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**PROFILING PRACTICES AND RELATED ISSUES (PROFILING OF PUBLIC SECTOR
UNITS, SPECIAL PURPOSE ENTITIES, ETC.)**

Profiling for Public Sector: the Italian approach

Note by the National Institute of Statistics of Italy (ISTAT)

**I. THE UNITS IN SCOPE: CONCEPTS AND DEFINITIONS FOR THE PUBLIC
SECTOR**

1. This paper describes the profiling activity of the public sector in the Italian experience: the units in scope according to the international concepts and definitions, the Italian context, the objectives of profiling, the methodology for the identification of public control, the procedure for profiling and the sources used.

2. We will discuss profiling for the “Public sector” and profiling for the “General government” (S.13), following the distinction made in Chapter 22 of the SNA, which refers to the institutional sectors definitions of the ESA 95, and is consistent with the ESA 95 Manual on government debt and deficit. It is also possible to restrict profiling to the “Public Administration”, which refers to the subset of general government that is classified in Division O of NACE Rev. 2.

3. In this paragraph first of all we will recall the definitions of “General government” and “Public sector” from the SNA and ESA 95.

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A. The General Government Sector

4. According to the SNA the general government sector is composed by institutional units whose “principal function is to assume responsibility for the provision of goods and services to the community or to individual households and to finance their provision out of taxation or other incomes, to redistribute income and wealth by means of transfers, and to engage in non market production”.

5. For the ESA 95, the general government sector (Institutional Sector S.13) is composed by “all institutional units which are other non market producers whose output is intended for individual and collective consumption, and mainly financed by compulsory payments made by units belonging to other sectors, and/or all institutional units principally engaged in the redistribution of national income and wealth”.

6. This definition includes:

- (a) general government entities (excluding public producers organised as public corporations or, by virtue of special legislation, recognised as independent legal entities, or quasi-corporations, when any of these are classified in the non-financial or financial sectors) which administer and finance a group of activities, principally providing non-market goods and services, intended for the benefit of the community;
- (b) non-profit institutions recognised as independent legal entities which are other non-market producers and which are controlled and mainly financed by general government;
- (c) autonomous pension funds if they are obligatory by law or by regulation and if general government is responsible for the management of the institution in respect of the settlement or approval of the contributions and benefits.

7. According to such definitions the general government sector (S.13) includes only public institutional units that are non-market producers.

B. The Public Sector

8. In the 2008 revision of the SNA it was recognised that a new chapter including both general government units (S.13) and all public controlled units had to be considered in order to correctly measuring the impact of fiscal policies in the economy.

9. According to this, § 22.7 the SNA states that “in order to analyse the full impact of government on economy, (...), it is useful to form a sector consisting of all the units of general government and all public corporations. This composite sector is referred to as the public sector”.

10. Public corporations are market producers that are controlled by another public corporation or by government units. To be considered a market producer a unit must sell all or part of its output at an economically significant price, which usually means that sales cover the

majority of the production costs¹. Public corporations correspond to the fifth digit of the ESA 95 sub-sectors classification for Non-financial corporations (S.11001) and Financial corporation (S.12201, S.12301, S.12401, S.12501), with the exception of the Central Bank.

11. Statistics on the public sector as a whole (general government and public corporations) are useful for analysing the total resources controlled by public authorities, total public debt, the sustainability of fiscal policies, the use of public corporations to carry out fiscal policies and the effect of privatisation.

12. The ESA 95 Manual on government debt and deficit instead of “public corporations” refers to such units as “public producers” in a broader sense, including also those market producers under public control, “non constituted as corporations that, by virtue of special legislation, are recognised as independent legal entities, or quasi-corporations, when any of these are classified in the non-financial or financial sectors”.

13. In the following of the paper we will refer to the public sector as the one composed by the general government and the set of public producers.

14. The Italian National Institute of Statistics (ISTAT) started to develop some profiling activity on such units during the last few years, especially in response to the phenomenon of privatisation that in Italy increased significantly the role of public producers in the economy and changed completely the universe of reference in terms of statistical units and their classification into the institutional sectors defined by the ESA 95.

15. In the following paragraph it will be reconstructed the history of privatisation in Italy and in the subsequent one the objectives for profiling of the public sector will be delineated.

II. THE ITALIAN CONTEXT

16. The Italian Government devoted the last decade to the administrative reform of the public sector and public enterprises, because it was recognized as one of the main sector which impacts on public expenditure.

17. Nevertheless, the reform has not been realized through an organic provision, on the contrary through ad hoc interventions – very often contained in the Annual Financial Law – limited to modify some particular aspects of the operation and/or of the management of the institutions and of the public enterprises.

