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1. Organisation and Population of the Business Registers

The Business Register ASIA is set-up and updated by integrating information coming from both administrative sources, managed by public agencies or private companies, and statistical sources owned by Istat. The main administrative sources are the Tax Register, the Register of the Chambers of Commerce, the archives managed by the Social Security Authority and the Yellow Pages. Other minor archives, covering particular sectors of activity are also used for specific sub-populations, for the attribution of the main characters or to check the register. The statistical sources are all the structural and short-term surveys on the enterprises carried out by Istat. As the administrative archives available in Italy don't provide reliable and complete information on local units, especially with regards to the territorial distribution of employees, a new direct survey on local units of multi-location enterprises of large dimensions (IULGI) has been organised.

Since recorded units do not have the same statistical weight, the updating procedure of ASIA is differentiated by size classes. Simplifying, we can say that the small units (up to 9 employees), corresponding approximately to the 95% of the recorded units, are yearly updated by the integration process of administrative sources; the characters of the medium sized units (10 to 249 employees) are updated directly from statistical sources (SBS/STS, that collect the needed data through an additional form) and the larger units are updated through a continuous activity performed by skilled BR staff, which follows-up the major enterprises collecting, checking and harmonising all the available data, even by interviewing the respondents, if necessary.

The Register includes 4,3 million of active enterprises, 4,8 million local units, 550.000 agricultural enterprises (only market oriented units), 60.000 non profit enterprises (only market oriented units), 10.000 Public Administration and 60.000 Enterprise Groups.

The Register Unit, with 40 people employed in 2008 (13 researcher and 27 clerical staff), is organised into four Sections:

- *Section 1 – BR of enterprises*
- *Section 2 – BR of Local Units*
- *Section 3 – Coordination and development of methodologies and new products* having the objective of coordinating new methodology, developing the business demography indicators and entrepreneurship studies.
- *Section 4 – Enterprise groups, profiling of Large and Complex units and Public Administrations.* The Section is involved in the ESSnet on EuroGroup Register.

2. Progress and Developments in the Past Year

2.1 The assessment of the quality of the BR

In the last two years Istat started and carried out a project to measure the quality of the Business Register by using a set of direct and indirect indicators and by following a ‘total quality’ approach. The main aim of this project was to assess and produce a brief and summary documentation, the *Quality Declaration* (QD), a complex system of quality indicators to supply all the meaningful and useful tools to measure each aspect of the quality of the register.

Compared to a traditional approach, according to whom the quality of a business register is determined by how closely its contents reflect reality, this new approach takes the quality as linked to the ordinary usage so that it corresponds to the extent to which the register meets the needs of its users. For this purpose the QD contains a set of indicators that can be easily interpreted and are chosen in accordance with the main SBS and STS internal users, who were involved before the final assessment. Internal users were involved in the discussion around the QD, but a deeper analysis of their suggestions has not been considered yet. The QD was disseminated for the first time to internal users at the end of 2007 with refers to the year 2005 and each year, from that moment on, it is spread together with the annual frozen release of the BR.

The system of quality indicators is a three-dimensional space, as each simple indicator refers to the three following *dimensions*:

1) The *phases* of the BR’s updating process:

Input (the quality of the administrative sources is measured); Process (the quality in each phase like matching, merging, editing and updating); Output (the quality of the main variables of the final disseminated list of units is measured).

2) A framework of *components* of the quality:

to monitor the BR quality the most frequently used components are the *coverage* in terms of both units and variables, the *timeliness* in terms of delay in updating, the *completeness* and the *accuracy*. The goal is to have the best possible quality with regards to all the components, but in practise there is a trade-off as, for example, if you maximize the completeness it is always at the expense of timeliness.

3) The *factors* for the building up of the indicators:

The five factors for defining each quality indicator are *time*, *scope*, *subpopulation*, *variable* and *criterion*. The last is the most important as it represents a method to evaluate, unit by unit, the correctness of the values of the variable of interest. The most used criteria are the *compliance* (usually the compliance to an external source; the value of a variable can be considered as correct if it is sufficient “close” to a reference value; the compliance comes close to the reliability when the real value is not known), the *internal consistency* (a value will be deemed “correct” if it is coherent in relation to other variables of the same unit), the *temporal consistency* (the quality is defined on the basis of a comparison between two values in two different periods; big changes in short temporal lags are considered as impossible or less plausible) and the *use of metadata* or quality without ‘witness’ (a set of information included in the BR are used to measure quality without needing a reference value and with no element of comparison; usually variables of the BR management or metadata system, like validity date, estimation methodology, origin of data, data validation process).

Among the possible indicators only 50 were selected, the most significant in relation to those sources and variables that have a great impact in measuring the quality of the BR. The temporal comparison between two or more consecutive years and the observed increases or decreases could provide further evidence on quality.

The objective for the next year is to obtain a synthetic view of the proposed indicators by using a sort of “compound indicator” and/or a graphic representation (like a scoreboard), as this kind of three-dimensional representation can not be easily interpreted.

Moreover, the dissemination of a different version for external users is under development. This shortened version will probably contain only some indicators of the Output phase.

