

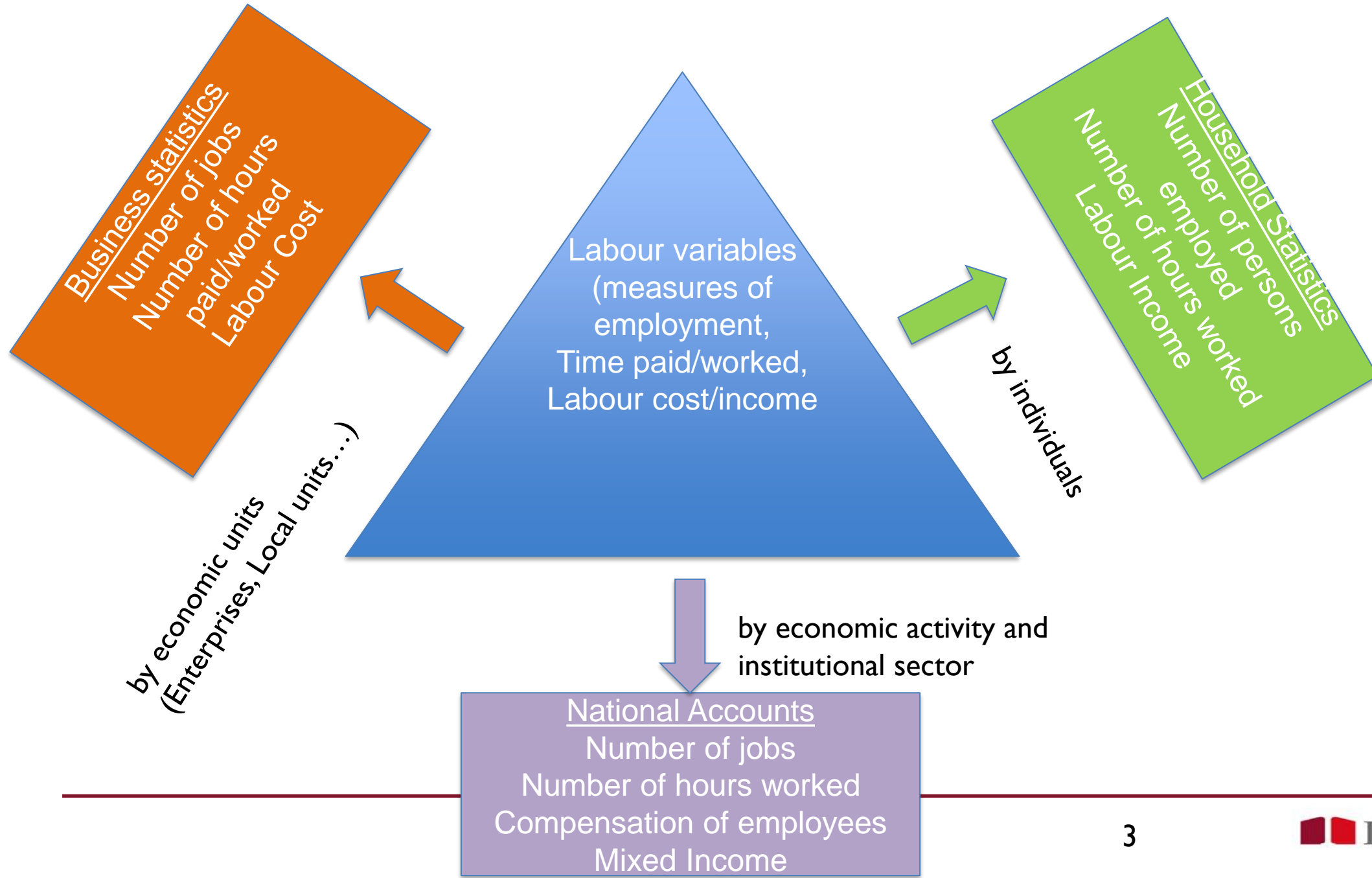
Geneva, 16 May 2024

Group of experts on quality of employment - UNECE

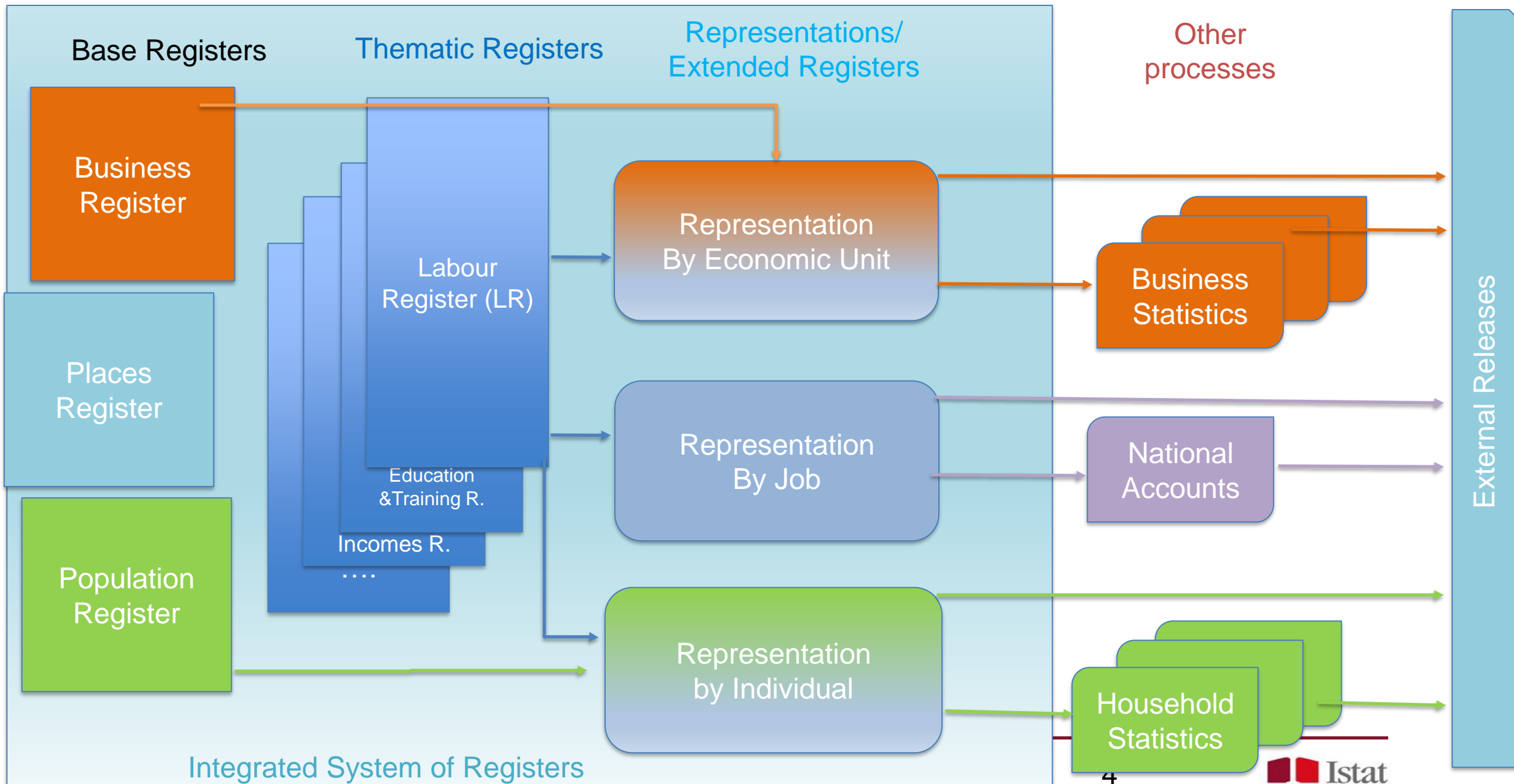
The implementation of the new classification ICSE-2018 in Italy as a way to achieve greater systemic consistency of employment statistics.

