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**Progress with the Review of the International Classification of Status in  
Employment (ICSE-93)**

David Hunter, ILO





Department of Statistics

Paper prepared the Expert Group on International Statistical Classifications  
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## **Progress with the Review of the International Classification of Status in Employment (ICSE-93)<sup>1</sup>**

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<sup>1</sup> Prepared by David Hunter, Senior Statistician, ILO Department of Statistics.

## Abbreviations

EU	European Union
ICLS	International Conference of Labour Statisticians
ICSaW	International Classification of Status at Work
ICSE	International Classification of Status in Employment
ILO	International Labour Organization
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification of All Economic Activities
LAC	Latin America and the Caribbean
LFS	Labour Force Survey
SNA	System of National Accounts
UN	United Nations

## Contents

Abbreviations.....	2
<b>1 Introduction and background.....</b>	<b>4</b>
Uses and requirements for statistics classified by status in employment.....	5
Overview of ICSE-93 .....	6
Impact of the Resolution concerning statistics of work, employment and labour underutilization....	8
The concept of work .....	9
Forms of work.....	9
Alignment of the framework for work statistics with the System of National Accounts .....	9
Issues addressed in the revision of ICSE-93 .....	10
<b>2 Conceptual framework for statistics on work relationships .....</b>	<b>11</b>
Statistical Units and Work Relationships.....	11
Refinement of the definition of job.....	12
<b>3 Status in employment .....</b>	<b>14</b>
International Classification of Status in Employment According to Type of Authority (ICSE-18-A) .....	14
International Classification of Status in Employment According to Type of Economic Risk (ICSE- 18-R).....	15
Summary of differences between ICSE-93 and the proposed ICSE-18.....	15
<b>4 International Classification of Status at Work (ICSaW-18).....</b>	<b>17</b>
Status at work categories and the System of National Accounts production boundaries .....	19
<b>5 Cross-cutting variables and categories .....</b>	<b>21</b>
<b>6 Conclusions.....</b>	<b>22</b>

# 1 Introduction and background

1. This paper outlines progress with the revision of the International Classification of Status in Employment (ICSE-93) prepared for consideration at the Meeting of the Expert Group on International Statistical Classifications in New York from 6 – 8 September 2017. The aim of the revision is to replace ICSE-93 with a suite of statistical standards and classifications on work relationships for adoption as a resolution of the 20<sup>th</sup> International Conference of Labour Statisticians (ICLS) in October 2018. The revision was mandated in 2013 by the 19<sup>th</sup> ICLS.
2. The ILO has established a working group to assist in the development of the new standards. Participants include producers and users of labour and economic statistics from national government agencies in all regions of the world, as well as from international and regional organizations and from workers' and employers' organizations. Following the first meeting of the working group The Expert Group on classifications nominated Norbert Rainer of Statistics Austria to represent it as an observer in the Working Group. Unfortunately, Norbert was not able to attend the second and third meetings and has now retired. The fourth meeting of the working group will take place in Geneva from 25 to 28 September 2017.
3. To widen the consultation process, the ILO has organized Preparatory Regional Meetings of Labour Statisticians, covering all regions of the world. These regional meetings seek to enhance the participation of member states in the 20<sup>th</sup> International Conference of Labour Statisticians (ICLS) and obtain feedback on the current proposals, especially with respect to technical feasibility.
4. Regional meetings for Asia, Africa and Europe took place during the first half of 2017. These were in Bangkok, Thailand from 28 February to 2 March 2017, in Dar es Salaam, Tanzania from 31 May to 2 June 2017 and in Geneva, Switzerland from 20 to 22 June 2017. A regional meeting for the Arab States will take place in Muscat, Oman, from 9 to 11 October 2017.
5. A slightly different approach has been taken for consultations in Latin America and the Caribbean taking advantage of existing regional mechanisms for the coordination of labour market statistics through the regional Working Group on Labour Market Indicators and Statistics. At the December 2016 meeting of this working group the ILO provided a discussion on the status of the review of which was followed by a discussion on the regional position with respect to the revision work. Comments on the proposals are being coordinated through the LAC working group and will be presented in consolidated form for discussion at the fourth meeting of the global working group.
6. Canada and the United States of America (USA) were invited to both the LAC working group meeting and the meeting in Geneva. The USA participated in the Geneva meeting.
7. During these regional consultations the following topics were discussed:
  - A proposed conceptual framework for statistics on work relationships;
  - A draft updated International Classification of Status in Employment (ICSE-18);
  - A proposed new International Classification of Status at Work (ICSaW-18) which extends the classification of status in employment to cover all forms of work;
  - Draft guidelines for the collection of data on status in employment;