18. In Italy the process of privatization has departed in 1990 with the transformation of the public banks in stock corporations – “Spa” (L. 218/90), the necessary juridical form to be able to be quoted on the Stock Exchange, that subdues companies to the norms of the civil code, setting besides on the same plan the public managers with the private ones. In 1992 the largest government owned enterprises – IRI, ENI, INA and ENEL (L. 359/92) were also transformed in “Spa”.

¹ See SNA Ch 22, § 22.27, 22.28 and 22.29.

19. In 1994 was introduced the Golden Share, a sort of "super claim" through which the Government also assures himself determined powers when the company is privatized (L.474/94). The same law established that the privatization of enterprises in the sector of the public utility services had to be subordinate to the creation of independent authority for the sector. To such end, in 1995 the is founded the Authority for the energy, gas and telecommunications sector (L.481/95).

20. The process of privatization has also involved local public services. In this sector the normative acts have changed the role of the local bodies from direct producers to regulators of the activities supplied by third subjects. So the 2004 Annual Financial Law (art. 14) has separated the public ownership of the nets from the supply of the services and has distinguished among services to prominent economic role and services not to prominent economic². Recently, the 2008 Annual Financial Law (art. 23bis) has established that these services must have managed only by companies; and additionally, that the Public bodies cannot constitute companies having as object the production of good and services not necessary for the pursuit of its own institutional purposes, neither to assume or to directly or indirectly maintain shares, also of minority, in such companies (art. 3).

21. So in Italy, the regulation and the production of good and public services is submitted to a plurality of subjects whose nature (public or private) cannot be individualized entirely making reference to the juridical form adopted by the subject itself. It is the pursuit of public finality to determine the correct identification of this subject. In other words, belong to the public sector all those subjects that, also having types of business, realize objectives of public interest or practice assignments and functions that the in force of the law are assigned to the government and then this one, in the exercise of its own organizational autonomy, decides to delegate to a third subject. Consequently, in the specific Italian case, it is possible to classify in the sector S.13 both units disciplined by the public law (agencies, public firms, public corporations, etc.) and units disciplined by the private law (stock corporations, foundations, associations, cliquish society, etc.).

22. The correct classification of such units in the institutional sector and, if it is the case in the S.13, is essential, since they constitutes the basis for the National Accounts of the general government, according to the ESA 95 Regulation. But this continuous evolutions makes the profiling developed by ISTAT very complex: the definition and the analysis of statistical units in this sector must consider the alternate events that induce the legislator to limit or to give the government the possibility of making use of enterprises and special purpose entities in the exercise of its own functions.

23. Finally, such sector in Italy, unlike other statistical units, is characterized by a particular form of publicity. According to the 2005 Annual Financial Law (art. 1, paragraph 5), ISTAT is responsible for the publication of the updated list of all the units classified in sector S.13 on the Italian Official Journal (Gazzetta Ufficiale), within the month of July.

² According to the jurisprudence, services to prominent economic role are those susceptible to be managed in profitable form and, therefore, for which exists, also potentially, a competitive market.

III. THE OBJECTIVES OF PROFILING FOR PUBLIC SECTOR

24. At the moment the activity of profiling on public sector carried on at ISTAT cannot be considered, neither complete nor standardised, but we have identified some main objectives and a provisional procedure gradually adapting the scope and objectives of profiling to the specific information need in Italy.

25. The main objectives for profiling public sector units at the moment are:

A. Search for eligible units and their verification as institutional units

26. ISTAT compilation of Business Register heavily relies on administrative sources. In Italy administrative sources have different coverage according to the juridical form of the units: they provide a good coverage for units and their characteristics constituted as corporations, co-operatives and partnerships. Such units fulfil all the conditions to be institutional units.

27. The same cannot be said for the units constituted in the form of non profit institutions, associations and all other bodies recognised as independent legal entities. Because they are not submitted to the same legal obligations of the first group, administrative documents, that could be used as input sources for statistical purposes, are much more scarce. Unfortunately these kind of units are often those created and owned by the general government at central or local level to supply certain types of goods and services for individual or public consumption.

28. The only source that contains all kind of units acting on the Italian territory is the tax authority, that can be analysed by using special textual searches. Otherwise such units have to be searched for by profiling. In that case the research have to be carried on by expert staff that is able to consult and screening legislative texts. Once the units have been identified as eligible ones to be in the public sector, it is necessary to profile them in order to verify whether they comply with the statistical definitions and can be considered autonomous institutional units. In fact it happens quite often that administrative units, even though possess their own fiscal or VAT code and are autonomous in juridical terms, cannot be considered institutional units in statistical terms, since they do not keep their own accounts, but their revenues and expenses are consolidated within the general government units that controls them. In such case these units are only organisational units internal to the general government unit.

