



Department of Statistics

Working Group for the Revision of the International Classification of Status in
Employment (ICSE-93)

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Discussion paper

Issues to be addressed in the revision of the International Classification of Status in Employment (ICSE-93)¹

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Abbreviations

ECLAC	Economic Commission for Latin America and the Caribbean
EU	European Union
Eurofound	European Foundation for Improvement of Living and Working Conditions
EWCS	European Working Conditions Survey
FTC	Fixed-term contract
ICLS	International Conference of Labour Statisticians
ICSE	International Classification of Status in Employment
ILO	International Labour Organization
ILOSTAT	The ILO's central statistical database
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification of All Economic Activities
LFS	Labour Force Survey
OECD	Organisation for Economic Co-operation and Development
SNA	System of National Accounts
UN	United Nations

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1 Overview of the issues to be addressed, scope of the work and timeframe for the revision of ICSE-93

Introduction and background

1. This report outlines the key issues that need to be addressed in the development of proposals to revise the International Classification of Status in Employment (ICSE-93), for discussion at the first meeting of the Working Group on the Revision of ICSE-93 (6 – 8 May 2015).
2. ICSE-93 was adopted through a resolution of the 15th International Conference of Labour Statisticians (ICLS) in January 1993. 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. The following five substantive categories are specified: Employees, Employers, Own-account workers, Members of producers' cooperatives and Contributing family workers. The last four of these categories can be aggregated to form the self-employed.
3. These categories no longer provide sufficient information to adequately monitor changes in employment arrangements that are taking place in many countries. They 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.
4. Following a review of the range of national practices with respect to statistics on status in employment and on the employment relationship more generally, the ILO presented a discussion paper on the need for revision of ICSE-93 to the 19th ICLS in October 2013. There was a strong consensus at the 19th ICLS on the need to revise ICSE-93 to better account for the latest developments in labour markets and to reflect the adoption at the 19th ICLS of the resolution concerning statistics of work, employment and labour underutilization². This resolution had a profound impact on the relevance of ICSE-93 through extending the scope of international standards for labour statistics beyond employment to include all forms of work, as well as moving the boundary between employment and certain other forms of work.
5. It is proposed that the revision work will lead to the replacement of the existing classification with a suite of standards for statistics on the relationship between the worker and the economic unit within which she or he works, rather than incorporating a number of overlapping concepts and characteristics in a single complex classification. A relatively parsimonious classification of status of worker would thus be complemented by a series of supporting variables dealing with various aspects of the 'work relationship'. These standards would need to be presented to the 20th ICLS in 2018 in the form of a draft resolution for discussion, amendment, and ultimate adoption.
6. The issues that need to be addressed can be divided into two broad categories: general issues and specific issues. The general issues include questions related to the overall scope and structure of the standards and associated classifications. The specific issues are concerned with the treatment particular concepts, policy questions, groups of worker and types of employment relationship.

² Hereafter frequently referred to as 19th ICLS Resolution 1.

The outcome of deliberations on these specific issues will, of course, have a strong impact on the general or global questions.

7. The general issues include the following:

- a) The need for an overarching conceptual and statistical framework to ensure coherence and to allow the provision of comparable statistics, from different sources and for all forms of work, on various aspects of the relationship between the worker and the economic unit for which the work is performed.
- b) The scope of the resolution and of the new classification(s) of status in employment, including the need for coverage of some or all forms of work other than employment.
- c) The relevance and usefulness of maintaining a distinction between paid employment and self-employment as a dichotomous pair of high level categories. Given the wide range of analytical uses of these categories in economic accounts, labour market and social statistics and the increasing number of types of employment arrangement that do not fit comfortably into either category.
- d) Which concepts are to be included in a new central classification of status in employment or status of worker, and which should be identified as separate variables within the overarching conceptual framework.
- e) Applicability and relevance of the standards to informal employment situations and coherence with standards and guidelines for statistics on informality.
- f) The need for guidelines on data collection, questionnaire design and derivation

8. The more specific issues that may be investigated relatively independently but that may nevertheless ultimately impact on the overall structure and design of the standards include the following:

- a) The boundary between self-employment and paid employment with respect to the following groups of workers:
 - Working proprietors (owner-managers) of incorporated enterprises
 - Dependent contractors, sometimes termed the ‘dependent self-employed’
- b) In both cases there is a need to provide clear and contemporary definitions, methods to allow separate identification of these groups of workers and clarity about their treatment as in paid employment or self-employment.
- c) Identification of workers in various types of ‘precarious’ or ‘non-standard’ employment situations including but not limited to: casual, short-term, temporary and seasonal employees, and workers on zero hours contracts.
- d) The identification of paid (and possibly unpaid) apprentices, trainees and interns
- e) The identification of entrepreneurs
- f) Family workers and the relevance of the current definitions of contributing family workers and own-account workers in family businesses
- g) Homeworkers and outworkers

- h) Domestic workers
- i) Members of producers' cooperatives
- j) Workers engaged by labour hire agencies