- The role of labour indicators in the statistical system
- The Labor Register (LR) and the Integrated System of Registers (ISR) in Italy
- The implementation of ICSE18 with a systemic view
- Quality indicators derivable from the LR

The centrality of labour statistics

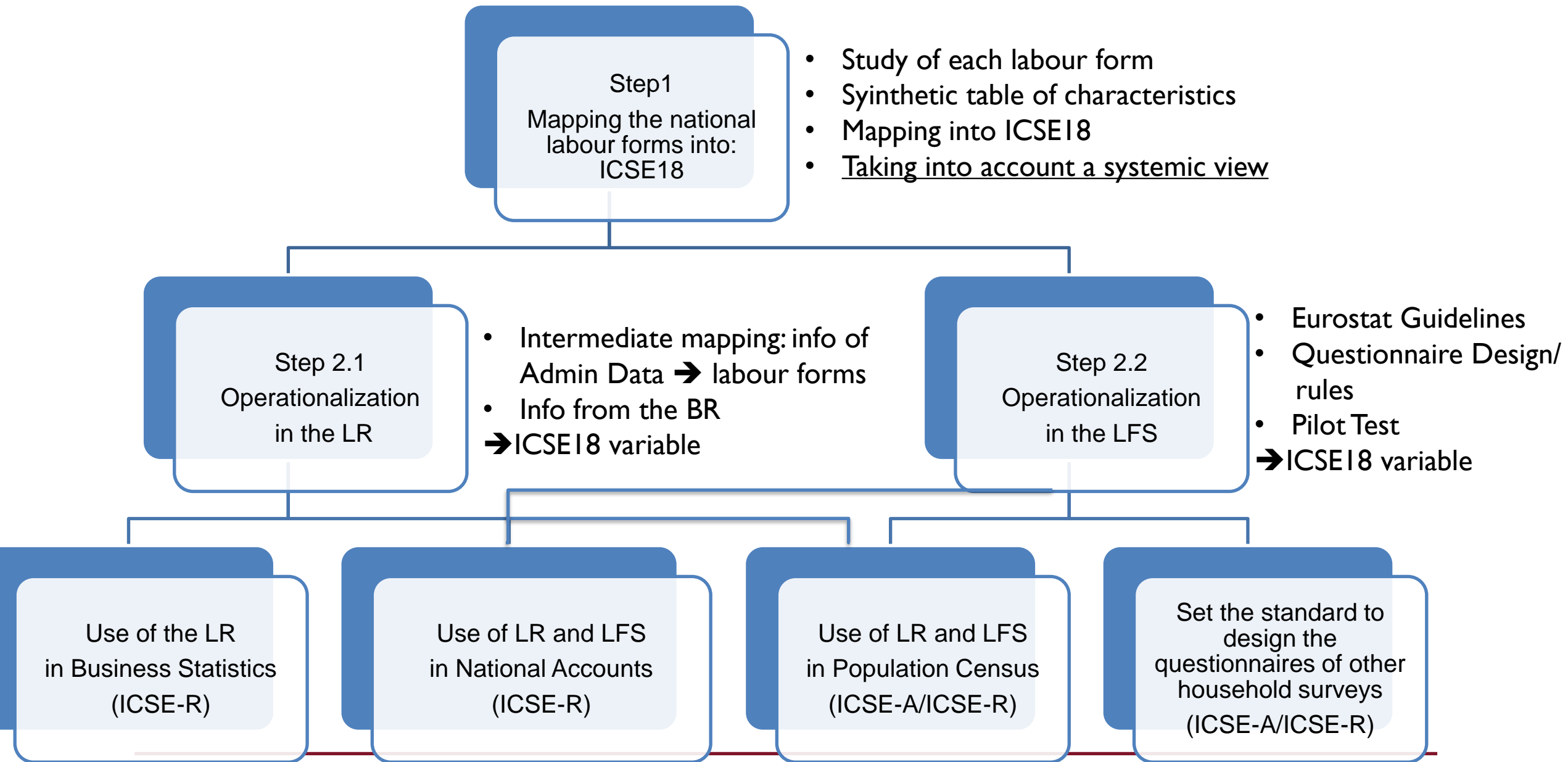


Integrated System of Registers and Labour Statistics



- On going project
- It is derived from information of a large number of Administrative sources (about 50)
- It aims to list all regular work relationships in the economy (about 25 millions)
- The main statistical unit is the job position constituted by the employer, the worker, the starting date, the labour form
- The Labour Form is the form the work relationship takes in the Administrative/Legal/Tax System
- Monthly information on:
 - characteristics of the job position (type of working time, type of contract, national collective agreement, contractual hours...)
 - measures of working time (hours paid, hours worked...)
 - Labour Income/Labour Cost (wages and salaries, social contributions)
- It is released yearly within 18 months from the reference year

The implementation of ICSE18 in Italy: a systemic view



The case of Coordinated and Continuous Collaborators (Co.Co.Co.)