B. Classification of units by institutional sectors (sectorisation)

29. During the last decade all European countries experimented privatisation and nowadays governments can fulfil their function of producing goods and services for individual and collective consumption either directly or by means of controlled institutional units. Such units act as autonomous legal units and may be either market or non market producers. Following to that the number of public producers organised as corporations increased and the crucial issue in recent years was the correct sectoring of institutional units into sector of general government (S.13) or into sectors of public producers (S.11001 – S.12201, S.12301, S.12401, S.12501).

30. The sectoring takes place into several steps that are now clearly described in the ESA 95 Manual on government deficit and debt and that ISTAT follows. According to the Manual, in

order to classify an entity inside the general government, it is necessary to determine: 1) if it is an institutional unit; 2) if it is a public institutional unit; 3) if it is a non-market public institutional unit. The steps will be described in details in paragraph 5.

31. The organisation followed by ISTAT is such that the complete analysis for sectoring is carried on in cooperation by the Directorate of Administrative Data and Business Registers (that is responsible for the verification if the unit is an institutional one and if it is public) and the Directorate of National Accounts (that is responsible for the verification if the unit is market or non market). The result of the decision is updated into the Business Register and the list of all the units classified in the general government sector is annually published on the Italian Official Journal (Gazzetta Ufficiale).

C. Analysis of organisational structures

32. With respect to the general government sector, the availability of information in administrative files presents several problems that requires profiling activity. The definitions and classification of units in administrative files are so different from the statistical ones, that using them as input sources to estimate economic characteristics is particularly complex. Profiling can be used to understand the internal organisation of the general government units in terms of their sub-structures (departments, divisions, sections, regional units) for which information is available in administrative files and to reconstruct the correct statistical units (enterprise, ancillary unit, local unit, kind of activity units) and its economic characteristics. This activity is complicated by the fact that not only one administrative source can be used, but there are several ones, covering specific sub-sectors of the government, each one using its own definition of units and level of organisational or territorial aggregation.

D. Analysis of public controlled groups

33. All the Regions, Provinces and largest Municipalities control sectors of activities within their territory or partially own others. Within such groups there could be units belonging to the general government sector as well as public market producers. ISTAT has in scope the analysis of all such large public groups in order to have a complete picture of their internal perimeters, organisational structure and financial flows within the S.13 sector and outside it. The activity has just started with the Regional groups, with a limited scope: identification of the correct perimeter and sectoring of the units within the group. The intention is to continue the analysis adding the largest Municipality groups (Rome, Milan, Naples, Florence, Venice, Turin, etc.) and to enlarge the scope: integrate the analysis of the perimeter with analysis of the annual accounts and financial flows.

IV. THE METHODOLOGY FOR THE AUTOMATIC IDENTIFICATION OF PUBLIC CONTROLLED UNITS

34. Public controlled units must be identified and classified in business registers, since according to the “Whereas” of Regulation 177/2008 paragraph (9) “Public enterprises play an important role in the national economies of the Member States. Commission Directive 80/723/EEC of 25 June 1980 on the transparency of financial relations between Member States

and public undertakings (1) covers particular categories of public undertaking. Public enterprises and public corporations should therefore be identified in business registers and this can be done by the institutional sector classification”.

35. ISTAT started to analyse public control in 2006 from the data contained in the business registers on enterprise groups. In the first instance it seemed quite obvious to consider public units all those units belonging to an enterprise group whose group head was a general government unit, but soon it was clear that this definition was not sufficient to take into account the complete panorama of the public sector, since the Italian configuration, probably as in many others countries, is very differentiated.

36. First of all “public control” does not mean only “belonging to a group with a general government unit as group head”. The concept of public control has to be enlarged because there are institutional units that are controlled by more than one single general government unit. For example there may be different municipalities that constitute and jointly control a unit that has to provide some kind of services for all of them (social services for the households sector, services for the environment such as management of the local forests, or of the coasts of a lake, or security services, etc.). In such case it is not possible to identify a group, as defined for the private sector, because there is not a single group head but there are a number of government units that jointly control the unit in question. It is worth mentioning that this concept of control can be integrated with the concept of control for the private sector without raising any logical or practical inconsistency.

37. Secondly, even though an automatic procedure can take into account new criteria for public control and identify the units jointly controlled by the general government sector, it is not sufficient to cover all the forms of public control because it is based on quantitative information about ownership shares. On the contrary in the public sector the modality of control can be very often qualitative, since it can be based mainly on the ability of the politics to nominate and remove the management, and/or to substantially finance them.

