



# Revision of the International Classification of Status in Employment (ICSE-93)

Draft 20<sup>th</sup> ICLS (2018) Resolution on Statistics on Work  
Relationships

**Group of Experts on Measuring Quality of Employment**

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# The International Classification of Status in Employment (ICSE-93)

- Adopted through a resolution of the Fifteenth International Conference of Labour Statisticians (ICLS) in January 1993
    - The current international standard for statistics on the employment relationship
  - Classifies jobs (in employment) with respect to the type of explicit or implicit contract of employment between the job holder and the economic unit in which he or she is employed
- ❖ Main purposes
- To provide a model for the development of national classifications for statistics on status in employment; and
  - To provide the basis for the production of internationally comparable statistics on the topic.



# ICSE-93 Substantive Groups

## Paid employment jobs

- 1. Employees

## Self-employment jobs

- 2. Employers
- 3. Own-account workers
- 4. Members of producers' cooperatives
- 5. Contributing family workers

- 6. Workers not classifiable by status



# Main uses of statistics classified by status in employment

- Analysis of the nature of the economic risk and authority experienced by workers
- Strength of attachment of the worker to the employer and the job
  - Potential indicator of precarious employment situations
- Input to statistics on the socio-economic status of persons and households
- Explanatory variable in social statistics
- Studying the relationship between economic cycles and employment in higher risk, less secure, or precarious working situations
  - Do those who lose jobs in paid employment engage in various forms of self employment
  - Contributing family workers as hidden unemployed
- Impact of self-employment and entrepreneurialism on employment and economic growth
  - Government policies related to development and job creation
- The provision of data as an input national accounts
- Input to the measurement of informal employment



# Reasons for revision

- Categories do not provide sufficient information to adequately monitor changes in employment arrangements taking place in many countries
  - aim to increase flexibility in the labour market
  - increasing uncertainty about the boundary between self-employment and paid employment
  - policy concerns about non-standard forms of employment
  - increased use of 'dependent' contractors, short-term and zero hours contracts
  - ❖ **Need for statistical information to monitor the impact of these arrangements**
- Not enough detail to monitor various non-standard forms of employment.
- Many issues remained unresolved at 15<sup>th</sup> ICLS
  - Optional categories and treatment of specific groups to be decided at national level
- Need for guidance on data collection
- 19<sup>th</sup> ICLS Resolution concerning statistics of work, employment and labour underutilization
- **Strong consensus at the 19<sup>th</sup> ICLS on the need to revise ICSE-93**



# Overview of revision process

- ✓ Review of the national practices during 2012-13
- ✓ Discussion paper on the need for revision of ICSE-93 presented to the 19<sup>th</sup> ICLS
  - Mandate for revision
- Proposed to replace of the existing classification with a suite of **standards for statistics on the work relationship**
  - status in employment classification to be complemented by a series of supporting variables dealing with various aspects of working arrangements
- New standards to be presented to the 20<sup>th</sup> ICLS in 2018 in the form of a draft resolution for discussion, amendment, and ultimate adoption



# Development and consideration of proposals

## Working group to support the ILO

- Relatively informal
  - Includes users and producers of both economic and labour statistics
  - Representatives from countries, organizations, workers and employers
  - Meetings and documentation mainly in English only
  - Online discussion platform
  - Provide expert advice and technical input to ILO
  - Assist with the development and testing of proposals
  - Review first draft resolution for 20<sup>th</sup> ICLS
- 
- Regional consultations (2016 and 2017)
  - Testing from 2016 to 2018

## Tripartite meetings of experts in February 2018

- Review draft resolution in English, French and Spanish



# Outline of proposed new standards for statistics on the work relationship

- **Conceptual framework for statistics on the work relationship**
  - defines the key concepts, variables and classification schemes to be included in the standards
- **Classification of Status in Employment with alternative hierarchies**
  - 10 relatively detailed set of categories on the basis of
    - the *type of authority* that the worker exercises over the economic unit in which he/she works and
    - the *type of economic risk* to which the worker is exposed
  - Alternative hierarchies based on type of authority and type of economic risk
- **Classification of Status at Work**
  - Extension of the classification of Status in Employment to cover all forms of work, including own-use production work, volunteer work and unpaid trainee work, as well as employment.
- **A set of cross-cutting variables**
  - More detailed information on the degree of stability and permanence of the work
  - Definitions and categories for types of arrangement that cut across several status categories
  - Important variables in own right
    - In some cases also required to derive status in employment categories
- ❖ **Guidelines for data collection**



