

▶ ICSE in administrative records

ICSE-93 6-Substantive Groups

Organized in workers in employment for pay versus profit

Paid employment jobs	Self-employment jobs	
1. Employees	2. Employers 3. Own-account workers 4. Members of producers' cooperatives 5. Contributing family workers	6. Workers not classifiable by status

However, the dichotomy was not entirely clear. Created discrepancies between countries but also within countries (administrative records versus surveys, SNA versus labour statistics)

► Statistical treatment of particular groups

- Owner-managers of incorporated enterprises
- Regular employees with fixed-term contracts
- Regular employees with contracts without limits of time
- Workers in precarious employment
- Casual workers
- Workers in short-term employment
- Workers in seasonal employment
- Outworkers
- Contractors
- Workers engaged by labour hire agencies
- Work gang (crew) members
- Employment promotion employees
- Apprentices or trainees
- Employers of regular employees
- Core own-account workers
- Franchisees
- Sharecroppers
- Communal resource exploiters
- Subsistence workers

Groups that may be classified either as in paid employment or as in self-employment depending on national context and the source use

ICSE-18 addresses this issue by including the two different hierarchies

The same ten detailed categories can be organised according to the two dimensions type of authority and type of economic risk

International Classification of Status in Employment according to type of authority (ICSE-18-A)

- Creates a dichotomy between independent workers and dependent workers
- Typically be more adapted to be used as a structure if ICSE-18 is to be collected in a survey

Classification of Status in Employment according to type of economic risk (ICSE-18-R)

Creates a dichotomy between workers for profit and workers for pay

- Typically be more adapted to be used as a structure if ICSE-18 is to be collected by administrative records

However, if all 10 detailed categories can be identified then both hierarchies can be constructed.

The use of administrative sources

- ▶ Administrative sources based on e.g. tax systems, employment services, pension schemes and social security administration are used in some countries to measure employment (and more and more countries is investigating this possibility).
- ▶ It enable reliable breakdowns at a detailed level, which might be of great use for monitoring and analysing the labour market.
- ▶ At the same time administrative sources are typically not created for deriving labour statistics but for administrative purposes. A challenge to transform the administrative sources to meet the international standards
- ▶ It do not capture informal employment
- ▶ The capacity to derive ICSE-18 by administrative records depends on the registers available.

▶ The use of administrative sources cont.

- ICSE-18 according to type of economic risk, would typically be a natural starting point when using administrative sources
 - the hierarchy based on economic risk more aligned with the possibilities and restrictions that are inherent in the use of administrative data
 - Economic risk operationalized by remuneration, is information that can be accessible in administrative sources (compared to degree of authority).
- In addition, typically be possible to create an administrative based socio-economic classification based on the hierarchy according to type of economic risk
 - This would enrich the possibilities of carrying out register based labour market analysis in general.
 - Need to take the specific possibilities and limitations within the countries administrative sources in to account.

How to create ICSE-18 according to type of economic risk, by using administrative sources

-What type of information needs to be available?

Box 2. Classification of Status in Employment according to type of economic risk (ISCE-18-R)

Workers in employment for profit:

F. Independent workers in household market enterprises

12 – Employers in household market enterprises

22 – Own-account workers in household market enterprises without employees

C. Dependent contractors

30 – Dependent contractors

E. Contributing family workers

51 – Contributing family workers

Workers in employment for pay:

G. Owner-operators of corporations

11 – Employers in corporations

21 – Owner-operators of corporations without employees

D. Employees

41 – Permanent employees

42 – Fixed-term employees

43 – Short-term and casual employees

44 – Paid apprentices, trainees and interns

The 1st level category of workers in employment for profit has four different 3rd level categories:

Employers in household market enterprises

Own-account workers in household market enterprises without employees

(Dependent contractors)

(Contributing family workers)

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

- **In order to distinguish between these groups we need to have admin info regarding:**
- *Incorporated/Unincorporated:* employers in household market enterprises and own-account workers in household market enterprises without employees operate and control an unincorporated enterprise for profit.
 - Could exist in administrative sources e.g. business register.
 - Unregistered enterprises in the informal sector would not be identified
- *Having employees:* having regular employees is a key characteristic that creates the boundary between:
 - Employers in household market enterprises versus own-account workers in household market enterprises without employees.
 - Information regarding the number of employees and for what period they worked, might be available in administrative sources e.g. business register and employment register
- *Type of remuneration:* employers in household market enterprises and own-account workers in household market enterprises without employees share the characteristic of receiving profit for their work.
 - This information might be available in e.g. an income register or a tax register.