- Various cross-cutting variables highlighting the variables for Domestic workers, Multi-party employment arrangements and the measurement of various aspects of informal employment;
  - The identification of opportunities for testing the measurement approach and the prioritization of those aspects of the framework that most urgently need to be tested.
8. An online collaboration platform on the revision of ICSE-93 has been established to allow participants in the working group and regional meetings to comment on draft material and contribute to the work.
  9. The proposed classifications and standards discussed during the regional meetings were developed on the basis of the conclusions of the third Meeting of the Working Group which took place in Geneva from the 29<sup>th</sup> of November to the 1st of December 2016. They will be presented in the form of a draft resolution for statistics on work relationships to be considered at the fourth meeting of the Working Group. The draft resolution will then be updated and presented in English, French and Spanish as an annex to a report for consideration at a formal Tripartite Meeting of Experts on Labour Statistics that will take place in Geneva from 5 – 9 February 2018. Based on the outcome of these discussions an updated report and draft resolution will be prepared for consideration at 19<sup>th</sup> ICLS.
  10. A paper on the revision of ICSE was prepared for the 2015 meeting of the Expert Group. It briefly discussed the uses and requirements for statistics classified by status in employment, and provided an overview of ICSE-93 and the main elements of the 19<sup>th</sup> ICLS Resolution on statistics of work, employment and labour-underutilization. This paper also described the issues being addressed in the revision and summarized the main outcomes of the first meeting of the Working group.
  11. In the present paper the background information on the current standards and the uses of the statistics is presented in abridged form for the convenience of members of the working group, followed by an overview of the current proposals. The current draft of the resolution, which will be discussed at the fourth meeting of the working group, is provided as Annex 1.

## **Uses and requirements for statistics classified by status in employment**

12. Statistics on the relationship between the worker and the economic unit in which the person works, including statistics in which jobs are currently classified by status in employment are used for a wide variety of purposes in both economic and social analysis.
13. Firstly, they provide information on the nature of the economic risk and authority that the employed population experiences at work, and on the strength and nature of the attachment of workers to the economic unit in which they are employed and thereby provide a potential indicator of unstable or insecure employment situations.
14. Changes in status in employment distributions may also reflect the relationship between economic cycles and employment in higher risk, lower income, less secure jobs. For example, such changes may reflect the extent to which those who lose jobs in paid employment engage in various forms of self-employment may, therefore, indicate a deterioration in labour market conditions during times of economic crisis

15. Economic and labour market policy analysts use statistics on status in employment to identify entrepreneurs and to assess the impact of self-employment and entrepreneurialism on employment and economic growth and to evaluate government policies and proposals related to economic development and job creation.
16. Statistics classified by status in employment are important for the identification of wage employment and its distribution and for the production and analysis of statistics on wages, earnings and labour costs. In some countries they are needed to estimate revenue from social contributions and assist in determining the level of contributions to be paid.
17. In social statistics, status in employment is an important explanatory variable in its own right and is frequently also used as an input variable in the production of statistics on the socio-economic status of persons and households.
18. Data classified by status in employment also provide an important input to national accounts. The distinction between employees and the self-employed is of particular significance for national accounting purposes. The income derived from employment of employees is treated in the System of National Accounts (SNA) as compensation of employees, whereas the income of the self-employed is treated as mixed income.
19. Reflecting these diverse uses, statistics on employed persons or jobs by status in employment are widely collected in household-based collections such as labour force surveys, social surveys and population censuses as well as in employer surveys. The development and use of a consistent and coherent system of statistical standards for work relationships, including on status in employment, will therefore facilitate more meaningful comparisons of data from different sources (e.g. household surveys with employer surveys or administrative sources where coverage may be limited to employees).

## **Overview of ICSE-93**

20. ICSE-93 was adopted through a resolution of the 15th ICLS in January 1993. It is the current international standard for statistics on the employment relationship. It classifies jobs 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. It aims to provide the basis for the production of internationally comparable statistics on the employment relationship, including the distinction between paid employment and self-employment.
21. The following five substantive categories are specified:
  - Employees
  - Employers
  - Own-account workers
  - Members of producers' cooperatives
  - Contributing family workers
22. Whilst the self-employed are not defined as a substantive group in ICSE-93, the groups are defined with reference to the distinction between 'paid employment jobs' and 'self-employment



jobs'. The last four groups listed above form the self-employed. The structure of ICSE-93 can thus be represented as follows:

Paid employment jobs  
Employees

Self-employment jobs  
Employers  
Own-account workers  
Contributing family workers  
Members of producers' cooperatives