# More detailed categories for status in employment

- Sub-categories for employees to allow the identification of employees with non-standard employment arrangements
  - a) Permanent employees
  - b) Fixed-term employees
  - c) Casual and short-term employees
  - d) Paid apprentices, trainees and interns
- Separate categories for *owner-operators of corporations*
  - Statistics on employment by institutional sector, wages and income, labour market characteristics and work place relations, as well as for input to the national accounts.
- Separate category for *Dependent contractors*
  - Provide labour to others but have contractual arrangements similar to self-employment OR
  - Own and operate a business but do not have full control or authority over their work
- ❖ **Suppression of separate category for Members of producers' cooperatives**



# Dependent Contractors

Workers employed for profit, usually by way of a commercial transaction, who are dependent on another entity that directly benefits from the work performed by them and exercises explicit or implicit control over their activities.

- Found in the public or private sectors.
- Dependency may relate to access to the market, determination of the price for the goods or services produced, raw materials or capital items, or organization of the work
- Their work may be organized or supervised by another economic unit as a client, or as an entity that mediates access to clients
- They have an arrangement for the delivery of goods or services to a separate entity (of the nature of a commercial contract)
- The economic units on which they depend may be market or non-market units and include corporations, governments and non-profit institutions
- actual working arrangements or conditions may closely resemble those of employees



# Statistics on the work relationship

- Statistics on the work relationship are concerned with
  - (a) the relationships between persons who work and the economic units in which or for which the work is performed, and
  - (b) the contractual or other conditions in which the work is performed.
- Relate to all forms of work defined by 19th ICLS, including
  - own-use production work,
  - employment,
  - unpaid trainee work,
  - volunteer work
  - other forms of work,
- 19th ICLS *Resolution concerning statistics of work, employment and labour underutilization*, defines work as any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use



# Economic units

- The concept of economic unit used in the framework is aligned with that defined in the System of National Accounts (SNA 2008) which distinguishes between:
  - market units (i.e. corporations, quasi-corporations and household unincorporated market enterprises);
  - non-market units (i.e. government and non-profit institutions serving households); and
  - households that produce goods or services mainly for own final use (domestic households).



# Units of analysis/classification

Statistics on work relationships refer primarily to characteristics of **jobs** or **work activities** in particular economic units.

A **job** or **work activity** is defined in the 19<sup>th</sup> ICLS resolution as **a set of tasks and duties performed, or meant to be performed, by one person for a single economic unit.**

- The term *job* is used in reference to employment.
- This statistical unit, when relating to own-use production work, unpaid trainee work, and volunteer work is referred to as *work activity*.

A person may therefore have as many work relationships as he or she has jobs or work activities in economic units.



# Classification criteria

- The framework uses two aspects of the work relationship as criteria to differentiate categories of jobs and work activities according to status.
  - *type of authority* that the worker is able to exercise in relation to the work performed and
  - *the type of economic risk* to which the worker is exposed.



# Dichotomy base on type of authority

## *Independent workers*

- control the activities of the economic units in which they work, either entirely independently or in partnership with others.
- make the most important decisions about the activities of the economic unit and the organization of their work.
- are not supervised by other workers
- are not dependent on a single other economic unit or person for access to the market, raw materials or capital items.
- may work on their own account or in partnership with other independent workers and may or may not provide work for others.

## *Dependent workers*

- do not have complete authority or control over the economic unit in which or for which they work.

### include:

- Dependent contractors
- Employees,
- Contributing Family Workers



## Dichotomy base on type of economic risk - analagous to self-employment and paid employment

### *Workers in employment for profit*

- remuneration is directly and entirely dependent on the profit or loss made by the economic unit in which they are employed,
  - including remuneration in cash or in kind by way of a commercial contract for goods produced or services provided.
- do not receive a wage or salary in return for time worked.
- ❖ **Owner-operators of corporations are excluded**

### *Workers in employment for pay*

- receive, or expect to receive, remuneration in cash or in kind, in return for time worked or for each piece or service produced.
- They include:
  - employees
  - **owner-operators of corporations who hold a job in an incorporated enterprise which they own and control.**



# Classification of Status in Employment

- Ten detailed categories that can be aggregated according to two alternative hierarchies
- The first hierarchy is based on the type authority
  - Dichotomy between dependent workers and independent workers.
- The second hierarchy is based on economic risk
  - dichotomy between employment for pay and employment for profit.
  - analogous to the traditional distinction between paid employment and self-employment.