Uses of statistics classified by status in employment

9. Before considering the issues that are to be addressed in further detail, it is useful to discuss briefly the main uses of and unmet needs for statistics on the relationship between the worker and the economic unit in which the person works, including those currently classified by status in employment. These statistics are indeed used for a wide variety of purposes in both economic and social analysis.
10. Firstly, these statistics provide important 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 the employed population to the employer. As such they provide a potential indicator of precarious employment situations. They show changes over time in the nature of the relationship between workers and the economic units in which they are employed.
11. Changes in status in employment distributions may also reflect the relationship between economic cycles and employment in higher risk, lower income, less secure, or precarious working situations (for example, the extent to which persons who lose jobs in paid employment engage in various forms of self-employment). Increases in the number of persons employed as own-account workers, or as contributing family workers may, for example, reflect a deterioration in labour market conditions.
12. Economic and labour market policy analysts use statistics on status in employment to identify entrepreneurs and assess the impact of self-employment and entrepreneurialism on employment and economic growth and to evaluate the consequences for government policies related to economic development and job creation. There is a strong current policy interest in the identification of entrepreneurs. This demand is currently not well satisfied by ICSE categories that do not deal well with jobs at the boundary between the self-employed and those in paid employment.
13. Statistics classified by status in employment are also used for the identification of wage employment and its distribution and for the production and analysis of statistics on wages, earnings and labour costs. In particular, classifying statistics by status in employment facilitates more meaningful comparisons of data from different sources (e.g. household surveys with employer surveys or administrative sources where coverage is limited to employees).
14. In social statistics, status in employment is an important explanatory variable in its own right. In addition, it is frequently also used as an input variable in the production of statistics on the socio-economic status of persons and households. Classification schemes that rank socio-economic status typically use data on status in employment in combination with data on occupation to determine the socio-economic status of persons. A self-employed person might, for example, be accorded a higher socio-economic status than an employee with the same occupation.

15. In some countries the level of social contributions paid by workers and employers may vary according to status in employment. For example a fixed amount may be payable for contributing family workers, whereas for paid employees the amount payable may be determined on the basis of earnings. Statistics on status in employment are therefore needed to estimate revenue from such contributions and assist in determining the level of contributions to be paid.
16. Last but not least, data classified by status in employment 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.
17. Reflecting these diverse uses, statistics on 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.

Overview of the concepts and framework defined for ICSE-93

18. A detailed discussion of the conceptual framework of ICSE-93 and of the known issues with the categories defined was provided in the Room document on ICSE-93 prepared for the 19th ICLS. It is useful in the present paper to provide a short overview.

19. According to the 15th ICLS resolution:

ICSE-93 classifies jobs held by persons at a particular point in time. A job is classified with respect to the type of explicit or implicit contract of employment of the person with other persons or organizations³

20. The basic criteria used to define the groups of the classification are:

- The type of economic risk (to which the job holder is exposed), an element of which is the strength of attachment between the person and the job, and
- The type of authority over establishments and other workers which the job incumbents have or will have.

Paid employment and self-employment

21. 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’.
22. Paid employment jobs are defined as ‘those jobs where the incumbents hold explicit (written or oral) or implicit employment contracts which give them a basic remuneration which is not directly dependent upon the revenue of the unit for which they work. Persons in paid employment jobs are typically remunerated by wages and salaries, but may be paid by commission from sales,

³ ILO 1993

by piece-rates, bonuses or in-kind payments such as food, housing or training.’⁴ An important aspect of the definition is that some or all of the tools, equipment, premises and so forth may be owned by others and that the incumbents may work under the direction of, or according to strict guidelines set by, the owner or persons in the owner’s employment.

23. Self-employment jobs are defined as ‘those jobs where the remuneration is directly dependent upon the profits (or the potential for profits) derived from the goods and services produced (where own consumption is considered to be part of profits). The incumbents make the operational decisions affecting the enterprise, or delegate such decisions while retaining responsibility for the welfare of the enterprise.’

24. ICSE-93 defines six main groups:

- Employees
- Employers
- Own-account workers
- Contributing family workers
- Members of producers’ cooperatives
- Workers not classifiable by status

Employees

25. *Employees* are defined as ‘all those workers who hold the type of job defined as paid employment jobs.’ Whilst more detailed categories of employees are not provided as a formal part of the classification, the definition of this group provides guidance on the definition of employees on stable contracts and of ‘regular employees’.

Employers

26. *Employers* are defined as ‘those workers who, working on their own account or with one or a few partners, hold the type of job defined as a self-employment job and, in this capacity, have engaged one or more persons to work for them in their business as employee(s)’.

Own-account workers

27. Mirroring the definition of employers, *own-account workers* are defined as those workers who, working on their own account or with one or more partners, hold the type of job defined as a ‘self-employment job’, and have not engaged on a continuous basis any employees to work for them during the reference period. It is noted that own-account workers may have engaged employees during the reference period but not on a continuous basis.

Members of producers’ cooperatives

28. *Members of producers’ cooperatives* are defined as ‘workers who hold a *self-employment job* in a cooperative producing goods and services, in which each member takes part on an equal footing with other members in determining the organization of production, sales and/or other work of the establishment, the investments and the distribution of the proceeds of the establishment amongst their members’.

⁴ The treatment of training as income in kind is not consistent with the Resolution concerning employment-related income adopted by the 16th ICLS (1998) or with Resolution 1 of the 19th ICLS.

Contributing family workers

29. *Contributing family workers* are defined as ‘those workers who hold a *self-employment job* in a market-oriented establishment operated by a related person living in the same household’. They are distinguished from partners because their degree of commitment to the operation of the establishment, in terms of working time or other factors to be determined by national circumstances, is not at a level comparable to that of the head of the establishment.

Workers not classifiable by status

30. 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.

Statistical treatment of particular groups

31. Section IV of the 15th ICLS resolution provides advice on ‘the possible statistical treatment of particular groups’. It notes that some of the groups represent subcategories or disaggregations of one of the specific ICSE-93 categories and that 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

32. These groups are not organized into a coherent classificatory framework and the advice provided is not definitive about the treatment of certain groups, some of which may be classified as employees or among the self-employed 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 19th ICLS, the definitions and statistical treatment of several of these groups were identified as issues to be addressed in the review of ICSE-93.