However, it would typically not be possible to identify

- **Dependent contractors:** workers in employment for profit that is operational and/or economic dependency on another economic unit that exercise control over the activities.
 - This information would typically not be available in administrative sources
 - Dependent contractors would instead be included in the category own-account workers in household market enterprises without employees
 - Not impact on the aggregated level of workers in employment for profit, since both own-account workers in household market enterprises without employees and dependent contractors are workers for profit
- **Contributing family workers:** Contributing family workers are unpaid workers that might benefit from intra household transfers.
 - These types of transfers would typically not be registered and the work of contributing family workers would therefore not be part of administrative sources.
 - This would have an impact on the aggregated level of workers employed for profit
 - But not a change compared to the previous ICSE-93

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The first level category of workers in employment for pay has two 2nd level categories:

Owner-operators of corporations

Employees

In order to distinguish between these two groups we need to have admin info regarding:

- *Ownership and control over the enterprise:* owner-operators of corporations holds controlling ownership of the enterprise either alone, or together with others
 - Employees do not hold controlling ownership of the economic unit in which they are employed.
 - Ownership over the economic unit could be part of an administrative source e.g. a business register or a register over owners and co-owners. However, it would be necessary to operationally define what the threshold should be for having “controlling” ownership.
- *Incorporated/Unincorporated:* owner-operators of corporations operate and control an incorporated enterprise.
 - The identification of incorporated enterprises could typically be identified in administrative sources e.g. business register.
- *Forms of remuneration:* owner-operators of corporations and employees share the characteristic of receiving pay for their work.
 - The pay would typically be in the form of wage or salary related to hours worked
 - But could also be in the form of payment by the piece or commission for sales.
 - This information might be available in e.g. an income register or a tax register.
 - Both owner-operators of corporations and employees who hold shares in the corporation may also be remunerated in other forms such as dividends from profits.
 - Some owner-operators of corporations may choose not to receive a wage or salary and only be remunerated in the form of dividends which needs to be taken into account.

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**Owner-operators of corporations
have two 3rd level categories:**

Employers in corporations

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

In order to distinguish between these two groups we need to have admin info regarding:

- *Having employees:* The information regarding employees would typically be possible to identify in administrative sources e.g. business register, employment register.
 - Owner-operators of corporations who are registered as employees of the corporation would need to be identified separately from employees, so that those owner-operators whose only employees are themselves are not classified as employers.

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Employees have four different 3rd level categories:

Permanent employees

Fixed-term employees

Short-term and casual employees

Paid apprentices, trainees and interns

Some limitations

- The boundaries between:
 - Permanent employees
 - Fixed-term employees
 - Short-term and casual employees
 - Paid apprentices, trainees and interns
- Refers to characteristics of the contract or agreement of employment
- These aspects would typically not be possible to identify in administrative sources.
- Paid apprentices, trainees and interns might be possible to identify by using a combination of an education register, income register and business registers.
- The inability to define the sub-classification of employees would however, not impact on the aggregate number of employees.

- With the exception of dependent contractors, contributing family workers and the sub-categorisation of employees it would be possible to measure and define the different statuses in employment using different administrative sources.

Status in employment	Type of remuneration	Incorporated	Own and controls the enterprise	Having employees
Workers in employment for profit				
<i>Independent workers in household market enterprises</i>	Profit	No	Yes	-
Employers in household market enterprises	Profit	No	Yes	Yes
Own-account workers in household market enterprises without employees	Profit	No	Yes	No
<i>(Dependent contractors)</i>	-	-	-	-
<i>(Contributing family workers)</i>	-	-	-	-
Workers in employment for pay				
<i>Owner-operators of corporations</i>	Pay	Yes	Yes	-
Employers in corporations	Pay	Yes	Yes	Yes
Owner-operators of corporations without employees	Pay	Yes	Yes	No
Employees	Pay	NA	No	NA
<i>Permanent employees</i>	-	-	-	-
<i>Fixed-term employees</i>	-	-	-	-
<i>Casual and short-term employees</i>	-	-	-	-
<i>Paid apprentices, trainees and interns</i>	Might be possible to identify by using education register and tax register/income register			

- But it depends on the administrative records available and a national assessment is necessary
- Need to be transparent, what deviations, limitations exists compared to the international standards



Thank you