Workers not classifiable by status

23. These categories no longer provide sufficient information to adequately monitor changes in employment arrangements that are taking place in many countries and are not sufficiently detailed to monitor various types of precarious or non-standard forms of employment. A variety of new contractual arrangements that aim to increase flexibility in the labour market are leading to increasing uncertainty about the boundary between self-employment and paid employment, while at the same time generating a need for statistical information to monitor the impact of these arrangements.
24. The final group, Workers not classifiable by status, includes 'those for whom insufficient relevant information is available and/or who cannot be included in any of the preceding categories'. Since this group does not relate to any observable phenomenon, it is proposed to delete this category from the new standards, and replace it with guidelines on the treatment of missing or insufficient data.
25. ICSE-93 also provides advice on 'the possible statistical treatment of particular groups' that are relevant for analysis of the changes that are taking place in the labour market and could potentially satisfy some of the unmet needs for statistics. Some of the groups represent subcategories of one of the specific ICSE-93 categories. Others may cut across two or more of these categories. It suggests that according to national requirements, countries may need and be able to distinguish one or more of the groups and may also create other groups. The advice provided covers the following groups:
  - a) Owner-managers of incorporated enterprises
  - b) Regular employees with fixed-term contracts
  - c) Regular employees with contracts without limits of time
  - d) Workers in precarious employment
  - e) Casual workers
  - f) Workers in short-term employment
  - g) Workers in seasonal employment
  - h) Outworkers
  - i) Contractors
  - j) Workers who hold explicit or implicit contracts of 'paid employment' from one organization, but who work at the site of and/or under instructions from a second organization which pays the first organization a fee for their services
  - k) Work gang (crew) members

- l) Employment promotion employees
- m) Apprentices or trainees
- n) Employers of regular employees
- o) Core own-account workers
- p) Franchisees
- q) Sharecroppers
- r) Communal resource exploiters
- s) Subsistence workers

26. These groups are not organized into a coherent classificatory framework, however, and the advice provided in the ICSE-93 resolution is not definitive about the treatment of some of the groups. For example, Owner-managers of incorporated enterprises and Contractors may be classified as employees or as self-employed workers according to national circumstances. As a result, international comparison and analysis of trends related to the mix between paid employment and various categories self-employment are compromised, since national practices are not consistent. Based on the discussions at the 19<sup>th</sup> ICLS, the definitions and statistical treatment of several of these groups were identified as issues to be addressed in the review of ICSE-93.

### **Impact of the Resolution concerning statistics of work, employment and labour underutilization**

27. The 19th ICLS Resolution concerning statistics of work, employment and labour underutilization (19<sup>th</sup> ICLS Resolution 1) adopted in 2013 updated the previous international standards relating to statistics of the economically active population, employment, unemployment and underemployment (13th ICLS, 1982) and related guidelines. It introduced the first international statistical definition of work and a number of features that are particularly relevant for the revision of ICSE-93, including:

- a) A more refined concept and definition of employment that focuses on work for pay or profit to serve as the basis for the production of labour force statistics;
- b) A comprehensive framework for work statistics that distinguishes between employment and other forms of work, including own-use production work, volunteer work, and unpaid trainee work.
- c) General definitions and operational guidelines to enable comprehensive measurement of participation and time spent in forms of work other than employment, particularly production of goods for own final use, provision of services for own final use, and volunteer work;

28. The 19th ICLS resolution 1 notes that the new standards should serve to facilitate the production of different subsets of work statistics for different purposes as part of an integrated national system that is based on common concepts and definitions. This objective is equally relevant for the new standards that will replace ICSE-93.

29. The specific elements of the 19<sup>th</sup> ICLS standards that are most relevant to the revision of ICSE-93 are the reference concepts for work statistics, including the definition of work itself, and the definitions of each form of work.

## **The concept of work**

30. According to the 19<sup>th</sup> ICLS, *work* comprises 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. It excludes activities that do not involve producing goods or services (e.g. begging and stealing), self-care (e.g. personal grooming and hygiene) and activities that cannot be performed by another person on one's own behalf (e.g. sleeping, learning and activities for own recreation).

## **Forms of work**

31. Five mutually exclusive forms of work are identified for separate measurement. These forms of work are distinguished on the basis of the intended destination of the production (for own final use; or for use by others, i.e. other economic units) and the nature of the transaction (i.e. monetary or non-monetary transactions, and transfers), as follows:
- a) *own-use production work* comprising production of goods and services for own final use;
  - b) *employment work* comprising work performed for others in exchange for pay or profit;
  - c) *unpaid trainee work* comprising work performed for others without pay to acquire workplace experience or skills;
  - d) *volunteer work* comprising non-compulsory work performed for others without pay;
  - e) other work activities.<sup>2</sup>

## **Alignment of the framework for work statistics with the System of National Accounts**

32. The concept of work and the forms of work were aligned with the SNA so as to ensure that all activities within the SNA production boundary could be separately identified and captured in statistics compiled according the new standards. The 19<sup>th</sup> ICLS resolution notes that:

*Own-use production of goods, employment, unpaid trainee work, a part of volunteer work and "other work activities" form the basis for the preparation of national production accounts within the 2008 SNA production boundary. Own-use provision of services and the remaining part of volunteer work complete the national production accounts i.e. beyond the 2008 SNA production boundary but inside the General production boundary.*<sup>3</sup>

33. The relationship between the forms of work and the production boundaries defined in the SNA is shown in Figure 1. All the activities within the SNA production boundary were counted as employment according to the old standards for labour statistics, and were therefore within the scope of ICSE-93.