38. The methodology developed by ISTAT for public control is able to solve the first problem, but not the second one. Qualitative control can be identified only by direct analysis and therefore this is another fundamental area where profiling proves to be a necessary activity. With respect to the possibility of considering joint public control over a unit, art. 2 of Directive 80/723/CEE, says that “State and other territorial bodies are considered as public owners. A public enterprise is every enterprise on which public owners may exercise, directly or indirectly, a dominant influence as reason of property, financial participation or its regulations.”

39. The overall procedure used to identify public controlled units makes use of the following statistical and administrative data sources available at ISTAT:

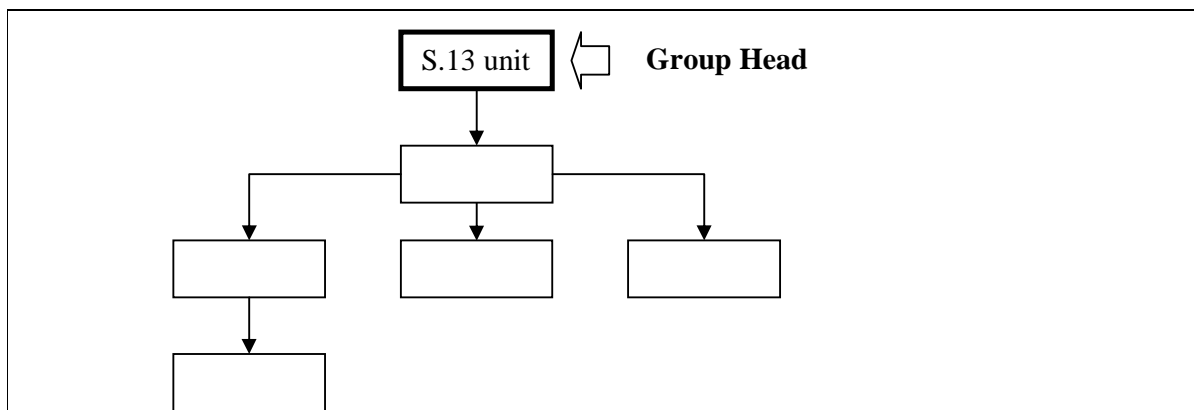
- (a) Business register on enterprise groups (as main source);
- (b) Statistical business register, including units of the institutional sector S.13 (as complementary source);
- (c) The archive of all shareholders of non listed companies (including all minority shareholdings that are excluded from the definition of control, used in the group register);

40. Source 3 is used to enlarge the operational criteria with respect to the ones followed to build up the enterprise groups register.

41. The three following criteria are adopted to automatically identify units under public control:

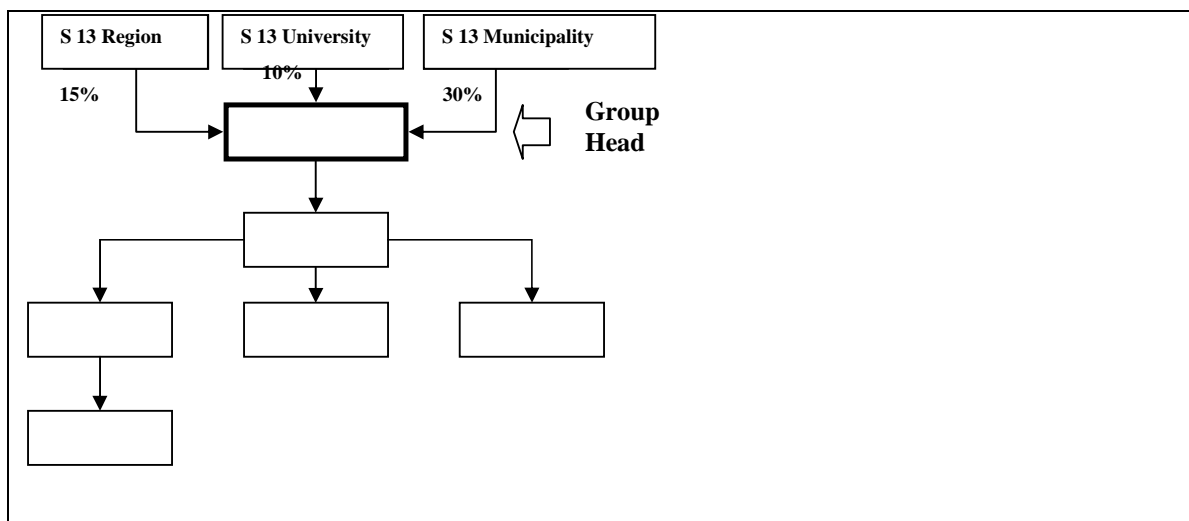
(a) The first criterion is the simplest one: starting from the enterprise groups register it takes all the groups where the group head is a general government unit. (Picture 1). The first criterion identifies all largest controlled enterprise groups and their constituent units. These enterprise groups are normally in the Stock Exchange, therefore the Ministry of Finance controls them with Golden shares and the Italian Government has the power to nominate or remove the top management, according to the political situation.