Resolution concerning statistics of work, employment and labour underutilization

33. The *Resolution concerning statistics of work, employment and labour underutilization*,⁵ adopted in October 2013 by the 19th International Conference of Labour Statisticians (ICLS), updates the previous international standards relating to statistics of the economically active population, employment, unemployment and underemployment (13th ICLS, 1982) and related guidelines. Until 2013 these standards were used by most countries as the basis to produce their official national statistics on the labour force.
34. The 2013 standards were developed through extensive consultations with labour statisticians at regional and global levels. They incorporate identified good practices that enhance the international comparability of the statistics. Important elements from the previous standards essential to the internal consistency of the statistics remain unchanged. Notable among these are the activity principle, priority rule, one-hour criterion and short reference period of measurement that underlie the classification of the population by labour force status (i.e. employed, unemployed, outside the labour force).
35. Important revisions introduced in the standards include a conceptual framework for work statistics consistent with the System of National Accounts; guidelines for separately measuring different forms of work, including a more targeted definition of employment, and for expanding the range of measures of labour underutilization beyond the traditional unemployment. New terminology has also been introduced as relevant, and terms considered to be out-of-date, particularly “economically active/inactive” have been replaced with “labour force/outside the labour force.”

⁵ Available at: <http://www.ilo.org/global/statistics-and-databases/standards-and-guidelines/resolutions-adopted-by-international-conferences-of-labour-statisticians/lang--en/index.htm>

Conceptual framework for work statistics

36. The Resolution introduces the first international statistical definition of work. Among the main new features in the resolution are:
- 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, yet flexible, general 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;
 - d) More detailed operational guidelines for the measurement of employment and unemployment that build on the experience accumulated by countries over the last 30 years and promote the international comparability of the statistics;
 - e) General guidance for developing classifications of persons outside the labour force for different purposes, including the assessment of their labour market attachment;
 - f) Measures of labour underutilization that focus on problems related to insufficient absorption of available labour, to be disseminated together with the unemployment rate; and
 - g) General guidance for developing a rational programme of work and labour force statistics to provide for short- and long-term needs, taking account of national context and resources.
37. The new standards aim: (a) to better meet the demand for labour force statistics to monitor labour markets, including labour absorption, as well as to inform employment promotion, income and other related social policies; (b) to give due recognition as work to all activities performed by persons that contribute to the production of goods and services; (c) to shed light, through separate measurement, on patterns of participation in forms of work other than employment, particularly, production of goods and of services for own final use, volunteer work and unpaid trainee work; (d) to enable the comprehensive measurement of labour input into all productive activities and the contribution of different forms of work to economic development, to household livelihoods and to well-being; (e) to improve the integration of labour force statistics with other work statistics, and with statistics in other domains, particularly production statistics; and (f) to promote the development of dynamic measures of labour markets in the future.
38. The 19th ICLS resolution 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.
39. Through extending the scope of international standards for labour statistics beyond employment to include all forms of work, and moving the boundary between employment and certain other forms of work, the 19th ICLS resolution has a profound impact on statistics on status in employment and on the relevance of some categories defined in ICSE-93. The specific elements of the 19th 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

40. According to the 19th 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

41. 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:

- *own-use production work* comprising production of goods and services for own final use;
- *employment work* comprising work performed for others in exchange for pay or profit;
- *unpaid trainee work* comprising work performed for others without pay to acquire workplace experience or skills;
- *volunteer work* comprising non-compulsory work performed for others without pay;
- *other work activities*.⁶

The concept of job

42. The resolution also refines the concept of 'job' the statistical unit which ICSE-93 classifies. According to the current standards a **job** or **work activity** is defined in as a set of tasks and duties performed, or meant to be performed, by one person for a single economic unit.⁷

43. The term *job* is used in reference to employment. As persons may have one or several jobs, the resolution notes that 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 concept of **main job** is clarified, by defining it as that with the longest hours usually worked. This statistical unit, when relating to own-use production work, unpaid trainee work, and volunteer work is referred to as *work activity*.

⁶ "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 for others).

⁷ The definition of economic unit is derived from the System of National Accounts (SNA) 2008.

Operational Definitions

44. The resolution provides detailed operational definitions of each form of work, except ‘other work activities’. The elements of these definitions that we consider particularly relevant to the revision of ICSE-93 are summarized below.
45. **Persons in own-use production work** are defined as all those of working age who, during a short reference period, performed any activity to produce goods or provide services for own final use. *For own final use* is interpreted as production where the intended destination of the output is *mainly* for final use by the producer in the form of capital formation, or final consumption by household members, or by family members living in other households. In the case of agricultural, fishing, hunting or gathering goods intended mainly for own consumption, a part or surplus may nevertheless be sold or bartered.
46. To facilitate the separate reporting of activities both within and beyond the production boundary in the System of National Accounts, own-use production work may be further divided into production of goods (within the 2008 SNA production boundary) and provision of services (beyond the 2008 SNA production boundary).
47. The resolution also states that **Subsistence foodstuff producers** constitute an important subgroup of persons in own-use production work. They include all those who perform any activities to produce foodstuffs from agriculture, fishing, hunting or gathering that contribute to the livelihood of the household or family. Those who engage in such production as recreational or leisure activities are excluded. This refines the definition of subsistence workers provided in ICSE-93.
48. **Persons in employment** are defined as all those of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit.
49. *For pay or profit* refers to work done as part of a transaction in exchange for remuneration payable in the form of wages or salaries for time worked or work done, or in the form of profits derived from the goods and services produced through market transactions, specified in the most recent international statistical standards concerning employment-related income. It includes remuneration in cash or in kind, whether actually received or not, and may also comprise additional components of cash or in-kind income. The remuneration may be payable directly to the person performing the work or indirectly to a household or family member.
50. The following groups included in employment are of particular relevance with respect to their classification by status:
 - a) persons who work for pay or profit while on training or skills-enhancement activities required by the job or for another job in the same economic unit,
 - b) apprentices, interns or trainees who work for pay in cash or in kind;
 - c) persons who work for pay or profit through employment promotion programmes;
 - d) persons who work in their own economic units to produce goods intended mainly for sale or barter, even if part of the output is consumed by the household or family;