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<sup>2</sup> "Other work activities" include such activities as unpaid community service and unpaid work by prisoners, when ordered by a court or similar authority, and unpaid military or alternative civilian service, which may be treated as a distinct form of work for measurement (such as compulsory work performed without pay others).

<sup>3</sup> ILO 2013c

**Figure 1. Forms of work and the System of National Accounts 2008**

<i>Intended destination of production</i>	<i>for own final use</i>		<i>for use by others</i>				
	<i>Forms of work</i>	<b>Own-use production work</b>		<b>Employment</b> (work for pay or profit)	<b>Unpaid trainee work</b>	<b>Other work activities</b>	<b>Volunteer work</b>
of services		of goods	in market and non-market units				in households producing goods and services
<i>Relation to 2008 SNA</i>	Activities within the SNA production boundary						
	Activities inside the SNA General production boundary						

### Issues addressed in the revision of ICSE-93

34. Based on the discussions at the 19<sup>th</sup> ICLS and among members of the working group the following key issues were identified as the most important to be addressed in revising ICSE-93:

- a) The extension of the new statistical standards to cover all forms of work specified in the 19<sup>th</sup> ICLS Resolution 1;
- b) The need for an overarching conceptual framework to ensure coherence between the various classifications and variables that might be specified in the new standards and between the various domains of social, labour and economic statistics, and to facilitate the provision of harmonized statistics from different sources and domains;
- c) The relevance and usefulness of maintaining a distinction between paid employment and self-employment as a dichotomous pair of aggregate categories, given the wide range of analytical uses of these categories and the increasing number of types of employment arrangement that do not fit comfortably into either category;
- d) The boundary between self-employment and paid employment, particularly with respect to working proprietors of incorporated enterprises and dependent contractors;
- e) Applicability of the standards to informal employment situations, especially informal employees;
- f) The identification of workers in various non-standard forms of employment such as casual, short-term, temporary and seasonal employees, and workers on zero hours contracts;
- g) The need for guidelines on data collection, questionnaire design, derivation and adaptation of the standards for national use;
- h) The identification and statistical treatment of various specific types of worker including:
  - apprentices, trainees and interns,

- entrepreneurs,
- wage and salary earners,
- family workers,
- domestic workers,
- homeworkers and outworkers,
- members of producers' cooperatives, and
- workers with multi-party employment arrangements, including engaged by labour hire agencies (temporary work agencies).

35. It was concluded that it would be difficult, within a single and coherent classificatory framework, to provide a set of mutually exclusive categories that would allow the identification of all of these groups and satisfy the numerous and very different purposes for which statistics on the employment relationship are required. It was agreed therefore to develop a set of proposals to replace ICSE-93 with a suite of standards for statistics on the relationship between worker and employer, rather than incorporating a number of overlapping concepts and characteristics in a single complex classification.

## **2 Conceptual framework for statistics on work relationships**

36. The proposed conceptual framework for statistics on work relationships uses two aspects of the work relationship as criteria to differentiate categories of jobs and work activities according to status and to arrange them into aggregate groups. These are the *type of authority* that the worker is able to exercise over the economic unit in which the work is performed and *the type of economic risk* to which the worker is exposed.
37. The detailed categories in the revised classification of status in employment (ICSE-18) may be aggregated according to alternative hierarchies, one based on the type of authority and the other on the nature of the economic risk to which the worker is exposed. This allows the production of separate statistics on dependent and independent workers and on those employed for pay and for profit (in line with the current distinction between paid employment and self-employment).
38. The concepts used to define the classification of status in employment are also used to define the categories in the proposed International Classification of Status at Work (ICSaW-18). This is effectively an extension of ICSE-18 to cover all forms of work defined in the 19<sup>th</sup> ICLS Resolution 1. The detailed categories in ICSE-18 are a subset of those included in ICSaW-18.
39. These classifications by status are complemented by a set of standard cross-cutting variables and categories that may be used to provide more detail, or to allow the identification of specific groups.

### **Statistical Units and Work Relationships**

40. 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.

41. 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:
- (a) Market units (i.e. corporations, quasi-corporations and household unincorporated market enterprises);
  - (b) Non-market units (i.e. government and non-profit institutions serving households); and
  - (c) Households that produce goods or services for own final use (domestic households).
42. Since persons frequently perform work for more than one economic unit, and the nature of their work relationships may differ for each unit, statistics on work relationships refer primarily to characteristics of jobs or work activities in particular economic units.

