



Impact of the 20th ICLS Resolution concerning statistics on work relationships on the Framework for Measuring Quality of Employment

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 - Available at:
https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/meetingdocument/wcms_648693.pdf
- Impact of some elements of the Resolution on MQE indicators
 - ICSE 18
 - Cross cutting variables
- Proposed way forward



20th ICLS Resolution Concerning statistics on work relationships: Key elements

- **Reference concepts**
 - Statistical units, key concepts, classification criteria and framework
- **Revised International Classification of Status in Employment (ICSE-18) → previously ICSE-93**
 - Comprises ten detailed categories that can be organised according to the two dimensions, i.e. *type of authority* and *type of economic risk*
- **International Classification of Status at Work (ICSaW-18)**
 - Extends the classification of Status in Employment to cover all forms of work, both paid and unpaid
- **A set of cross-cutting variables**
 - Supports the derivation and analysis of the status at work categories
- **Data sources and guidelines for data collection**
- **Indicators**



Classification of Status in Employment based on Type of Authority (ICSE-18-A)

Independent workers

Employers

- Employers in corporations
- Employers in household market enterprises

Independent workers without employees

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

Dependent workers

Employees

- Permanent employees
- Fixed-term employees
- Short-term and casual employees
- Paid apprentices, trainees and interns

Dependent contractors

- Dependent contractors

Contributing family workers

- Contributing family workers



Classification of Status in Employment based on the Type of Economic Risk (ICSE-18-R)

Workers in employment for profit

Independent workers in household market enterprises

- Employers in household market enterprises
- Own-account workers in household market enterprises without employees

Dependent contractors

- Dependent contractors

Contributing family workers

- 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
- Short-term and casual employees
- Paid apprentices, trainees and interns



Own-account workers, Dependent contractors

- **Own-account workers – name and definitional change**
 - In ICSE-93, OAWs could have employees but not *on a continuous basis*.
 - In ICSE-18, the new category *Independent workers without employees* (that includes the subcategory *Own-account workers in household market enterprises without employees*) by definition may not have employees *on a regular basis* during the reference period
 - A test for regularity is included in the new standards for more harmonized measurement
- **Dependent contractors – new category**
 - Under ICSE-93 would have been counted either as employees or own-account workers
 - Their inclusion in ICSE-18 involves a conceptual change in boundaries of employees and independent workers
- **These and other changes affect conceptual scope of different categories and potentially estimates of the MQE indicators**



20th ICLS Resolution I:

Three types of cross-cutting variables

- **Required**

- Duration of work agreement
- Type of employment agreement
- Contractual hours of work
- Forms of remuneration

Required for deriving the Status in Employment

- **Essential**

- Duration of employment in the current economic unit
- Hours usually worked
- Full-time/part-time status
- Reasons for non-permanent of job
- Preference or not for a non-permanent job
- Seasonal workers
- Type of workplace
- Domestic workers
- Home-based workers
- Multi-party work relationships
- Job-dependent social protection coverage
- Paid annual leave
- Paid sick leave
- Institutional sector

Essential for the compilation of coherent statistics on work relationships

- **Recommended**

- Number of employees in the economic unit in which the worker is employed
- Main form of remuneration
- Reasons for preferring a non-permanent job
- Entrepreneurs

Recommended: may be relevant depending on context and need



20th ICLS Resolution I : Impact of ICSE-18 on the MQE Indicators (1)

MQE indicator sheets include section on recommended disaggregations

- Some explicitly recommend using **ICSE-93**
- **Employment status disaggregations recommended for different indicators:**
 - **Employees / self-employed** breakdowns (for total employment) → In ICSE-18 there is no equivalent of self-employed since there was no agreement of how the term should be statistically defined.
 - *Note: Need to consider which dichotomy is most suitable for indicator disaggregation: (1) independent workers / dependent workers or (2) workers in employment for profit / workers in employment for pay, depending on the indicator and intended use*
 - **All six detailed ICSE-93 categories** (including workers not classifiable by status which no longer exists) → This is most similar to the five second level categories in ICSE-18-A
 - Full-time /part-time employees (for employees) → no issues on this due to ICSE-18
- **Note: Self-employment category is no longer recognized in ICSE-18.** Members of producers' cooperatives is also no longer included in ICSE-18.