- e) persons with seasonal jobs during the off season, if they continue to perform some tasks and duties of the job, excluding, however, fulfilment of legal or administrative obligations (e.g. pay taxes), irrespective of receipt of remuneration;
 - f) persons who work for pay or profit payable to the household or family,
 - g) in market units operated by a family member living in the same or in another household; or
 - h) performing tasks or duties of an employee job held by a family member living in the same or in another household;
51. **Persons in unpaid trainee work** are defined as all those of working age who, during a short reference period, performed any unpaid activity to produce goods or provide services for others, in order to acquire workplace experience or skills in a trade or profession. Production for others refers to work performed in market and non-market units that are owned by non-household or non-family members
52. **Persons in volunteer work** are defined as all those of working age who, during a short reference period, performed any unpaid, non-compulsory activity to produce goods or provide services for others, where

Scope of the standards and of the new classification by status

53. A fundamental issue that needs to be addressed in reviewing ICSE-93, is how the new standards should relate not only to employment as defined according to the 19th ICLS Resolution 1, but also to the other forms of work defined in that resolution. These forms of work include own-use production work, unpaid trainee work and volunteer work.
54. The current standard, ICSE -93, classifies jobs in employment as defined at the 13th ICLS (1982) in terms of the production boundary in the System of National Accounts (SNA). This concept of employment includes activities now excluded from employment, since these activities are included within the production boundary measured in the SNA. The main forms of work now excluded from employment but that are included within the SNA production boundary are:
- own-use production of goods,
 - volunteer work for organizations, and
 - unpaid trainee work.
55. With respect to own-use production work, ICSE-93 provides an optional sub-category for ‘subsistence workers’ which it defines as *workers who hold a “self-employment” job and in this capacity produce goods or services which are predominantly consumed by their own household and constitute an important basis for its livelihood*. In cases where the separate category for subsistence workers is not used, as well as for the purposes of international reporting, producers of goods for own-use were counted in ICSE-93 as ‘Own-account workers’. They are explicitly excluded from the category ‘Contributing family workers’, since the definition of this group specifies that they work in a market-oriented establishment.
56. ICSE-93 provides no categories for activities in volunteer work and provides no advice about how these workers might be classified according to ICSE-93.

57. As it treats training as a form of remuneration, ICSE-93 can also be applied to unpaid trainee work. This is now in conflict, however, with the current standards for statistics on both employment and income which specify that training cannot be considered as a form of payment.⁸
58. It may be argued that, since the new standards will replace a classification of status *in employment*, they should apply only to employment as defined by the 19th ICLS. This would be inconsistent, however, with the adoption at the 19th ICLS of standards for labour statistics that embrace all forms of work and the implied need for a comprehensive set of international statistical standards that embrace all forms of work.
59. One possibility could be to create a single classification based on the 19th ICLS forms of work and to define status categories for each form of work. This approach could potentially be useful provided that the types of relationship between the worker and the economic unit for which the work is performed are different for each form of work, so that similar categories would not be defined for each form of work. If similar categories need to be defined for several forms of work, however, it could be preferable to create a series of classificatory variables that would allow flexibility in the tabulation of data.
60. It is relevant to this discussion that the boundary between employment and other forms of work, especially own-use production work, is not always clear cut. Such cases include small household farms that produce some goods for own consumption and some for the market. It may make sense in these cases to have a similar typology for family workers in households engaged in own-use production of goods and in market-oriented production. These categories would be analogous to the own-account workers and contributing family workers defined in the current ICSE-93. The treatment of family workers is one of the issues, however, that needs to be addressed as part of the revision. In similar vein, the definition and any typology of apprentices, trainees and interns would be similar, whether the work is paid or unpaid.
61. It should also be noted that the standards, including the classification of status in employment, will need to be applied in both household surveys and establishment surveys. Since the human resource records of some establishments are likely to cover both paid employees and unpaid workers such as volunteers and unpaid trainees and apprentices, it may make sense to provide categories and variables for various forms of unpaid work as part of an extended classification for use in establishment surveys.
62. It seems clear, therefore, that there is a need for categories dealing with some aspects of the nature of the relationship between the worker and the economic unit in which the work is performed for all forms of work. Some of these sub-categories may be relevant for several forms of work whereas others may be relevant only for one form of work.
63. Experience in collecting statistics on various forms of unpaid work, however, remains relatively limited, whereas there is an urgent and acknowledged need to improve the situation with respect to the measurement of various aspects of the employment relationship. The distinction between paid employment and self-employment and various types of contractual arrangement that result in precarious employment situations are of particular concern and policy relevance. Whilst the resolution to be considered at the 19th ICLS should ideally provide a comprehensive set of

⁸ ILO 1998 and 2013c

standardized variables that apply to all forms of work, it may be necessary nevertheless to prioritize certain issues, to ensure that the most pressing issues are satisfactorily resolved.

Conceptual and statistical framework for statistics on the work relationship

64. Any classification system for statistical purposes needs to be supported by a conceptual framework that defines:
- the objects or units classified,
 - the characteristics of those entities that are used to arrange these objects into groups (classification or similarity criteria) and,
 - in the case of complex classifications, the way differing classification criteria are applied to create groups at different levels in the classification hierarchy.
65. For relatively simple classifications with few categories many of these conceptual issues may be self-evident, and require little explanation. In the case of ICSE-93, even though it has only six categories, the unit classified (the job) and the classification criteria are specified. This would have been necessary at the time ICSE-93 was developed because neither the unit classified nor the classification criteria used are self-evident. Moreover, in order to determine in which category a particular or emerging type of employment relationship should be classified, there may be a need for information about the criteria that are used to distinguish between categories, as well as definitions of each category.
66. Since it is proposed to replace ICSE-93 with a suite of interlinked variables and classifications, there will be a need, however, for an overarching conceptual framework that goes beyond a description of the unit classified and the similarity criteria relevant for a single classification. This conceptual framework will need to define the range of units and sub-populations to which particular classifications may be applied, classification variants to be used with particular populations or data sources, the variables in which specific classifications may be used and, very importantly, concepts and definitions that may be used by more than once classification or variable. These cross-cutting concepts may appear as categories in some classifications, but may also be supporting concepts that underpin several classifications and variables. Concepts such as employment relationship, dependent worker, independent worker, employment contract and family worker, for example, may need to be used either as categories and/or to underpin several variables.

