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The challenge of permeable borders: estimating cross-border employment between Italy and Switzerland. An analysis of sources and estimates

Topic 7 – Better statistics for a globalised world

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Introduction

In times of ever increasing permeable borders, the measurement of flows of cross-border workers presents a challenge for official statistics. Improving knowledge of this phenomenon is nevertheless important to provide a correct picture of economic reality and the labour market in particular. Italy is among European countries one of the most important 'suppliers' of cross-border labour. Switzerland, on the other hand, is one of the main recipients. In the last decade the Territorial office for Lombardia of the Italian National Statistical Institute (Istat) has been involved in research to study the flows and sources of data on cross-border employment between the two countries.

The more recent research project, ended in 2014, focused on all Italian land borders and developed as part of the activities to comply with new national accounts standards, specifically to ensure the exhaustiveness of revised estimates of labour input. The research has been carried out by the Istat Working Group on Cross-border Workers (IWGCW) to:

- Provide an inventory of existing sources of information (statistical/administrative, national/local) on the Italian economic territory and on neighbouring territories;
- Estimate in-flows and out-flows of cross-border workers for 2010 and 2011.

This paper presents and updates the main results of the research activities of the IWGCW with regard to the flows of cross-border workers from Italy (Lombardia and Piemonte) to Switzerland.

Methods / Problem statement

A cross-border worker is somebody who commutes regularly (daily or weekly) from the country of residence to a neighbouring country to carry out an economic activity inside the national accounts production border (regular/irregular, employed/self-employed) and for which an income is perceived. Tele-working is included, seasonal workers are excluded.

A critical issue is the lack of data for some border areas. The presence of statistical/administrative records plays a key role for data availability even though isolating information on cross-border workers may not be straightforward. Fiscal and social security registers are in general a potential source of data on social and economic aspects of the phenomenon though several limitations apply.

According to the IWGCW, out-flows of Italian commuters to Switzerland are the most significant. The availability of good quality data here is due to the Swiss peculiar system of residence and work based on the granting of work permits (though in principle free movement is allowed).

Official data sources used:

- Ust
- Federal Office of Statistics: primary source for flows to/from Switzerland;
- Ustat
- Statistical Department of Canton Ticino of the Swiss Federal Office. Ustat processes the statistics for Ticino from data released by Ust; Ticino receives almost all cross-border workers from Italy. The data released provide highly detailed information (e.g. the Italian province of residence of cross-border workers).
- Istat
- Popula

Results / Proposed solution

This paper presents the estimates of the flows of cross-border workers between Italy (Lombardia and Piemonte) and Switzerland obtained for different years by integrating different sources; further, it analyses the distribution of cross-border work across economic activities as well as demographic variables obtained from census data. The flows of Italian residents commuting to Switzerland for work are quite significant and increasing.

More data are available to monitor the flows in this area as compared to the other borders in the Alps because though in principle free movement now applies, Switzerland in practice still maintains a peculiar regime of administrative rules for cross-border employment. The phenomenon concerns mostly 5 provinces: Varese, Como, Verbano-Cusio-Ossola, Sondrio, Lecco.

The main destinations are 3 Swiss cantons: Ticino, Grigioni, Vallese.

Some estimates (data are being updated):

- Cross-border workers from Italy to Switzerland: 52,207 in 2010 and almost 57,000 in 2011
- In Canton Ticino in 2010, 47,357 cross-border workers were present. In the Canton Grigioni approximately less than 4,000 Italian cross-border workers were active and even less significant numbers were present in the Canton Vallese: less than 1,000 Italian cross-border workers in both 2010 and 2011
- Swiss Population census data show a small flow from Switzerland to Italy, though increasing. In 2010, 1,455 Swiss citizens were commuting to Italy, whereas the figure for 2011 is 1,904.

Conclusions

Cross-border work is a topic of interest at the national as well as at the European level. New projects are presently being developed to deepen the knowledge of this phenomenon including its statistical measurement. In Italy, cross-border workers are mainly found in the Alpine area and their flows are particularly significant on the Swiss border.

In this area flows can be monitored on the basis of official statistical sources, for which quality is guaranteed by standard techniques and procedures. This is not the case for other Italian borders, where no equally reliable sources are available and estimates can only be attempted on the basis of unofficial information or expert opinions. It is a fact that for some borders in Italy the number of cross-border workers is not

significant; nevertheless, this is a phenomenon that affects the labour market and it could be subject to changes in accordance with the economic cycle or other drivers of the geographical mobility of the workforce.

To improve knowledge and monitoring of the phenomenon it would be necessary to design ad hoc methodologies or exploit other local/administrative sources (e.g. data by INPS, i.e. the Italian National Social Security Agency). For future developments, an important issue to keep in mind for monitoring flows of cross-border workers are the gains and losses in terms of measurement potential as new sources are implemented.