### **Refinement of the definition of job**

43. 19<sup>th</sup> ICLS Resolution 1 defines a **job** or **work activity** is defined in the *as a set of tasks and duties performed, or meant to be performed, by one person for a single economic unit* and goes on to note that:
- (i) The term *job* is used in reference to employment. Persons may have one or several jobs. Those in self-employment will have as many jobs as the economic units they own or co-own, irrespective of the number of clients served. In cases of multiple job-holding, the **main job** is that with the longest hours usually worked, as defined in the international statistical standards on working time.
  - (ii) This statistical unit, when relating to own-use production work, unpaid trainee work, and volunteer work is referred to as *work activity*.
44. The draft 20<sup>th</sup> ICLS Resolution proposes to refine and clarify the definition of job or work activity as follows. ‘A **job** or **work activity** is defined as a set of tasks and duties performed, or meant to be performed, by one person for a single economic unit:
- (a) 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*.
  - (b) Persons may have one or several jobs. In cases of multiple job-holding, the **main job** is that with the longest hours usually worked, as defined in the international statistical standards on working time.
  - (c) Those employed as independent workers will have as many jobs as the economic units they own or co-own, irrespective of the number of clients served.
  - (d) When a worker in employment for profit is dependent for access to the market, determination of the price of the goods or services produced, raw materials or capital items, on another economic unit that directly benefits from the work performed by the worker, the set of tasks should be considered to be performed for the economic unit on which the worker is dependent. The worker therefore has a separate job for each such economic unit on which she or he is dependent.

- (e) Separate work activities are defined when a person is engaged in both own-use production of goods and own-use production of services for the same household.’
45. Clause (d) is added to ensure that workers who are dependent in different activities on more than one economic unit are not classified as independent. Also in cases when some activities are undertaken on a freelance basis, and others on a dependent basis, separate jobs will be identified for the dependent and independent employment.
46. Clause (e) in this definition allows the identification of work activities within and beyond the SNA production boundary to facilitate reporting of data for national accounting purposes. If a single work activity were defined for production of both goods and services three categories would be required in the classification of status at work, for those who produce services only, goods only or both goods and services. This issue will require discussion in the Working Group for the revision of ICSE-93.
47. The characteristics of jobs and work activities that are relevant and of interest for statistics on work relationships, and the nature of the relationships that exist, vary to some extent depending on the form of work and on the analytical purposes of the statistics. Some of the concepts, variables, classification schemes and categories described in the proposed standards for statistics on work relationships may be applied, therefore, to all forms of work. Others may be relevant only for certain forms of work.

### 3 Status in employment

48. The proposal for a revised International Classification of Status in Employment (ICSE-18) classifies jobs in employment for pay or profit based on the type of authority the worker is able to exercise in the job and the type of economic risk to which the worker is exposed. The 9 detailed categories in the Classification of Status in Employment have the same definition and scope as the equivalent categories in the Classification of Status at Work. They are used as common building blocks to create two alternative classification hierarchies.
49. The draft resolution notes that the hierarchies for status in employment based on both economic risk and authority should have equal priority in the compilation of statistical outputs. Statistics from labour force surveys and other relevant sources should be compiled on a regular basis according to both hierarchies. The hierarchy used will depend on the analytical purpose of the output in question.

#### International Classification of Status in Employment According to Type of Authority (ICSE-18-A)

50. The first hierarchy, based on the type of authority that the worker is able to exercise, can be used to produce statistics on two broad groups of workers in employment: *Independent workers* and *Dependent workers*. This hierarchy is referred to as the International Classification of Status in Employment According to Type of Authority and abbreviated to ICSE-18-A.

##### Box 1: Classification of Status in Employment according to type of authority

###### I Independent workers

- 1 Employers
  - 11 Employers in corporations
  - 12 Employers in household market enterprises
- 2 Own-account workers
  - 21 Owner-operators of corporations without employees
  - 22 Own-account workers in household market enterprises

###### D Dependent workers

- 3 Dependent contractors
  - 30 Dependent contractors
- 4 Employees
  - 41 Permanent employees
  - 42 Fixed-term employees
  - 43 Casual and short-term employees
- 5 Contributing family workers
  - 51 Contributing family workers



51. This classification hierarchy is suitable for various types of labour market analysis, including analysis of the impact of economic cycles on the labour market, analysis of government policies related to employment creation and regulation, and the identification of entrepreneurs. Since the category ‘independent workers’ excludes helpers in family businesses and dependent contractors, while including owner-managers of incorporated enterprises, it is the most appropriate category for the identification of entrepreneurs.

## **International Classification of Status in Employment According to Type of Economic Risk (ICSE-18-R)**

52. The second hierarchy, based on the type of economic risk, produces the dichotomy between *Workers in employment for profit* and *Workers in employment for pay*. This is analogous to the traditional distinction between paid employment and self-employment. This hierarchy is referred to as the International Classification of Status in Employment According to Type of Economic Risk, and abbreviated to ICSE-18-R.