Relationship between standards for labour statistics and standards in labour law

67. Some of the concepts that are defined in statistical standards on the work relationship will inevitably be related closely to concepts defined in international labour law. In general, however, the concepts used in statistical standards should not be directly dependent or based on laws. There are two main reasons for this.
68. First of all, the statistical concepts need to be measurable in a variety of data collection settings, such as household and establishment surveys. It would not be possible in such settings to collect information about, for example, the detailed provisions of contracts of employment.

69. Secondly and equally importantly, the purpose of the statistical standards is to facilitate the provision of consistent information over time that will measure, among other things, the impact of employment policies and changes in legislation. If statistical definitions are too closely linked to the legal definitions, this could lead to a break in the statistical series when legal definitions are changed, without any change in the real nature of the employment relationship between workers and the economic units in which they work.
70. We may conclude therefore that the statistical standards should be developed in full awareness of relevant legal definitions and labour standards, and be designed to inform policy debate about the effectiveness of legislation, but not be dependent on them.

Harmony with other statistical frameworks and standards

71. To promote coherence of statistics in various statistical domains it will be essential to ensure that the new standards for statistics on the work relationship, are designed (to the extent possible) in a way that promotes harmony with statistics compiled according to other relevant statistical standards. In addition to the 19th ICLS Resolution 1, discussed above the current international standards for the following topics are of particular relevance:
 - a) The informal sector and informal employment;
 - b) Working time;
 - c) Employment-related income;
 - d) National Accounts.
72. The following international classifications are also of particular relevance.
 - a) International Standard Industrial Classification of all Economic Activities (ISIC rev 4.)
 - b) International Standard Classification of Occupations (ISCO-08)
 - c) The trial International Classification of Activities for Time Use Statistics (ICATUS) which is currently under revision.
73. This implies that concepts defined in these and other relevant international statistical standards should be used where relevant, or if these concepts need to be defined differently, the impact of the differences on statistics collected in these standards should be assessed.
74. Since paid employment and self-employment are treated differently in the System of National Accounts (SNA) 2008, the effect of any changes to the definitions of paid employment and self-employment on the compilation of national accounts is a particularly important consideration. Whilst it is important to define these concepts in a way that is relevant for labour market and social analysis, it is equally important to ensure that the categories needed for input to national accounts can be identified in the statistics.
75. The concept of work and the forms of work defined as part of the 19th ICLS standards for work statistics were aligned with the SNA so as to ensure that all activities within the SNA production

boundary could be identified and captured in statistics compiled according the new standards. The 19th 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.*⁹

76. The relationship between the 19th ICLS forms of work and the production boundaries defined in the SNA is shown in Diagram 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.

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

Applicability and relevance of the standards to informal employment situations

77. Much of the debate about revising ICSE-93 has been concerned with dealing with forms of employment and types of contract to perform work or provide goods or services, that blur the boundaries between self-employment and paid employment. An important concern raised by several delegates at the 19th ICLS during the discussion of the revision of ICSE-93, was that categories such as regular employment and temporary employment, or dependent contractor, have limited relevance in informal employment situations. Indeed, defining the boundary between paid employment and self-employment on the basis of the nature of the contract to perform the work or provide a good or service is highly problematical in situations where formal written contracts are not usual.

78. A key objective of the review, therefore, is to ensure that the categories and concepts defined are relevant in all regions of the world, including those where informal employment arrangements predominate, as well as dealing with emerging arrangements in more regulated employment environments

⁹ ILO 2013c

2 Working arrangements that display characteristics of both independent and dependent work

79. In this chapter we discuss problems and options with respect to the classification and provision of statistics for groups of workers that display characteristics of both self-employment and paid employment, as defined in ICSE-93.

Owner-managers of incorporated enterprises

80. *Owner-managers of incorporated enterprises* are defined in ICSE-93 as workers who hold a job in an incorporated enterprise, in which they:
- a) hold controlling ownership of the enterprise alone, or together with other members of their families or one or a few partners; and
 - b) have the authority to act on its behalf as regards contracts with other organizations and the hiring and dismissal of persons in 'paid employment' with the same organization, subject only to national legislation regulating such matters and the rules established by the elected or appointed board of the organization.
81. The ICSE-93 resolution states that different users of labour market, economic and social statistics may have different views on whether these workers are best classified as in paid employment or as in self-employment. These workers receive part of their remuneration in a way similar to persons in 'paid employment', in the sense that they can be paid a wage or salary by the enterprise they own. Their authority in and responsibility for the enterprise corresponds more to persons in self-employment.
82. Classifying this group as employees is consistent with their treatment in the System of National Accounts (SNA). The SNA 2008 specifies that employees include 'owners of corporations and quasi-corporations if they work in these enterprises.' It defines the self-employed as 'persons who are the sole or joint owners of the unincorporated enterprises in which they work, excluding those unincorporated enterprises that are classified as quasi-corporations'.¹⁰
83. In order to better understand the contemporary meaning of the term 'owner-managers of incorporated enterprises' it is useful to consider the definitions of relevant institutional units provided in the SNA 2008. According to the SNA, incorporated enterprises are legally constituted corporations. All entities that are (a) capable of generating a profit or other financial gain for their owners, (b) recognized at law as separate legal entities from their owners who enjoy limited liability, and (c) set up for purposes of engaging in market production,' are treated in the SNA as corporations. The term 'corporation' covers legally constituted corporations and also cooperatives, limited liability partnerships, notional resident units and quasi-corporations. A legally constituted corporation is defined in the SNA as 'a legal entity, created for the purpose of producing goods or services for the market, that may be a source of profit or other financial gain to its owner(s); it is collectively owned by shareholders who have the authority to appoint directors responsible for its general management'.

¹⁰ SNA 2008, p407.

