

## **ICSE-18**

# **The 20<sup>th</sup> ICLS resolution I concerning statistics on work relationships**

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# Why was a revision of ICSE-93 necessary?

- 19th ICLS resolution I concerning statistics of work, employment and labour underutilization
  - Which introduced the concept of work
  - the five forms of work
  - the revised definition of employment
- Increasing criticism against ICSE-93
  - increasing uncertainty about the boundary between self-employment and paid employment
  - Create a classification suitable for labour statistics **and** SNA
  - Non-standard forms of employment: dependent contractors, short-term and zero hours contracts etc.

Provide a more detailed and meaningful classification that better reflects working relationships in the labour market



# Process of revision

- A revision of ICSE-93 were initialized at the 19<sup>th</sup> ICLS following the procedure for ILO of revising statistical standards:
  - A WG was established to support the work of the ILO
  - A series of regional meeting were held
  - Discussed at a tripartite meeting of experts
- The resolution concerning statistics on work relationships was discussed and adopted at the 20<sup>th</sup> ICLS, October 2018



# Outline of the Resolution I concerning statistics on the work relationship

- **Reference concepts**
  - Defines the reference concepts such as statistical units, type of authority and type of economic risk
- **Revised International Classification of Status in Employment (ICSE-18)**
  - Comprises ten categories applicable to employment and that can be organised in two different hierarchies
- **International Classification of Status at Work (ICSaW-18)**
  - Extension of the classification of Status in Employment to cover all forms of work paid and unpaid.
- **A set of cross-cutting variables**
  - That supports the derivation and analysis of the status at work categories
- **Guidelines on data measurement**
- **Indicators**



# ICSE-18

- Comprises ten detailed categories that can be organised according to the two dimensions *type of authority* and *type of economic risk*
- Creates two different hierarchies:
- International Classification of Status in Employment according to type of authority (ICSE-18-A)
  - Creates a dichotomy between independent workers and dependent workers
  - Suitable for various types of labour market analysis (such as analysis of the impact of economic cycles, of government policies and the identification of entrepreneurs) as well as for the compilation of statistics classified by socio-economic status
- 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
  - Suitable for the provision of data for national accounts, for the identification of wage employment and for the production and analysis of statistics on wages, earnings and labour costs.



# Classification of status 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 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