### **Box 2: Classification of Status in Employment according to type of economic risk**

#### **S Workers in employment for profit**

12	Employers in household market enterprises
22	Own-account workers in household market enterprises
30	Dependent contractors
51	Contributing family workers

#### **P Workers in employment for pay**

C	Owner-operators of corporations
11	Employers in corporations
21	Owner-operators of corporations without employees
4	Employees
41	Permanent employees
42	Fixed-term employees
43	Casual and short-term employees

53. This hierarchy is suitable for the provision of data for national accounts, for the identification of wage employment and its distribution, and for the production and analysis of statistics on wages, earnings and labour costs.

## **Summary of differences between ICSE-93 and the proposed ICSE-18**

54. Since the *International Classification of Status in Employment (ICSE-18)* is comprised of categories that relate to employment as defined by the 19<sup>th</sup> ICLS, it is narrower in scope than

ICSE-93. Specifically, the 19<sup>th</sup> ICLS concept of employment excludes own-use production of goods, all categories of volunteer work, unpaid trainee work and compulsory unpaid work. Since the scope of ICSE-93 is based on the 13<sup>th</sup> ICLS concept of employment, it includes own-use production of goods, certain categories of volunteer work, unpaid trainee work and some types of unpaid compulsory work.

55. ICSE-93 has a single hierarchical structure comprised of only five categories that are aggregated according to a combination of the type of economic risk and the type of authority to form the dichotomous categories of Paid Employment Jobs and Self-Employment Jobs. ICSE-18 has nine detailed categories that may be aggregated either according to type of economic risk OR type of authority to form two alternative hierarchies.
56. The additional detailed groups in ICSE-18 relate to some of the concepts defined in ICSE-93 as ‘particular groups’ for optional use at national level. The new categories in ICSE-18 allow for the separate identification of owner managers of corporations, dependent contractors and sub-categories of employee. Some other ‘particular groups’, or the statistical needs underlying them, are reflected in the various cross-cutting variables included in the standards. The classification of some of the contractual situations described in ICSE-93 that are not separately identified as categories in ICSE-18 is described in the explanatory notes for the relevant categories, e.g. ‘members of work gangs’.
57. The ICSE-18 group Owner-operators of corporations is equivalent to the group ‘Owner-managers of incorporated enterprises’ defined in ICSE-93 as a ‘particular group’ which countries may need or be able to distinguish for specific descriptive or analytical purposes. ICSE-93 notes that different users of labour market, social and economic statistics may have different views on whether these workers are best classified as in paid employment or as in self-employment. ICSE-18 classifies them as independent workers in the classification by type of authority and as workers employed for pay in the classification according to type of economic risk. ICSE-18 also provides further disaggregation of owner-operators of corporations through separate detailed groups for those with employees and those without employees. Separate identification of these workers is important for 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.
58. The new category for dependent contractors allows the identification of workers who are employed for profit but do not have full control over the activities of the economic unit for which they work. This is similar to the concept of ‘Contractors’ defined as a particular group in ICSE-93, which specified that these workers may be classified as in a ‘self-employment job’, or as in a ‘paid employment job’ depending on national circumstances. In ICSE-18 dependent contractors are classified as ‘Dependent workers’ in the classification according to type of authority and as ‘Workers in employment for profit’ in the classification according to type of economic risk.
59. Sub-categories are provided for employees in order to provide more detailed information about the stability of employment relationships for these workers, and to allow the identification of employees with non-standard employment arrangements.
60. In addition to the provision of more detailed groups, ICSE-18 also makes adjustments to the boundaries between certain categories. In ICSE-18 the distinction between employers and other independent workers is based on the same short reference period that is used to determine Labour Force Status. This means that any worker who employed at least one person during the reference

period as an employee, should be classified as an employer. In ICSE-93 this distinction is based on whether or not employees were engaged on a continuous or regular basis. This was not considered to be sufficiently precise for measurement on a consistent basis, did not necessarily reflect short-term changes in labour market conditions, and was not aligned with the reference period used for other labour market statistics.<sup>4</sup>

61. The category of contributing family workers has been extended in ICSE-18 to include workers who help family members in a paid employment job, in addition to those who assist in an enterprise operated by a family member. Additional guidance is also provided on the boundary between contributing family workers and business partners operating a family business.
62. Finally, Members of producers' cooperatives are no longer identified as a category in the proposed new standards and are to be classified either as employers, own-account workers or employees, as appropriate. Further guidance on the treatment of employment in cooperatives will be developed in consultation with the ILO Technical Working Group on Cooperative Statistics.