84. Unincorporated enterprises differ from incorporated enterprises in that they are not separate legal entities from their owners. The financial assets and liabilities of the enterprise are not separate from those of the owner, or of the members of a partnership of owners. All assets of the owners' households are at risk if, for example, the enterprise goes bankrupt. SNA 2008 notes, however, that unincorporated enterprises should be treated as quasi-corporations if there is sufficient information to compile complete sets of accounts.
85. Strictly following the SNA would mean that owner-managers of small enterprises should be classified as employees if (1) they have taken a decision to incorporate the enterprise they own and operate, or (2) they are able to compile a complete set of accounts for the enterprise that is independent of their personal accounts, *even if the enterprise is not formally incorporated*.
86. This approach may make sense if the aim is to obtain as complete a set of information as possible for the calculation of labour inputs for national accounting purposes. For labour market analysis purposes, however, it would be a relatively arbitrary method of determining whether a particular job should be classified as in self-employment or in paid employment. Such an approach would limit the usefulness of statistics classified by status in employment to assess the impact of, for example, policies to support small to medium sized enterprises in order to create employment.
87. Technically and for national accounts purposes these workers are considered as employees of the establishment they own and may receive regular payment in cash or kind. In all other respects they resemble the self-employed. They singly or jointly own and control the enterprise in which they work and make operational decisions on the hiring of employees, in exactly the same way as employers and own-account workers. The business they operate may or may not have paid employees on a continuous basis and they may have assistance from contributing family workers. By incorporating their enterprise they limit their financial and legal liability, and are therefore exposed to less economic risk. Owner-managers of unincorporated enterprises who are able to compile complete accounts for the enterprise are exposed to similar economic risks as those who cannot compile complete accounts.
88. The ICSE-93 resolution states that classifying owner-managers of incorporated enterprises as employees will be consistent with their classification in the SNA, but that they may be best classified as 'employers' or 'own-account workers' for labour market analysis. According to ICSE-93, countries should, endeavour to identify owner-managers of incorporated enterprises separately. This would allow the data to be aggregated in alternative ways so as to be useful for the purposes of both national accounts and labour market analysis. It would also facilitate international comparisons. Very few countries separately identify this group in their labour force surveys. In most cases it would appear that it is left to the respondent to determine whether or not they are employees, employers or own-account workers.
89. Statistics from those countries that do separately identify owner-managers of incorporated enterprises show that they are a significant group. In Canada, where they are counted among the self-employed, they comprised 6.4% of the employed population in 2011, the numbers having risen more or less steadily from 2.5% in 1976¹¹. In Australia this group is also identified and was until recently included in paid employment in aggregate statistics on status in employment. They

¹¹ Calculated from Labour Force Survey data provided by Statistics Canada for working owners of an incorporated business, farm or professional practice with and without paid workers.

comprised 6.9% of total employment in 2011¹² and a gradually rising trend is also evident. In Switzerland such a rising trend is less obvious but an increase from 3.3% of total employment in 1999 to 4.2% in 2011 may nevertheless be observed.¹³

90. In the explanatory notes for the European Labour Force Survey there are no specific guidelines on the treatment of owner-managers of incorporated enterprises as part of the definitions of the self-employed and employees. Since it is stated that the-self-employed are 'persons who work in their own business, professional practice or farm' it might be assumed that they are most likely to be classified as self-employed. Whether or not owner-managers who receive salaries are classified in practice as self-employed or as employees, will greatly depend on the exact formulation and ordering of the question(s) used to measure status in employment. For example if an owner-manager is first asked if they own the business they work in they will probably say 'yes'. If asked whether they are a salaried employee they will probably also say 'yes'. If simply asked whether they are self-employed or employees, the answer will vary from one person to another.
91. Since very few countries separately identify this group in their labour force surveys, variations in national practices may be having a significant impact on international comparability of the statistics, especially for employers and own-account workers. The exact impact on national estimates of self-employment and on labour inputs to national accounts is not known. There is a need to determine where, conceptually and practically they ought to be classified in a revised ICSE, and to develop practical guidelines on measuring them in statistical collections.

Dependent contractors

92. In this section we discuss workers who are contracted to provide a service or good to an establishment or to another person, but whose control over the work performed is similar to workers in paid employment. In common with employees, these workers are dependent for their employment and the income derived from it, on the person or agency with which they have contracted: they have limited control over the organisation of the work performed. In common with the self-employed it is generally their own responsibility to make arrangements for the payment of social contributions. Their remuneration *may* be dependent on the fulfilment of certain contractual conditions. Dependent self-employed workers are typically not covered by the provisions of labour or social security laws, although a number of countries have adopted specific provisions to extend some protection to them¹⁴.
93. This form of employment is frequently referred to as 'dependent self-employment'. In some countries the term 'independent contractors' has also been used. In ICSE-93 they are referred to simply as 'contractors'. In this paper we use the term 'dependent contractors' since it is their dependence on a single client/employer that distinguishes them from other contractors, and we do not wish to pre-judge whether they should continue to be counted among the self-employed.

¹² Calculated from data provided by Australian Bureau of Statistics taken from the 'Employment type' spreadsheets, published in Australian Labour Market Statistics (cat. No. 6105). using data collected in the monthly LFS, along with data collected in the annual Forms of Employment supplementary survey for 2008 onwards.

¹³ Calculated from Swiss Labour Force Survey data provided by the Swiss Federal Statistical Office.

¹⁴ ILO 2015

94. A recent ILO Report on Non-standard forms of employment notes that:

ambiguous employment relationships may arise when the respective rights and obligations of the parties concerned are not clear, or when inadequacies or gaps exist in the legislation.