From a legal point of view, Co.Co.Co. is an intermediate form between an employee and a self-employed. In Italy they are deemed **Para-subordinate**

Characteristic	
Type of contract/agreement	Employment Contract. It defines the object of the collaboration, work modalities, the starting date, duration, compensation. Any dispute is submitted to the labor court.
Social Contributions	Social Contributions are borne for 2/3 by the Employer\Client and for 1/3 by the Worker. Both parts are paid by the Employer\Client to the Social Security institution. The part of the contribution rate borne by the worker are slightly higher than that of a standard employee and the total contribution rate is slightly lower than that for a standard employee
Income Taxes	Income taxes are retained by the Employer\Client and paid by them to the Tax Authority. Moreover, from the fiscal point of view, the compensation is equated to the income of standard employees.
Type of remuneration	The remuneration is frequently paid periodically, often on a monthly basis (theoretically based on work progress). The remuneration rates are set in some cases according to parameters fixed in National Agreements between Employers Associations and Workers Unions.
Economic Risk for the worker	There is no business risk. More generally, the worker does not risk his/her personal wealth.
Working Time	The contract cannot set any constraints on the working time
Means of production	The means of production can be either those of the Employer\Client or those of the Worker
Work place	The work place can be either that of the Employer\Client or that of the Worker or elsewhere. There must be no obligation set solely by the Employer/Client in this regard
Work performed with the aid of collaborators	No, the work has to be prevalently personal. It's not possible for the workers to have their employees)
Continuity	Within the contract, which has a set duration (usually a few months to a year), the work has to be performed on a regular\continual basis.
Coordination\Supervision	Yes, the work is coordinated by the Employer\ Client
Directive and Disciplinary Power by the Employer/Client	No, The Employer\Client has no directive\disciplinary power over the worker.
Payroll	Yes, the worker has to be registered on the payroll.
Deferred compensation paid at the end of the contract	No, the contract normally does not foresee any deferred compensation as the contract of standard employees does
Entitlement to paid holidays and other paid leaves (excluding sickness, maternity, work accidents, short time allowance)	No, the type of contract excludes any entitlement to these paid leaves.
Entitlement to Social Benefits related to sickness, maternity, work accidents	Yes, paid by the Social Security. These rights are lower than those of the standard employees.
Entitlement to Social Benefits related to short time allowance	No, there is no entitlement to these benefits.
Entitlement to Social Benefits related to unemployment	Yes, paid by the Social Security. These rights are lower than those of the standard employees.
Entitlement to work related retirement pensions	Yes, paid by the Social Security.

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- The mapping of labour forms into ICSE18 categories has to take into account a systemic view
- The main issue is that if a worker is classified as a worker for profit the Statistical Business Register must have an economic unit as HME which corresponds to them
- And viceversa: if the business register has an HME, its working owner is a worker for profit