## **4 International Classification of Status at Work (ICSaW-18)**

63. The proposed International Classification of Status at Work is a three level hierarchical classification which comprises, at its detailed level, a set of 20 mutually exclusive categories. As with ICSE-18 these categories are defined on the basis of the type of authority, and the type of economic risk experienced by the worker particular job or work activity. These categories cover 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 of the detailed Status at work groups relate to only one form of work.
64. The subset of these categories that relate to employment are the same as the detailed categories *International Classification of Status in Employment, 2018 (ICSE-18)*. Another way of describing this is to say that the Classification of Status at Work is an extension of the Classification of Status in Employment to cover all forms of work.
65. Those groups that relate to own-use production work, are differentiated according to whether goods are produced or services are provided. These categories allow the production of data suitable as input to national accounts, and provide compatibility with both the current 19<sup>th</sup> ICLS and previous 13<sup>th</sup> ICLS standards for statistics on employment and work.
66. The detailed Status at work categories may be aggregated, based on the type authority exercised by the worker, to form the following eight broad status-at-work groups which may be aggregated to form a dichotomy between dependent workers and independent workers.

### **Independent workers**

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<sup>4</sup> The reference period to distinguish employers from own-accounts workers needs to be further discussed with the Working Group

- 1 Employers
- 2 Own-account workers

### **Dependent workers**

- 3 Dependent contractors
- 4 Employees
- 5 Family helpers
- 6 Unpaid apprentices, trainees and interns
- 7 Dependent volunteers
- 9 Other unpaid workers

67. The purpose of the Classification of Status at work is to provide a coherent and consistent set of categories and definitions for statistics on workers classified by status, covering all forms of work in a conceptually exhaustive way. This allows statistical outputs on topics such as employment, volunteer work, child labour and time use to be reported on a conceptually consistent basis, regardless of the scope and source of the statistics. It therefore includes categories for groups about which statistics may rarely be produced from regular surveys, but which may be important in specialized ones. It is not considered likely that the complete classification will be used on a regular basis without modification. With the possible exception of time use surveys, very few statistical collections would include all categories and all forms of work in scope, or provide a sufficiently large number of observations to compile reliable estimates for all categories. In this sense it may be seen as an organizing framework for statistics on status at work, rather than as a classification intended directly for use in regular statistical outputs.
68. The structure of the Classification of Status at Work is shown in Box 3, including names of categories and classification codes. Each detailed Status at work category is assigned a 2-digit code, in which the first digit represents the broad group and the first and second digits together represent the detailed category.
69. The categories marked with an asterisk\* are identical to categories included in the Classification of Status in Employment. Aggregate groups marked with two asterisks\*\* also appear in the Classification of Status in Employment, but have broader scope in the Classification of Status at Work, as they include detailed categories that relate to forms of work other than employment. Categories that appear in both classifications, are assigned the same code in each classification, regardless of whether or not they have a narrower scope in the Classification of Status in Employment.<sup>5</sup>

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<sup>5</sup> The classification of status at work was in fact developed by taking the principles used to develop the draft ICSE-18, and applying them to all forms of work. Description of these classifications according to the Statistical Classification Model in the Generic Statistical Information Model (GSIM), however, requires ICSE-18 to be represented as both a derived classification based on ICSW-18, and as a Statistical Classification Version in the Classification Series ICSE. The alternative ICSE-18 hierarchies may be represented as one or more variants of ICSE-18. See: <http://www1.unece.org/stat/platform/display/gsim/Statistical+Classification+Model>

### Box 3. Status at work – Classification structure and codes

#### **I Independent workers\*\***

##### **1 Employers\*\***

- 11 Owner-managers of corporations 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 Own-account workers\*\***

- 21 Operators of corporations without employees\*
- 22 Own-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 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 unpaid workers**

- 90 Other unpaid workers

## Status at work categories and the System of National Accounts production boundaries

70. The System of National Accounts (SNA 2008) provides a general definition of production followed by a more restricted definition that is used for the compilation of national accounts. The SNA therefore makes reference to ‘the general production boundary’ and ‘the production boundary in the SNA’.
71. Economic production within the general production boundary is defined as an activity carried out under the control and responsibility of an institutional unit that uses inputs of labour, capital, and goods and services to produce outputs of goods and services<sup>6</sup>. This concept of production is aligned with the 19<sup>th</sup> ICLS definition of work.
72. The *production boundary in the SNA* is more restricted in that it excludes activities undertaken by households that produce services for their own use. However, it includes services produced by employing paid domestic staff, and the own-account production of goods for own final consumption.<sup>7</sup> The SNA also includes within the production boundary the activities of students who contribute some of their labour as an input to an enterprise’s production in return for education services<sup>8</sup> (i.e. unpaid apprentices, trainees and interns). It should be noted that this latter group of workers is explicitly excluded from employment by the 19<sup>th</sup> ICLS Resolution 1.
73. Concerning volunteers, the SNA notes that volunteers working for token amounts or with no remuneration *within a recognized institutional unit*, are still regarded as being employed in SNA terms. This is in contrast to the 19<sup>th</sup> ICLS which includes such workers in volunteer work. Those providing services without pay outside an institutional unit are not regarded as employed by the SNA and their labour inputs are therefore beyond the production boundary in the SNA, but within the general production boundary.<sup>9</sup>
74. It may be concluded from all of this that, in addition to the status at work categories that refer to employment, all categories that refer to own-use production of goods, to unpaid trainee work or to volunteering through a recognized institutional unit relate to activities that are within the production boundary in the SNA 2008, that is:
- 14 Employers in own-use production of goods
  - 15 Volunteers employing others
  - 24 Own-account workers in own-use production of goods
  - 53 Family helpers in own-use production of goods
  - 60 Unpaid apprentices, trainees and interns
  - 70 Dependent volunteers
75. The following detailed groups are concerned with own-use production of services and with own-account volunteering (i.e. not through any kind of organization) and are therefore beyond the SNA Production Boundary but within the General Production Boundary.