It further observes that:

*one area that sometimes lacks legal clarity is dependent self-employment where workers perform services for a business under a civil or commercial contract but depend on one or a small number of clients for their income and receive direct instructions regarding how the work is to be done.*¹⁵

95. The recent apparent growth in so-called dependent self-employment has taken place during a period when many governments and corporations have promoted a variety of contract types, aimed at providing a more flexible legal environment in which to create employment opportunities, whilst affording more limited social protection than that normally afforded to regular employees. Several labour law systems are now premised on notions of the employment relationship that uphold the existence of intermediate statuses of ‘quasi-independent’ or ‘parasubordinated’ workers who enjoy some of the employment protection rights normally associated with paid employment.¹⁶ An increasing number of people are dependent for their livelihood on employment based on these new forms of contract and there is genuine uncertainty in the legal system about what constitutes a contract of employment. Extensive debate on this topic among specialists in labour law and at the International Labour Conference has highlighted the need for better statistical data on the changing nature of the employment relationship.

96. ICSE-93 defines ‘Contractors’ as ‘workers who:

- a) have registered with the tax authorities (and/or other relevant bodies) as a separate business unit responsible for the relevant forms of taxes, and/or who have made arrangements so that their employing organization is not responsible for relevant social security payments, and/or the contractual relationship is not subject to national labour legislation applicable to e.g. ‘regular employees’ but who
- b) hold explicit or implicit contracts which correspond to those of ‘paid employment’.

97. This definition is problematical in a number of ways. First of all, it does not adequately distinguish ‘contractors’ from employees who have an informal or unwritten (i.e. implicit) contract of employment with their employer. Such informal employees may work either in formal sector establishments or in the informal sector. In common with ‘contractors’ as defined above their employers do not usually take responsibility for social security payments. Secondly, in focussing on the notion of an explicit or implicit contract which corresponds to that of paid employment, it excludes situations where workers have contracts that resemble a contract to provide services, but the reality of the work situation resembles paid employment. It might be more helpful if the definition of dependent contractors specified that they are workers who have a contract to provide a good or a service, but whose work is organized and managed in a similar way to that of employees.

¹⁵ ILO 2015: Report for discussion at the Meeting of Experts on Non-Standard Forms of Employment

¹⁶ Countouris, Nicola, in Casale 2011

Statistics on the 'dependent self-employed'

98. There are few official statistics that can provide accurate information on the number of workers employed in dependent situations of this type. Statistics compiled from the 5th wave of European Working Conditions Survey (EWCS), 2010, estimate that 'economically dependent workers' comprised 0.9% of total employment in the 27 member states of the European Union.¹⁷ The EWCS is commissioned by the European Foundation for the Improvement of Living and Working Conditions and carried out by Gallup Europe.

99. These economically dependent workers were identified on the basis of the answers to the following question in the 2010 EWCS, which was asked of all those identified as self-employed without employees.

Q6. Regarding your business, do you agree with the following statements ...

A. Generally, my firm has more than one client

B. I am paid an agreed fee on a regular, for example monthly basis

C. If my workload requires I could hire employees who work for me

D. I make the most important decisions on how to run my business

100. Those who answered 'no' to 2 out of items A, C and D were counted as economically dependent workers.

101. A slightly different approach was recently tested as part of the development of an 'ad hoc module' on self-employment to be included in the European Labour Force Survey in 2017. As part of the testing, the concept of the 'economically dependent self-employed' was operationalized as a person who is:

Self-employed without employees
AND
Economically dependent (has one main client)
AND
Organizationally dependent (cannot organise their own work)
OR
Legally dependent (cannot hire employees)
OR
Spatially dependent (works on client's premises)

102. An important element of both this and the Eurofound definition is that a basic characteristic of being genuinely self-employed is the ability to hire employees, if the economic circumstances are favourable. Persons identified as employers are thus excluded. A combination of cognitive and pilot testing revealed, however, that the question tested on whether the workers were able to hire employees was problematical, as respondents who were not in a dependent situation were confused by it. The spatially dependent concept was considered to be insufficient to distinguish dependent from independent workers, since many genuinely independent self-employed workers may be required to work on their clients' premises. With respect to measuring the concept of

¹⁷ Eurofound 2013. EWCS

organizational dependence, the only element of the question tested that worked effectively was concerned with who decides the hours and schedule of work. Respondents did not, in general, have a problem with identifying whether they had a single main client.

103. It may be concluded from this that a feasible measure of dependent self-employment could first of all be to ask those identified as self-employed without employees a question to determine whether they have a single main client, and secondly to determine whether that client is responsible for determining the person's hours and schedule of work. Criteria of both economic dependence and organizational dependence are thus applied, without having to collect detailed information about the type of contract. Whilst the use of determination of working hours, has some limitations as a sole measure of organizational dependence, it has the important advantage that it can be collected relatively simply with a single question, as part of a relatively short set of questions such as:

Q1. In the last 12 months, how many clients did you work for?

None, One, Two to nine, Ten to a hundred, More than a hundred

If more than one client:

Q2. In the last 12 months did at least 75% of your self-employment income come from one client?

Yes/no

Q3. Do you personally decide your working hours?

If no,

Who decides?

Client/s, Any other party

104. A weakness of both the EWCS approach and the approach tested for the 2017 European LFS is that they rely on the assumption that the 'dependent self-employed' have been identified as self-employed in the initial questions on status in employment. This will inevitably depend heavily on the exact wording used in the questionnaire. It is likely that, if asked a direct question on whether or not they are self-employed, some dependent contractors may not identify as such. Similarly, if asked whether or not they are owners of the business they work in, they are unlikely to say yes.

105. In order to determine the most appropriate treatment of dependent contractors and provide an effective statistical measure of this group, there is a need, therefore, to undertake the following work:

- a) Further investigate the extent to which various types of contractor are separately identified in national statistics, whether or not they are counted in paid employment or self-employment, and the methods and criteria used in countries to identify this group in surveys.
- b) Clarify the scope and definition of this group, in order to ensure that it reflects contemporary practice in both labour law and the reality of the labour market, and can inform policy debate on this topic; and
- c) Determine where in the hierarchy of a revised classification of status, jobs of this type should be placed, and in particular whether they should be classified as in self-employment, in paid employment, or some other form of employment.

