taken to address future challenges towards gender equality, there are still many obstacles to overcome in ensuring greater employment stability and a sustainable work-life balance.

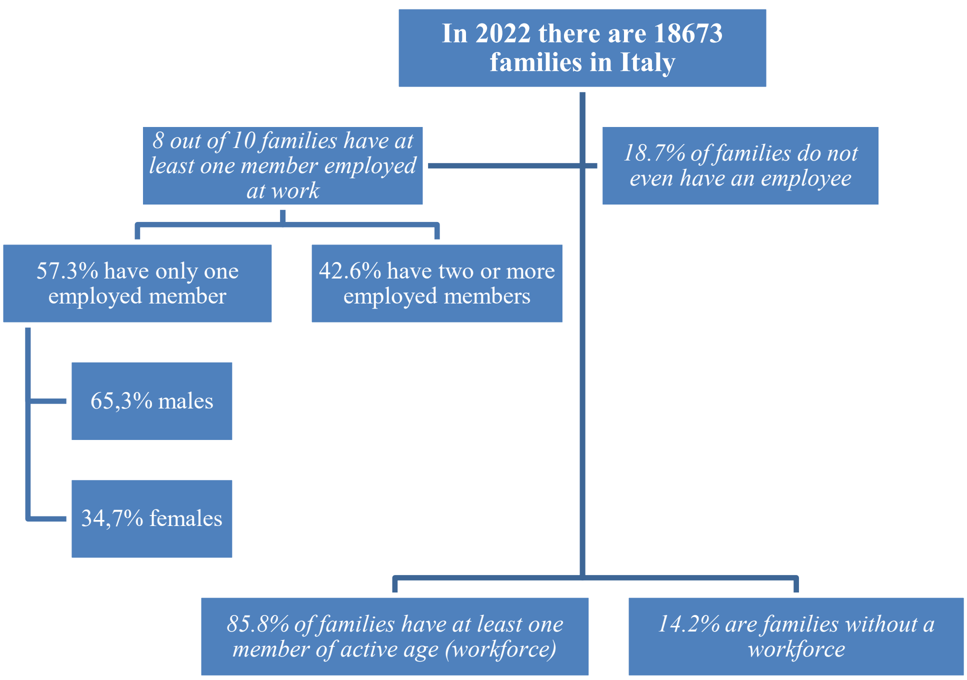

Figure 6 Families in Italy Distributed by Employment Status (Year 2022)

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