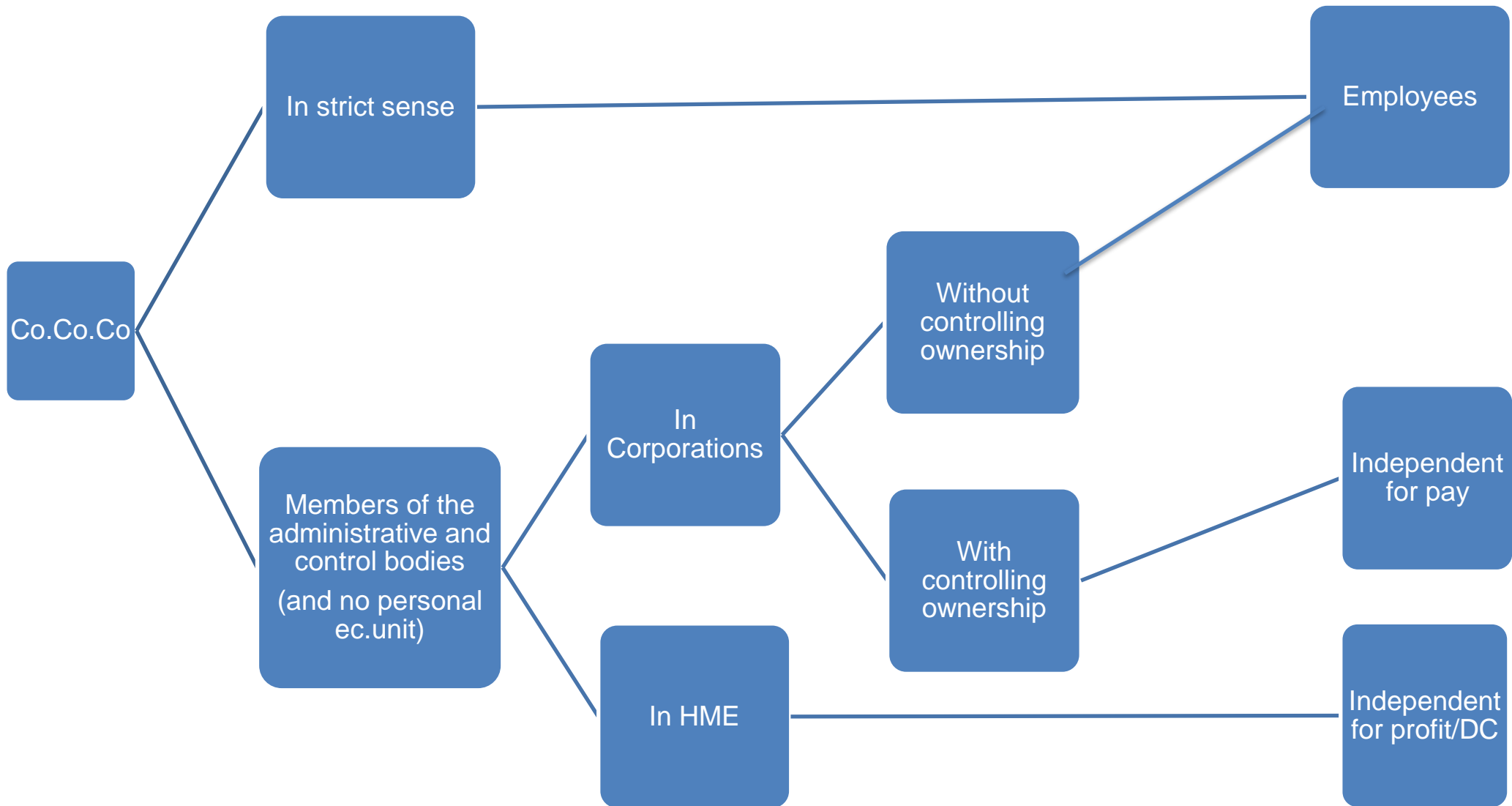


The following are only proposals

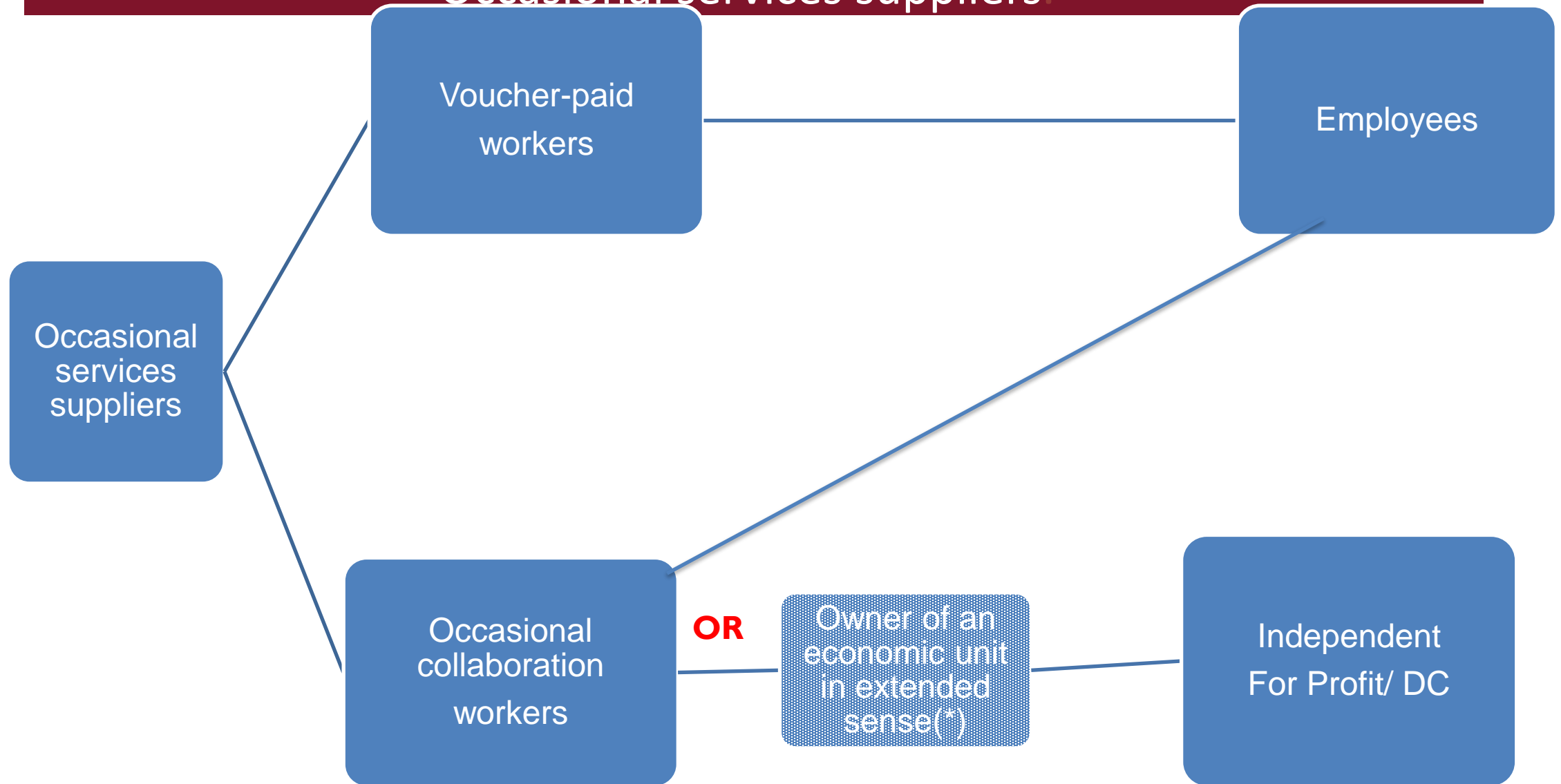
They are still currently being discussed within the dedicated Istat Task Force (sometimes very lively!)

They will have to be approved by the management.

Two main forms of Co.Co.Co



Occasional services suppliers



(*) These include workers registered in relation to tax on the profits made from economic activities, which does not imply registration of an enterprise

Labor form	Current situation (ICSE93)	New situation (ICSE18)	N. Jobs (yearly average) (tentative evaluation)
Co.Co.Co. In strict sense	LFS: Self-Employed SBR: not counted in employment (counted separately as outworkers) NA: Self-Employed in Household sector	Employees	160k
Co.Co.Co. Member of Admin bodies (and no personal ec.unit)	LFS: Self-Employed SBR: Self-Employed if owners and not counted if not NA: Self-Employed (derogation to ESA for Corporations and QC)	If in Corporations without controlling ownership → Employees If in Corporations with controlling ownership → Independent for pay If in HME → Independent for profit	360k(based on Hp: share <50%) 110k(based on Hp: share >50%) 18k
Voucher-paid workers	LFS: Self-Employed SBR: not counted in employment NA: Employees	Employees (casual workers)	9k
Occasional workers- Collaboration	LFS: Self-Employed SBR: not counted in employment NA: mostly not counted in registered employment (if < threshold on income)	Employees OR Independent for profit/DC (New economic units created)	305k (1710k)