Picture 1.



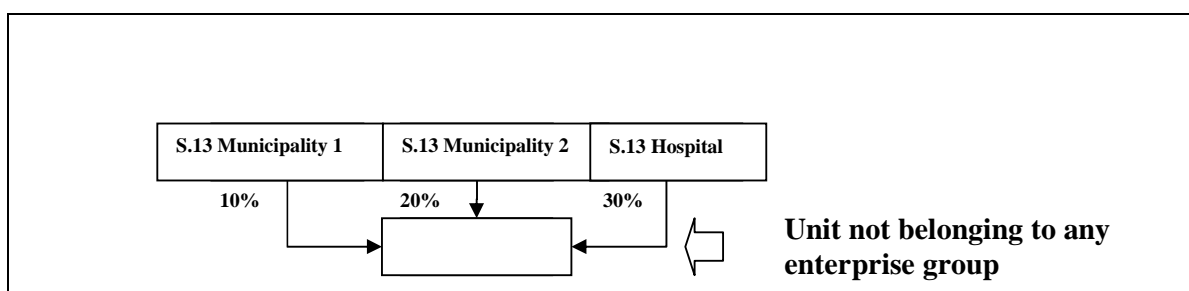
(b) The second criterion identifies all enterprise groups and their constituting units whose group head is a private company, but its shares are jointly owned (by more than 50%) by some general government units. (Picture 2). Of course none of them alone owns more than 50%, otherwise we would have been under the first criterion. This criterion identifies large enterprises producing market goods and services, intended for the benefit of the community (public utilities), such as transports, water supply, sewerage, waste management, electricity, gas supply, etc. They are created and jointly controlled by several general government units such as regions, provinces or municipalities. All of them have a public interest in participating into the governance of the unit, because they have a strict link with the local economy and with the local administrations.

Picture 2.

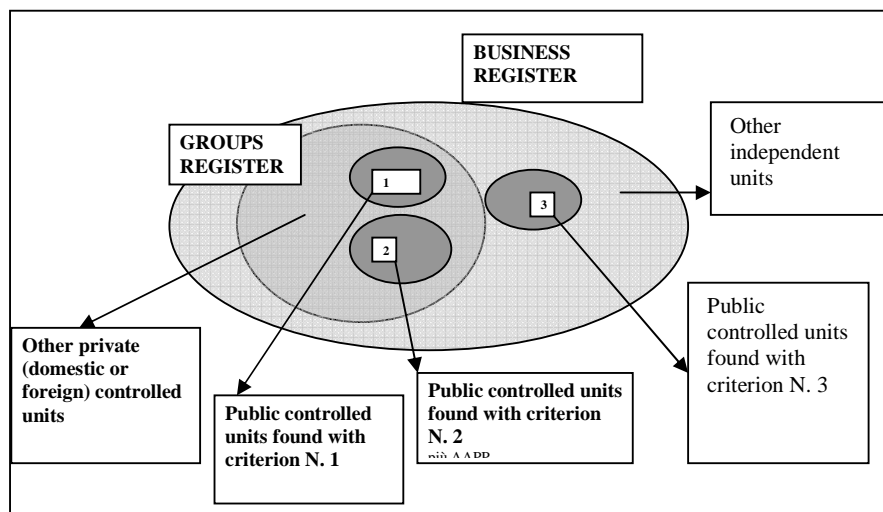


(c) The third criterion takes into account all legal units that, according to the rules of control applied for the enterprise group register, do not belong to any enterprise group. For all such “independent legal unit”, not directly or indirectly controlled by a sole juridical legal unit, the procedure searches if several general government units jointly own more than 50% of its shares. (Picture 3). These three criteria are applied in sequence (from the first to the third one) and the result is a partition of all corporations in the business registers (active enterprises) between public control and private control. The following picture describes it.

Picture 3.



42. These three criteria are applied in sequence (from the first to the third one) and the result is a partition of all corporations in the business registers (active enterprises) between public control and private control. The following picture describes it.



43. As already said public control can be exercised also in different forms that the majority of ownership. As it is stated in Directive 80/723/CEE about the transparency of financial relationships between Member States and public enterprises, “public powers may exercise a dominant influence on the behaviour of public enterprises, not only when they are owners or have a majority shareholding, but also for the control they are able to exercise over their management or supervision bodies, on the basis of statutory provisions or shareholding division”.