2.2 Implementation of the methodology for the production of business demography data based on the concept of employer enterprises

In accordance with the Eurostat-OECD manual on business demography and in addition to the standard production of business demography data, during 2008 births, deaths and survival data for the employer enterprises have been produced for the reference year 2005. The methodology to distinguish 'employer enterprises' from 'non-employer enterprises' is based on the availability of information on employees in the BR. For example an 'employer enterprise' birth is recognized both as a real new firm that creates jobs and as an existing business that becomes to hire employees. The importance of producing these data is underlined by the fact that with respect to the whole business population (where around 70% enterprises is without employees) it has been founded higher dynamism (business churn) among employer enterprises that in fact present great importance as they create jobs and then contribute to the growth. Moreover, employer birth/deaths rates have been considered in the basket of the core performance indicators of the EIP (Entrepreneurship and Innovation Programme) an ongoing Eurostat-OECD project aiming at the production and collection of internationally comparable indicators on entrepreneurship. Strictly linked to this aim another important measure of growth has been developed i.e. the high growth (HG) enterprises and gazelles, namely those firms having a certain size at the beginning (in terms of employees) and fast growing over the three following years (in terms of employment and turnover). In particular, gazelles measure the growth represented by the youngest firms (4 or 5 years old). Due to the HG definition some analyses have been carried out with the aim to better identify both the initial threshold and the growth rate.

2.3 The Farm Register

In the last year many efforts have been spent in the field of the agricultural statistics production and in particular in the realization of a project aiming at building up the Farm Register. The need to enlarge the statistical register system to the sector of agriculture arises from different needs: first among the others the request of a list of units to be used as a support for the next Census on Agricultural Holdings planned for 2010. In the exploitation of the available administrative sources, many and different problems arose, in comparison with the BR realization process. Although the existence of specific and general sources covering this primary sector (like the Integrated Administration and Control System, the System for the Identification and Registration of Bovine Animals and other species, the Lands' Property Incomes, the Land Registry and the more general Chambers of Commerce and Fiscal Authority), problems in the unit definition, coverage and characteristics treatment have been encountered. However the development of ad-hoc methodologies allowed the production of a prototype-list that resulted from the integration of such administrative sources. Before implementing the final methodology this prototype-list is going to be tested through a quality survey. This survey has been launched beginning October this year and results are expected by march 2009. These results will help to improve methodologies and to fit statistical methods in order to produce the final pre-census list. Only after the Census operations the Farm Register will be set up.

2.4 The Implementation of NACE Rev.2

The process of reclassification of the economic activity for all the enterprises of the BR began in December 2007 with the dissemination of the provisional list of active units, with refers to 2005, where the economic activity is classified using the new ATECO2007, the Italian 5-digit version of NACE Rev.2. It became necessary to anticipate the reclassification activity, although with a provisional version, in order to support the STS activities to produce their short-term indicators for

2009 with base 2005, using the new NACE classification. The process was then concluded in June 2008 with the final reclassification of the register for the reference years 2005 and 2006.

In addition, for the reference years 2005 to 2008 the BR will contain the economic activity codes with the double coding, according to both NACE Rev.2 and NACE Rev1.1 classifications.

The two activities, the definition of the national version of the classification (presented in the 2005 Cardiff meeting) and the reclassification of all the units in the BR (presented in the 2007 Wiesbaden meeting) have been accompanied by an intensive training for both internal and external users.

3. Issues solved, problems and future plans

3.1 The ESSnet on the EuroGroup Register

Within the framework of Regulation (EC) No 177/2008 of the European Parliament and of the Council of 20 February 2008 establishing a common framework for business registers for statistical purposes and repealing Council Regulation (EEC) No 2186/93* the Commission is responsible for establishing a Community statistical register of multinational enterprise groups, the so called EuroGroups register (EGR), by way of a collaborative network between partners of the ESS.

The proposed collaborative network has to be established through an ESSnet project, where few countries, interested in the creation and implementation of the EuroGroups Register, would actively cooperate with each other in its development and disseminate the necessary methodology and technical implementation.

The ESSnet on EuroGroups Register has been established among ISTAT (Italy), that will coordinate, CBS (The Netherlands), ONS (UK), ES (Estonia).

The ESSnet will be in place for four years and the Working Programme will be updated each year according to the objectives defined by Eurostat and approved by the Working Group on Business Registers and Statistical Units. The ESSnet reports about its activity to a Steering Group and to Eurostat.

The objectives for action period 2008/2009 are :

- A) The development and maintenance of the process model, data model, functional requirements (use cases and specifications of functional requirements) and the methodology for the central EuroGroups Register (EGR) on the basis of accepted user needs.
- B) Development of a process and organisational model for the workflow in the network of EuroGroups Registers.
- C) Analyses of data quality.

3.2 The ASIA system of statistical registers and the Data Warehouse

The development of activities in the last few years allowed the quite almost complete delineation of the whole Statistical Business Register System, that is now composed of the following subsystems:

- The universe of the market enterprises, in which it is possible to identify:
 - The Industry and Services enterprises (profit and market oriented)
 - The non-profit market oriented enterprises
 - The Agricultural market oriented enterprises
- The Public Administration
- The Enterprise Groups, in which it is possible to identify:
 - The foreign controlled groups
 - The public controlled groups
- The universe of Local Units of Industry and Services enterprises
- The universe of Farms, in which it is possible to identify:
 - The Local Units of Agricultural market oriented enterprises
 - The Agricultural non-market oriented units

* OJ L 61, 05.03.2008, p. 6

The Local Units of the Public Administration and the non-profit non-market oriented units (defined in the National Accounts as Private Institutions) are not yet identified.

The data from the ASIA system will be disseminated, starting from early next year, through a Data Warehouse that is actually in the design phase. This tool will be showed in the next Brussels NTTS2009 (The New Techniques and Technologies for Statistics Conference). It will allow a free access to all users to acquire aggregated statistical data, without any cell constraint, at different aggregation levels for the different typologies of units. E.g. the enterprises will be spread with the maximum breakdown in terms of economic activity, but only at national and regional level, while the local units will be disseminated at municipal level, but only for division of NACE Rev.2.