# Classification of status based on type of Authority/dependency (ICSE-18-A)

## Independent workers

### Employers

- Employers in corporations
- Employers in household market enterprises

### Owner-operators of enterprises without employees

- Owner-operators of corporations without employees
- Own-account workers in household market enterprises

## Dependent workers

### Employees

- Permanent employees
- Fixed-term employees
- Casual and short-term employees
- Paid apprentices, trainees and interns

### Dependent contractors

### Contributing family workers



# Classification of status based on the type of economic Risk (ICSE-18-R)

## Workers in employment for profit

- Employers in household market enterprises
- Owner-operators of household market enterprises without employees
- **Dependent contractors**
- **Contributing family workers**

## Workers in employment for pay

### Owner-operators of corporations

- **Employers in corporations**
- **Owner-operators of corporations without employees**

### Employees

- Permanent employees
- Fixed-term employees
- Casual and short-term employees



# Status at Work

- Three level hierarchical classification
- An extension of Status in Employment to cover all forms of work
- 20 mutually exclusive categories at 3<sup>rd</sup> level
  - defined on the basis of
    - the type of authority that the worker is able to exercise in relation to the work performed,
    - the type of economic risk to which the worker is exposed.
- Covers all jobs and work activities in all forms of work, including own-use production work, employment, unpaid trainee work, volunteer work and other forms of work.
- Each detailed Status at Work group relates to only one form of work
- Aggregate categories are based on the type of authority



# I Independent workers

## 1 Employers\*\*

- 11 Employers in corporations\*
- 12 Employers in household market enterprises\*
- 13 Employers in own-use production of services
- 14 Employers in own-use production of goods
- 15 Volunteers employing others

## 2 Independent workers without employees\*\*

- 21 Owner-operators of corporations without employees\*
- 22 Owner-account workers in household market enterprises \*
- 23 Own-account workers in own-use production of services
- 24 Own-account workers in own-use production of goods
- 25 Own-account volunteers



# D Dependent workers\*\*

3	<b>Dependent contractors*</b>
30	Dependent contractors*
4	<b>Employees*</b>
41	Permanent employees*
42	Fixed-term and seasonal employees*
43	Casual and short-term employees*
44	Paid apprentices, trainees and interns*
5	<b>Family helpers**</b>
51	Contributing family workers*
52	Family helpers in own-use production of services
53	Family helpers in own-use production of goods
6	<b>Unpaid apprentices, trainees and interns</b>
60	Unpaid apprentices, trainees and interns
7	<b>Dependent volunteers</b>
70	Dependent volunteers
9	<b>Other workers</b>
90	Other workers



# ICSW-18 versus ICSE-18

## Independent workers\*\*

### 1 Employers\*\*

- 11 Employers incorporations with employees
- 12 Employers in household market enterprises\*
- 13 Employers in own-use production of services
- 14 Employers in own-use production of goods
- 15 Volunteers employing others

### 2 Independent workers without employees\*\*

- 21 Operators of corporations without employees\*
- 22 Owner-operators of household market enterprises without employees\*
- 23 Own-account workers in own-use production of services
- 24 Own-account workers in own-use production of goods
- 25 Own-account volunteers

## Dependent workers\*\*

### 3 Dependent contractors\*

- 30 Dependent contractors\*

### 4 Employees\*

- 41 Permanent employees\*
- 42 Fixed-term employees\*
- 43 Casual and short-term employees\*

### 5 Family helpers\*\*

- 51 Contributing family workers\*
- 52 Family helpers in own-use production of services
- 53 Family helpers in own-use production of goods

### 6 Unpaid apprentices, trainees and interns

- 60 Unpaid apprentices, trainees and interns

### 7 Dependent volunteers

- 70 Dependent volunteers

### 9 Other workers

- 90 Other workers

Employment

Four forms of unpaid work



# Aggregations for statistics on own-use production and volunteer work

## Own-use production work

### Workers in own-use production of services

- 13 **Employers** in own-use production of services
- 23 **Own-account workers** in own-use production of services
- 52 **Family helpers** in own-use production of services

### Workers in own-use production of goods

- 13 **Employers** in own-use production of goods
- 23 **Own-account workers** in own-use production of goods
- 52 **Family helpers** in own-use production of goods

## Volunteer work

### Volunteer workers

- 15 Volunteers **employing** others
- 25 **Own-account** volunteers
- 70 **Dependent** volunteers



# Concepts to be covered by a series of cross-cutting variables

## Required for ICSE-18

- Duration of work contract
- Contract type
- Contractual hours of work
- Forms of remuneration.
- Place of work
- Job-dependent social protection coverage

## Essential

- Duration of employment in the current economic unit
- Reason for non-permanent employment
- Seasonality
- Full-time/part-time status
- Domestic workers
- Homeworkers home-based workers
- Multi-party work relationships
- Access to paid annual leave
- Access to paid sick leave

## Recommended

- Number of employees in the economic unit in which the worker is employed
- Main form of remuneration

Thank you