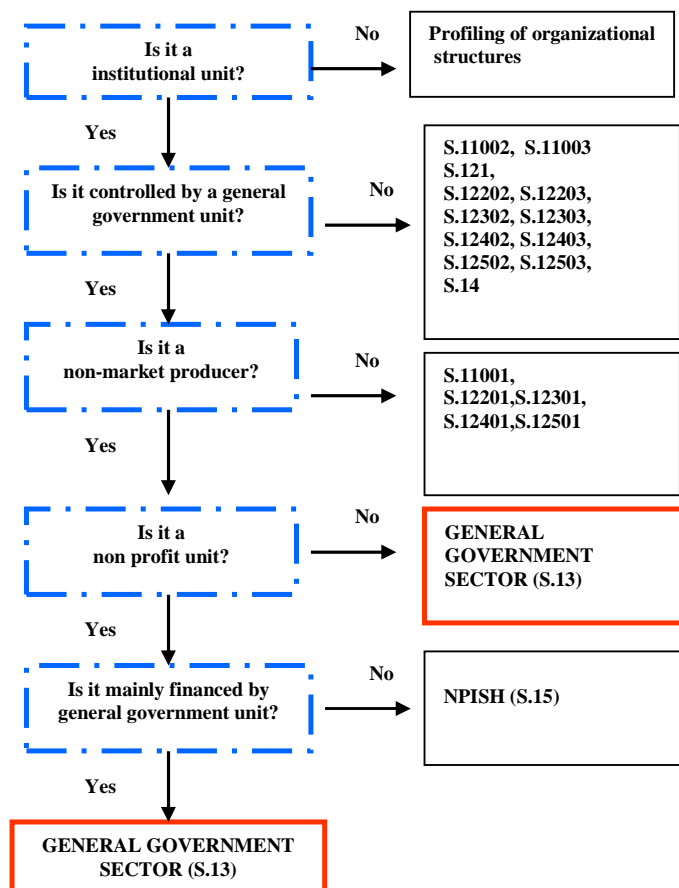
44. In the following paragraph the overall procedure for profiling the public sector is described and other forms of control applied by the general government sector in Italy are discussed.

V. THE METHODOLOGY FOR PROFILING PUBLIC ADMINISTRATION UNITS

45. The methodology used for profiling public administration is composed of different operational steps, that allow to identify and to correctly classify both the general government units and the units belonging to the public sector (picture 4).

46. As already mentioned, according to the ESA 95 Manual on government deficit and debt, in order to classify an entity inside the general government sector, the first step is to determine if the entity is an institutional unit: it must be verified if this unit has “decision-making autonomy in respect of its principal function and if it keeps a complete set of accounts”. In Italy a unit is juridical autonomous if it is created as a legal unit and from an operational point of view a necessary (but not sufficient) indicator is the possess of a fiscal code or a VAT code. As regard to the accountancy it is sufficient that the unit produces any type of bookkeeping document having both an economic and legal value.

Picture 4. Methodology for profiling public administration



47. In the second step it is necessary to determine if that unit is controlled by the general government or by local public administrations. As it was discussed in the previous paragraph, the automatic methodology for the identification of public control can be used only for units with capital shares and it does not take into account all other forms of functional control that may exist in the public sector.

48. Functional control is defined as the:

- (a) Power of appointing directors or managers;
- (b) Power of address, which means approval of the statute, of the programme of activity, of the lines of address;
- (c) Power of verification, which implies the approval and/or verification of the bookkeeping documents and the evaluation of the management.

49. Also, in order to identify public control it is also necessary to verify “financial control”, which can be defined as the disbursement of stable and essential financings to the working of the unit.

50. The informative sources used for verifying the existence of these types of control are the law which set up the unit and/or its statute and in the case of “financial control” the law act that define the entity of the disbursed financing.

51. If the public institutional unit is controlled by a general government unit, the following step is to determine if it is a market or a non market producer. According to the definitions of SNA and ESA 95 the institutional unity is a non market producer if prices charged are not economically significant. Prices are said to be economically significant if more than 50% of production costs are covered by sales.

52. If the unit is a market producer then, despite its juridical form, it has to be considered in the private sector. As a result, the statistical criterion can in many cases crash with juridical criteria. So, there may be legal units created by law and considered public for administrative purposes, that are considered market producers (and therefore belonging to the private sector) for statistical purposes.

53. For instance, in Italy the corporate bodies established to manage public residential estate building (know as IACP, ATER, ARER, ALER) are created by law and therefore are considered public units for administrative purposes:

- (a) they manage the public estate buildings renting the houses to the having right;
- (b) they make investments submitting in contract the construction of the real estate unities.

54. Their principal source of financing are the revenues from renting. The relationship among these revenues and the costs of production is greater than 50%. Insofar, even if they carry on a particular public finality, according to the ESA 95, they are market producers and must be classified in sector S.11.

55. Another important indicator to decide whether a unit is market or non market is the existence of subcontracting with general government units; it is clear that if the unit in question sells all of its output to general government it is not exposed to any risk since it is not competing with other producers and therefore cannot be considered market oriented.