# ICSE-18 – dual hierarchy

## ECONOMIC RISK

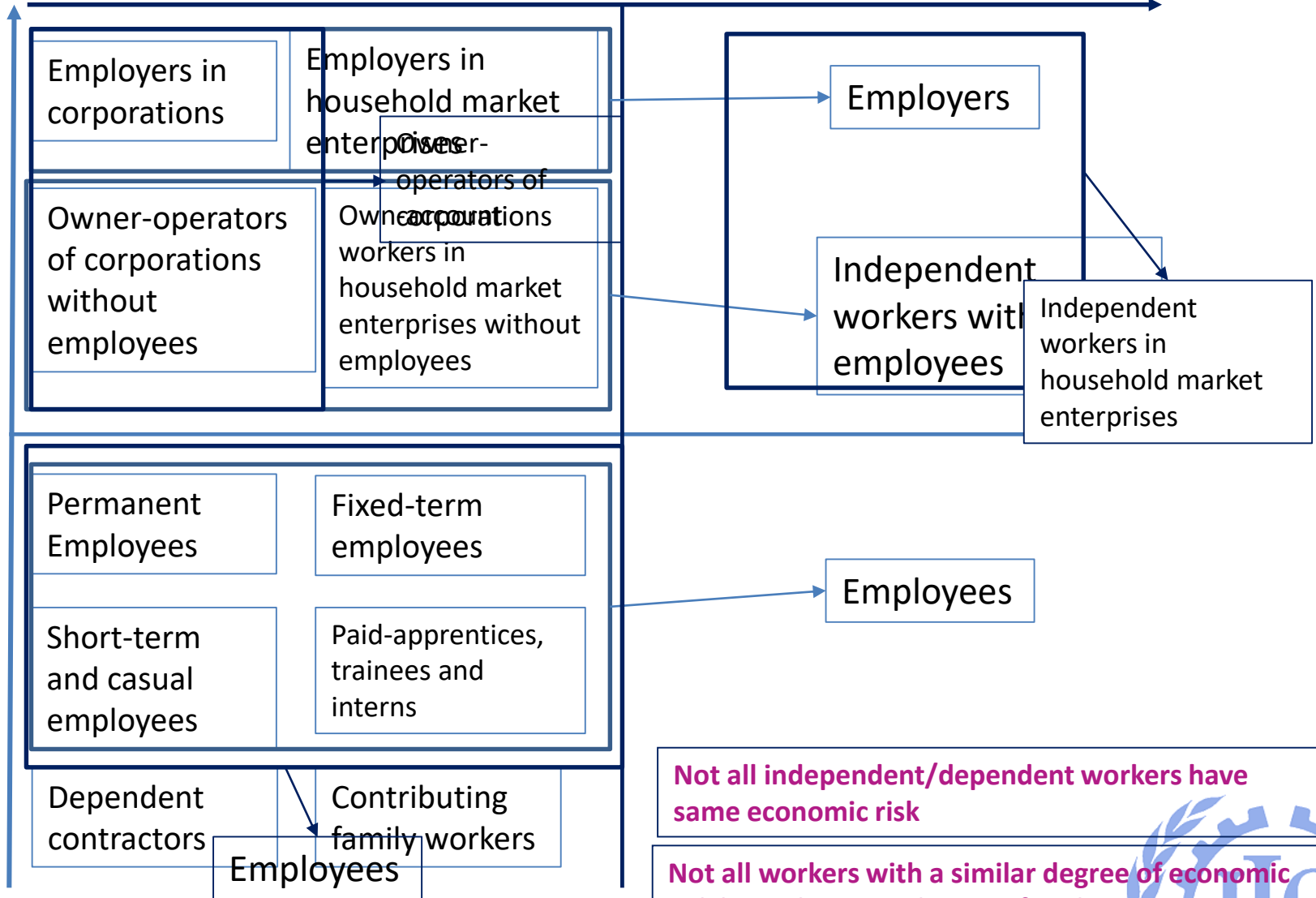
Workers in employment for pay

Workers in employment for profit

AUTHORITY

Independent workers

Dependent workers



Not all independent/dependent workers have same economic risk

Not all workers with a similar degree of economic risk have the same degree of authority





# Dependent contractors

- In-between situation (on the boundary between independent workers without employees and employees)
- “Dependent self-employed, disguised employment relationships, sham self-employment etc.”
- Major challenge for many statistical agencies in both the developed and developing world.
- Since these jobs do not fit comfortably into any of the substantive categories in ICSE-93, they are frequently classified either as own-account workers or as employees
- The need to address this problem was among the most challenging but also most important objectives of the revision work.



# Dependent contractors examples

- **Hairdressers who ‘rent’ a chair in a hairdressing salon**
  - purchase their materials (shampoos, dyes etc.) from the salon owner
  - Owner decide on the price of the services.
  - receive payment from their customers but must pay a portion of that to the salon owner.
- **Vehicle drivers who works for a transport company but are considered by the company as self-employed**
  - Transport company provides work and determines the payment
  - But takes no responsibility for workers’ compensation insurance, taxes and social contributions,
  - or to ensure that the hours worked by the driver fall within the legal limits for professional drivers.
- **Homeworkers who is subcontracted to perform tasks such as assembly work in manufacturing**
  - Trader or intermediary provides the main raw materials and pays by the piece for the finished goods.

Dependent contractors is a highly relevant category for digital platform employment, but is not a new category of workers

# Dependent contractors: Statistical definition

- Workers who have contractual arrangements of a commercial nature (but not a contract of employment) to provide goods or services for or through another economic unit
- Not employees of that unit but are workers in employment for profit
- They are paid by commercial transactions
  - Usually responsible for arranging their own social insurance
  - The entity of which they are dependent do not withhold income tax for them
- Do not employ one or more persons as an employee
- Depend on that unit for the organization of the work, income or access to market
- The dependency may be of operational or economic nature



# Main differences between ICSE-18 and ICSE-93

## ICSE-18:

- Refers to employment as defined by the 19th ICLS resolution I
- It includes 10 detailed categories of status in employment
  - The new category of dependent contractors
  - Two detailed categories of employers
  - Two detailed categories of own-account workers (independent workers without employees)
  - Four detailed categories of employees
  - Members of producers cooperatives do no longer constitute its own status in employment
- The same detailed categories can be organized in two different hierarchies, creating the dichotomies of independent workers/dependent workers, workers in employment for profit and workers in employment for pay
  - Clarifies the boundary between self-employed versus paid employment (aligned to SNA)
  - Creates different aggregated categories, but the same detailed categories



# ICSAW-18

- The International Classification of Status at Work (ICSaW-18) provides an organizing framework for all forms of work including *own-use production work, employment, unpaid trainee work, volunteer work and other forms of work*
- Can be viewed as an extension to ICSE-18-A



## 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

### 2 Independent workers without employees

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

## D Dependent workers

### 3 Dependent contractors

- 30 Dependent contractors

### 4 Employees

- 41 Permanent employees
- 42 Fixed-term employees
- 43 Short-term and casual employees
- 44 Paid apprentices, trainees and interns

### 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 Organization-based volunteers

- 70 Organization-based volunteers

### 9 Other workers

- 90 Other workers

-Employment

-Own-use production work  
-Unpaid trainee work  
-Volunteer work  
-Other work activities

# Cross-cutting variables

- The classification is complemented by a set of cross-cutting variables that provide information for characteristics that cut across several status categories
- Many of these are regularly covered, for example in LFS' but are not in general covered by international standards
- Output variables and categories to promote greater harmonization, coherence and international comparability
- "Explanatory notes" and the definitions of the output categories are provided in a conceptual framework

# Three types of CC-variables

- **Required**
  - Duration of work agreement
  - Type of employment agreement
  - Contractual hours of work
  - Forms of remuneration
- **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 of job
  - Seasonal workers
  - Type of work
  - Domestic workers
  - Home-based workers
  - Multi-party work relationships
  - Job-dependent social protection coverage
  - Paid annual leave
  - Paid sick leave
  - Institutional sector
- **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
  - Ownership of machinery, vehicles and premises

**Required** for deriving the status in Employment

**Essential** for the compilation of coherent statistics on work relationships

**Recommended:** that may be relevant depending on context and need



# Indicators

- Indicators are proposed to allow assessment and monitoring of:
  - ✓ labour market performance
  - ✓ the stability of employment relationships
  - ✓ exposure of the employed population to economic risk
  - ✓ participation in non-standard employment arrangements
- Indicators referring to employment:
  - More comprehensive for main job than secondary job
- Indicators for statuses referring to the unpaid forms of work are also included

**Thank you**