20th ICLS Resolution I : Impact of ICSE-18 on the MQE Indicators (2)

- **Alignment of specific MQE indicators with new categories in ICSE-18**
 - Indicator “Fixed-term contracts” (4a1) seems to align with “Fixed-term employees”.
 - Indicator “Self-employed with one client” (4a4) shares some characteristics with the new Dependent Contractor (DC) category
 - Could perhaps be replaced with an indicator of DC
- **Many MQE indicators target specific status in employment categories, directly or indirectly**
 - **Example indicators targeting employees:**
 - Percentage of employees entitled to paid annual leave; actual days of paid leave; days of sick leave entitlement; pay gap; earnings by deciles
 - **Example indicators targeting self-employed:**
 - Own-account worker rate, self-employed with one client; employment-related income of self-employed
 - Some of these categories are no longer aligned with the concepts/definitions of ICSE-18, especially **self-employed (no longer exists)** and **own-account worker (new category of Independent workers without employees and revised definition)**



20th ICLS Resolution I : Examples of the potential value of the cross-cutting variables for the MQE indicators (1)

- **Temporary employment agency workers (4a6):** Variable «Multiparty work relationships» may help support harmonized measurement, especially helping to distinguish between:
 - (a) Agency workers (target group in 4a6)
 - (b) Employees providing outsourced services.
 - (c) Workers in employment promotion schemes.
- **Lack of formal contract (4a7):**
 - Although «formal» is not defined in the indicator sheet, the new variable «Type of employment agreement» may help support measurement of the indicator
 - According to the Resolution, at a minimum, categories for “written contract” and “oral agreement” should be used in statistical outputs.



20th ICLS Resolution I : Examples of the potential value of the cross-cutting variables for the MQE indicators (2)

- **Precarious employment rate (4ax1):**
 - Should consider treatment of casual workers, short-term workers and seasonal workers in the 20th ICLS Resolution I (i.e. ICSE-18 employee categories and cross-cutting variables) to help better support construction of the indicator
 - Seasonal workers, duration of work agreement and duration of employment in the current economic unit are *new cross cutting variables* that may support measurement
- **Informal employment rate (4ax2) and 2b non-wage pecuniary benefits indicators (paid leave and sick leave):**
 - Three cross-cutting variables help understand the degree of social protection available to employed persons and the extent of economic risk in the event of work absence: (a) job-dependent social protection, (b) access to paid annual leave and (c) access to paid sick leave
 - **Need more clarity regarding treatment of dependent contractors in informality**
 - **As ILO WG on measuring informality for 21st ICLS has initiated, should follow closely the outcomes**



Considerations in revising the MQE Handbook to reflect new ICLS standards

- Updating MQE framework to align with 19th ICLS Resolution I on work statistics will affect the scope for revising further according to the 20th ICLS Resolution I on work relationships
 - Updating MQE handbook to reflect both 19th and 20th ICLS standards can be done in parallel but should be closely coordinated
- Implementation of 20th ICLS Resolution I standards in LFS and other data collection instruments will take time
 - Nonetheless, work is advancing and some countries have started the implementation
 - Expert Group on MQE should prepare for the changes by reviewing/updating the MQE manual, selected indicator sheets



Proposed way forward (1)

Should review MQE manual to reflect ICSE-18 which replaces ICSE-93. Recommend:

- **Replacing ICSE-93 citations throughout the manual with ICSE-18.**
- **Deleting manual references to self-employment.**
- **Reflecting on new names and target scope for MQE indicators that use self-employment in the title, e.g. self-employed with one client; employment-related income of self-employed**
- **Replacing recommendations of disaggregations by employees / self-employed with disaggregations using the ICSE-18A dichotomy, Independent Workers/Dependent workers or the ICSE-18-R dichotomy, Workers in employment for pay / Workers in employment for profit, depending on the indicator and intended use**
- **Replacing recommendations to use the six detailed ICSE-93 categories with the five second level categories in ICSE-18-A:**
 - (1) Employers, (2) Independent workers without employees, (3) Employees, (4) Dependent contractors, and (5) Contributing family workers



Proposed way forward (2)

- **Should consider reviewing and updating as necessary specific indicator sheets to reflect new detailed ICSE-18 categories**
 - Example 1: the “Fixed-term contracts” (4a1) indicator sheet could be reviewed and updated as necessary to make reference to the new ICSE-18 detailed category “fixed-term employees”
 - Example 2: the “Self-employed with one client” (4a4) indicator shares some characteristics with the new Dependent Contractor category and should be reviewed and updated as necessary
- **Recommend a more thorough review of the potential uses of the cross-cutting variables to the MQE indicators and their integration into the indicator sheets.**
- **Should consider preparing a text for MQE manual users regarding the impact of the changes, how to integrate them and the need for communicating changes with data users.**



Thank you for your attention

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