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<sup>6</sup> SNA 2008, Para 6.24

<sup>7</sup> SNA 2008, Paras 6.26 – 6.27

<sup>8</sup> SNA 2008, Para 19.21

<sup>9</sup> SNA 2008, Para 19.39

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

Statistics about these activities may be presented as satellite accounts.

76. Since Group 9, Other unpaid workers, may include various types of activity it is not possible to say with certainty that these activities are within the production boundary in the SNA, although they would fall within the general production boundary as they must involve the production of goods or services for consumption by others. Since unpaid work ordered by judicial authorities would generally be organized through an establishment of some type, such as a prison or community service agency, it could be argued that conceptually this type of unpaid work would fall within the production boundary, even though it is unpaid and not voluntary. As these activities would rarely represent a statistically significant component of labour inputs to national production, it may not be necessary to produce estimates for these inputs, unless for a special descriptive or analytical purpose (e.g. a study of the production of a particular good or service).

## 5 Cross-cutting variables and categories

77. The classifications of status at work and status in employment are complemented by a set of variables, groups and classification schemes that provide more detailed information on characteristics associated with the degree of stability and permanence of a particular work arrangement, and for other characteristics that are not reflected in the status at work categories. They provide definitions and categories for types of arrangement that may be represented in several status categories and are therefore referred to as ‘cross-cutting variables’. They can be combined in output with relevant status categories to construct output classifications relevant for national purposes.
78. Many of the cross-cutting variables are essential elements of the framework. These variables are required to derive the categories in the classifications by status, or are essential for the compilation of coherent statistics on work relationships – or both. Some are recommended for use in certain contexts only. The variables described in the draft resolution are therefore divided into three groups: required to compile statistics on the detailed categories in ICSE-18, essential for the compilation of coherent statistics on work relationships and recommended.
79. The following cross-cutting variables and categories are proposed:

### Required for ICSE-18

- Duration of work contract
- Contract type
- Contractual hours of work
- Forms of remuneration.
- Place of work
- Job-related 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 and outworkers
- Multi-party work relationships
- Paid annual leave
- Paid sick leave
- Apprentices, trainees and interns

## **Recommended**

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

80. The proposals for the operational measurement of domestic workers and workers are in part based on classification by economic activity and may therefore be of particular interest to the Expert Group. Detailed proposals are provided in the draft resolution, but are currently undergoing testing and potential further development

81. The statistical identification of workers in multi-party employment relationships, such as workers employed by labour hire companies, where the employer and the unit for which the work is performed are not the same is also in part based on industry of employment and is of high relevance for statistics on employment by economic activity

## **6 Conclusions**

82. The Expert Group may wish to discuss the following issues:

- Progress on the review of the International Classification of Status in Employment (ICSE-93) given the changes to the standards for labour statistics adopted at the 19th ICLS and the need for more detailed categories to monitor the changes that are taking place in the relationships between workers and employers;
- The extension of the revised ICSE to cover all forms of work, in the form of the proposed International Classification of Status at Work (ICSaW);
- The relationship between the two ICSE-18 hierarchies as derived classifications based on ICSaW-18, and use of common codes and definitions for categories that appear in more than one classification hierarchy;
- The treatment of micro-entrepreneurship and forms of employment that challenge traditional notions of independent self-employment;



- Sub-categories of employees to allow the separate identification of permanent, fixed-term and casual or short-term, employees
- The relationship between the status at work categories and SNA production boundaries;
- The development of a new suite of labour related classifications that will complement the revised ICSE and proposed ICSaW;
- The Expert Group’s participation in the Working Group for the revision of ICSE;
- The statistical measurement of multi-party employment relationships, such as workers employed by labour hire companies, where the employer and the unit for which the work is performed are not the same
- The potential impact of ICSE changes or clarifications and its revised structure on ISIC interpretations, in particular in the case of outsourcing activities
- The measurement of domestic workers based on ISIC, ISCO and classifications of place of work