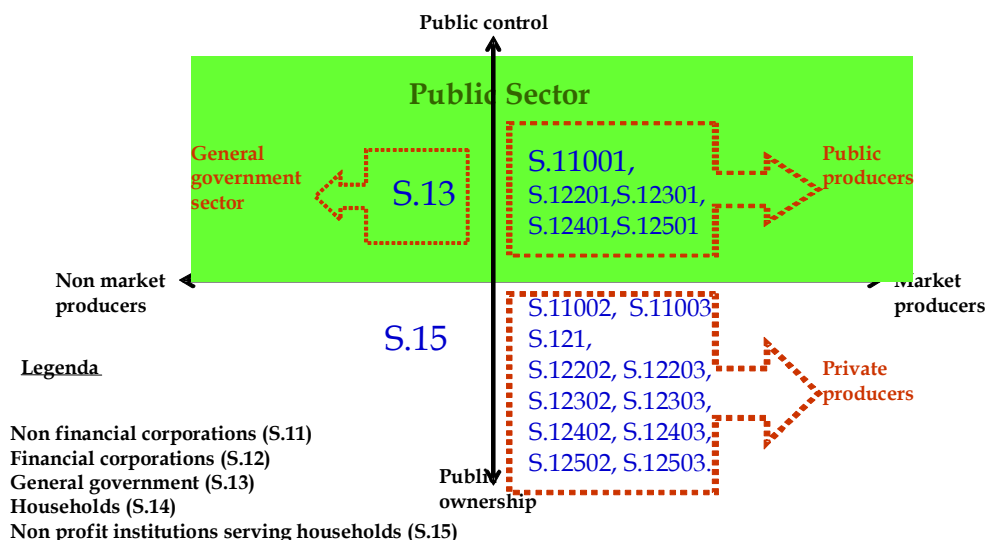
56. Finally, a special analysis is requested for sectoring units in S.13 or in S.15. To this respect ISTAT has not yet started any profiling activity; it is even more difficult to verify if a units is non profit because the sources available are even more scarce and because the units in question are usually very small. For this step ISTAT is planning to define an automatic algorithm that will assign the institutional sector. Of course, despite the verification of the non profit scope, if the unit is mainly financed by a public administration unit, the unit is to be classify in the sector S.13.

57. At the end of these activities of profiling, it is to possible update:

- (a) the list of the general government units for its annual publication;
- (b) the economic characteristics of all the general government units (mainly employment);
- (c) the institutional sector of public enterprises;
- (d) the perimeters of the public groups.

58. In picture 5 it is possible to describe the result of the profiling activity represented on a Cartesian plan according to the two essential criteria for sectorisation: public control/ownership and market/non-market activity.

Picture 5. Classification of institutional units



VI. SOURCES FOR PROFILING PUBLIC SECTOR

59. During the last years, the activity carried on by ISTAT proved how difficult it is to reconstruct ex post the presence of public institutional units and of public producers in some economic sectors, because the administrative sources available are so scarce. Those used by the Directorate Administrative Data and Business Registers for profiling the public sector should satisfy the following information needs:

- identifying the new born units constituted by the general government (both at central and local level);
- verifying if they are institutional units;
- verifying functional or financial non quantitative control;
- tracking the demographic events of public institutional units over time.

60. The main informative source is the legislative production: in Italy all units to whom the general government delegates public functions and the production of goods and services for individual or public consumption have to be constituted by law. The law has to be published on

the National and Regional Official Journal (GURI, BUR3). Also, if there are demographic events of transformation, re-organisation or cessation concerning such units, they have to be defined by law and therefore these source allow to keep track over time.

61. The consultation of these sources guarantee the total coverage of all the relevant events. At the same time, it is also extremely costly, in terms of time and human resources. Although there are commercial web-based software for consulting them, that use interface technology web, and may be purchased at reasonable cost, the work is extremely burdensome and requires expert staff able to select and correctly interpret the really useful information. Also, even if there is a legal act stating that a unit has to/can be constituted to carry on some functions and its organisation is defined in it, it must be verified if such unit was created and started to exist as an active one.

62. Nevertheless re-organisations are always under going, so it is much more efficient to monitor on a continuous basis the legislative production – especially at regional and local administrative level – in order to keep under control some key sectors that may be re-organised and consequently where new public units will be constituted.

63. This activity allows to keep track of sectors and activities where functions, previously carried on directly by the general government or local administration, are delegated to the public producers. All such units need to be analysed for some years, since they can start their activity as non market producers but then they can evolve and become market producers. Such changes imply the revision of their classification by institutional sectors.