- LFS Advantages
 - Timeliness
 - Information on Price setting, Ownership of working tools, Decision on the start and end of working time, Degree of autonomy on tasks in main or last job → Identification of the DC, probably not obtainable by the LR
 - Includes unregistered employment
- LR Advantages
 - Complete (take-all) coverage of all registered jobs
 - Higher precision in the measurement of most of the ICSE18 categories (but not DC)
- The operationalization in the two sources is very different
- **Conceptual consistency not necessarily a measurement consistency**

The implementation in the LFS has to take into consideration also the constraints set by an Eurostat-led Task Force:

- Minimum impact principle=Keep as far as possible the current approach in the questionnaire.
- Do not touch variables involved in the calculation of the labour status.
- Top-down approach.
- “Component variables” approach, adopting a set of needed variables to derive ICSE. The definitions of such component variables should ensure enough degrees of freedom not to collide with national specificities.

Moreover it has to take into account the understandability of the questions and of response modalities → cognitive interviews and pilot testing

Implementation of legal form of economic unit to discriminate between corporations and HME

Issues with: controlling ownership status, the classification of co.co.co....

Unece employment quality indicators derivable from LR

	N. UNECE INDICATORS	N. AVAILABLE INDICATORS FROM LR	N. AVAILABLE INDICATORS FROM LR + OTHER SOURCES
DIMENSION 1: SAFETY AND ETHICS OF EMPLOYMENT		12	2
DIMENSION 2: INCOME AND BENEFITS FROM EMPLOYMENT		10	6
DIMENSION 3: WORKING TIME AND WORK-LIFE BALANCE		15	1
DIMENSION 4: SECURITY OF EMPLOYMENT AND SOCIAL PROTECTION		12	5
DIMENSION 5: SOCIAL DIALOGUE		4	1
DIMENSION 6: SKILLS DEVELOPMENT AND TRAINING		6	0
DIMENSION 7: EMPLOYMENT-RELATED RELATIONSHIPS AND WORK MOTIVATION		8	0
		67	15

For instance, with respect to dimension 1 and 2...

DIMENSION 1: SAFETY AND ETHICS OF EMPLOYMENT	N. AVAILABLE INDICATORS FROM LR			N. AVAILABLE INDICATORS FROM LR + OTHER SOURCES		
1c1	pay gap	Pay gap between subpopulation groups (e.g., gender pay gap)	1a1	Fatal occupational injuries	Rate of fatal occupational injuries per 100,000 employed persons	
1c2	Access to managerial occupations	Percentage of employed persons in population subgroups (e.g., women) in managerial occupations (ISCO-08 major group 1)	1a2	Nonfatal occupational injuries	Rate of nonfatal occupational injuries per 100,000 employed persons	
DIMENSION 2: INCOME AND BENEFITS FROM EMPLOYMENT	N. AVAILABLE INDICATORS FROM LR			N. AVAILABLE INDICATORS FROM LR + OTHER SOURCES		
2a1	Average earnings	Mean nominal monthly / hourly earnings of employees (local currency)				
2a2	Employees with low pay	Percentage of employees with low pay				
2a3	Earnings by deciles	Nominal monthly / hourly earnings of employees by deciles (local currency)				
2a4	Employment-related income of self-employed	Employment-related income of self-employed by deciles (local currency)				
2b1	Paid leave entitlement	Percentage of employees entitled to paid annual leave				
2b4	Sick leave entitlement	Percentage of employees entitled to paid sick leave				

Other indicators

- Beyond the Unece indicators, from the LR+ISR other indicators (not available from the LFS) are obtainable leveraging its information and characteristics of longitudinality. Some examples that can be analyzed by ICSE categories are:
- Indicators on the work intensity based on:
 - N. of hours paid(worked) in a year (or other reference period)
 - Extensive (along the period) and intensive (along the day) margins of working time
- Indicators on the stability based on:
 - N. of days in which each worker has had an active work relationship in a reference period
 - N. of days spent without a job
 - N. of jobs changed in a reference period
 - Changes from an ICSE category to another
- Indicators on employment related income and its changes and relationships with job-changes based on:
 - Number of workers who changed their income significantly
 - Movement along the income distribution (across quantiles, in/out low wage area...)

Thank You very much for the attention!