64. To make profiling more easily, it is necessary to use other administrative information already available in government administrative files. In particular there are some sources that proved to be sufficiently useful for our purposes. They are listed in Table 1, according to the best use of the source with respect to the profiling objectives:

Table 1. Administrative sources for public sector

Administrative source	Unit identification	State of activity	Demographic events	Sector classification	Functional or financial control
Official Journals	√		√		√
Database RPA	√	√		√	√
Database AVCP	√	√			
Database SIOPE	√	√	√		
Database CONSOC	√	√			√
Chambers of Commerce	√	√		√	
Internet official web site	√			√	

³ The Italian territory is divided in 21 Regions. At local level, these are the main administrative public bodies. All of them publish an Official Journal.

65. The RPA Project (Regional Public Accounts) was launched in 1994 in order to develop a tool to measure financial flows at the territorial level and to help Italy meeting its commitments under EU regulations. It contains regional information on a range of dimensions for expenditure, revenue, sector, economic category, level of government – for the general government and public sector universes. It is possible to use the RPA database for identifying financial flows involving all public entities in the individual regional areas and for reconstructing the consolidated accounts for total flows (current and capital) in the public sector. For our purposes, the RPA database is useful to unit identification and sector classification, to check the state of activity and to identify functional or financial control. Processing data in the RPA is quite simply, because it uses a unit classification very similar to that used for profiling of public sector according EU requirements. Nevertheless, actually it does not exist any agreement for information interchange, that allows to ISTAT to have access timelessly to the data information picked up by the Department Economic Development and Cohesion, which held the database.

66. The Authority for the Supervision of Public Contracts (AVCP) supervises the entire public procurement system, both at a State and at a Regional level, in order to grant compliance with the principles of rightfulness and transparency in awarding procedures and with effective and convenient execution of contracts, as well as compliance with competitions rules within each single tender. It collects data and assesses the structural characteristics of the market of public procurements and its evolution, in particular, statistics about number and value of awarding procurements grouped by localization, procurement entities, awarding procedures. All the unities belonging to the public sector are forced to communicate these information to the Authority. The main disadvantage of this source is that it allows to identify only the units that make public contracts. It doesn't contain any information on all the units constituted in the form of non profit institutions, associations and all other bodies recognised as independent legal entities, which supply by itself certain types of goods and services for individual or public consumption.

67. The Database SIOPE (Information system on the operations of Government bodies) is a system for the online collection of information on the cash transactions, payments and collections, made by every Public body treasurer. It is the result of a collaboration between the State General Accounting Department (Ministry of Finance), the Bank of Italy and ISTAT. SIOPE has been created in order to deal with the differences between the data recorded by the various accounting systems adopted by Italian public administrations and to replace the current cash flow monitoring system with a faster more complete system that is necessary to produce the Quarterly National Accounting statistics that are used to monitor the status of implementation of EU legislation (Excessive Deficits Procedure and Stability and Growth Pact commitments) in a more timely manner. For our purpose, this source can be used to identify the new born units constituted by the general government (both at central and local level) and to keep under control the evolution of the units already identified (mergers, take over, split off, etc.).

68. The Database CONSOC (CONsortia and SOCieties) contains the list of all consortia and corporations totally or partially owned by general government units. In particular, it collects data concerning the measure of the share, the duration of the appointment, the general burden on the budget of the government unit, the number of the representatives of the government unit in the governance as well as their income. This source doesn't contain any information on all the units constituted in the other form (institutions, association, etc.) and it is partially complete, because

not all the public administrations give the request information in the ways (on line format) established.

69. In Italy, the Chambers of Commerce nationwide holds a register in which have to be all the enterprises working in Italy. The register contains all information on legal units: company profile, history of the company (mergers, acquisitions, take over and split off), company shareholders, balance sheets, etc. Using it, it is possible to identify all the units that practice a commercial and/or economic activity, but not those that make social and cultural activities.

70. To profile public sector it has also explored the possibility to use information published on the official web site of the Regions, Provinces and largest Municipalities. According to the law, local public administrations must provide information on their internal organization, agencies, companies and all other form of corporate bodies they control and through which they implement own institutional functions. A recent study on the Regions web site showed that many problems are tied up to the use of this source. Firstly, not all the Regions publish such information; secondly, a lot of published information are not updated, but it refers to previous years; and, finally, it takes a lot of time in looking for such information, because it is classified under different items and in different web pages, but never on the home page, so it requires expert staff able to select the really useful information.

71. Generally speaking, it can be said that none of the described administrative sources, singly used, can replace the consultation of the legislative sources in the profiling of the public sector, even though they provide an easier acquisition. Additionally, the use of these sources does not avoid from the analysis, case by case, of the ESA 95 criteria for sectoring the units into the institutional sectors.

REFERENCES

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