- d) Determine whether or not contractors should be separately identified as part of the status in employment variable, or be identified as part of some other variable such as contract type.

Homeworkers and Outworkers

- 106. The final group that may be classified, according to ICSE-93 either as in paid employment or as in self-employment is 'outworkers'. Outworkers are defined in ICSE-93 as workers who:
 - a) hold explicit or implicit contracts of employment under which they agree to work for a particular enterprise, or to supply a certain quantity of goods or services to a particular enterprise, by prior arrangement or contract with that enterprise; but
 - b) whose place of work is not within any of the establishments which make up that enterprise.
- 107. The resolution notes that these workers may be classified as being in paid employment or in self-employment according to the specific terms of their contract. They are classified as 'employers' if they engage other workers on a continuous basis.
- 108. 'Homeworkers' may be considered as a specific subset of outworkers, who carry out the work on the same premises as their residence. There is considerable policy interest in the numbers and the working conditions of homeworkers. In many developing countries they may provide a significant proportion of the labour input in industries such as garment manufacturing and contribute significantly to women's employment. Since the workers are typically paid by the piece, this type of employment arrangement may also provide important opportunities for entrepreneurship, in that the contracted workers may be able to employ other household members or neighbours to increase their outputs. At the same time there are legitimate concerns about poor working conditions and the potential to promote child labour.
- 109. The SNA has quite a lot to say about outworkers. According to the SNA 2008, an outworker 'is a person who agrees to work for a particular enterprise or to supply a certain quantity of goods or services to a particular enterprise, by prior arrangement or contract with that enterprise, but whose place of work is not within any of the establishments that make up that enterprise'.¹⁸ It also notes that outworkers have some of the characteristics of employees and some of the characteristics of self-employed workers.
- 110. The way in which outworkers are to be classified is determined, in the SNA, primarily by the basis on which they are remunerated. If the person is remunerated directly, or indirectly, on the basis of the amount of work done, that is, according to the amount of labour that is contributed as an input to the process of production, irrespective of the value of the output produced or the profitability of the production process, then the SNA would treat the worker as an employee. If on the other hand the income received by the person is a function of the value of the outputs from the process of production for which that person is responsible, however much or little work was put in, the worker is counted as self-employed.
- 111. The SNA explanation is broadly consistent with ICSE-93 and provides some helpful clarification. The criteria used may also be applied in other cases where there is a lack of clarity about the boundary between paid employment and self-employment. The SNA notes, however, that in

¹⁸ SNA 2008, para 7.34

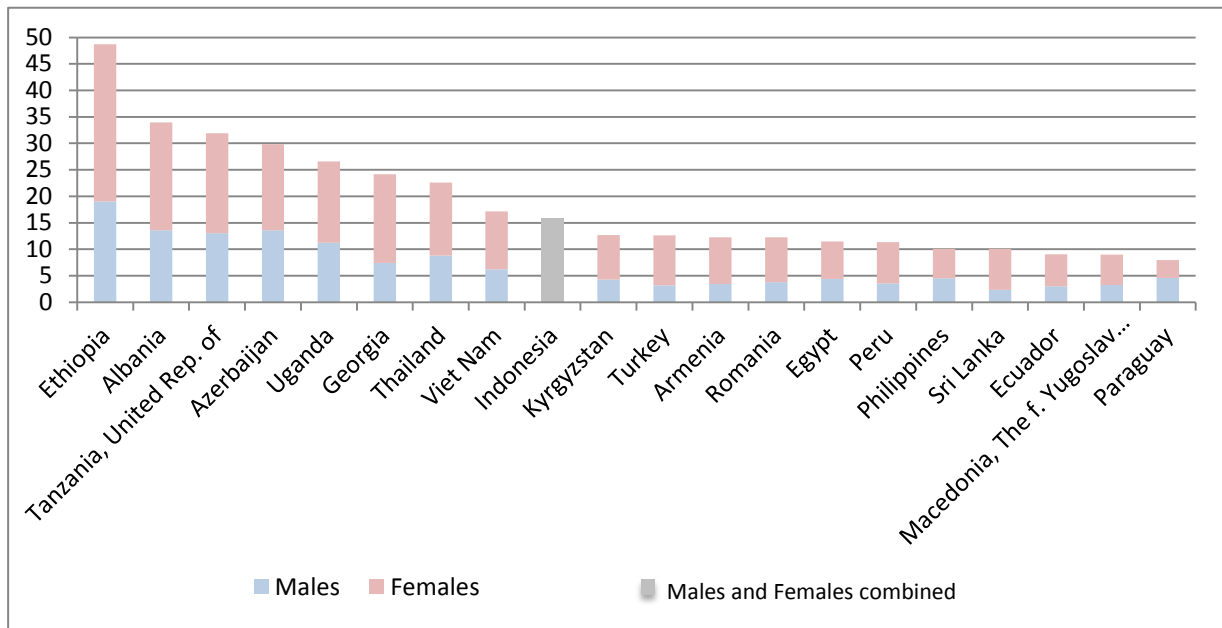
practice it may not always be easy to distinguish between employees and self-employed on the basis of these criteria. As with the case of contractors discussed above, the critical issue is to determine whether the contract between the enterprise and the worker is a contract to supply one's own labour (an employment contract), which implies an employment relationship, or whether it is a contract to supply a good or provide a service.

112. Since outworkers may validly be classified as employees, employers or own-account workers, it is difficult to incorporate them in a coherent way in a classification of status in employment. It may be preferable to:
 - a) Provide guidance within the proposed set of standards for statistics on the work relationship about the circumstances in which they should be classified to the various categories of status in employment;
 - b) Allow for their identification as part of a separate classificatory variable, on the main place of work, which could be derived from questions that identify whether the work is mainly undertaken at the employer's or client's premises, the workers' own residence, or some other place of work.

Family workers

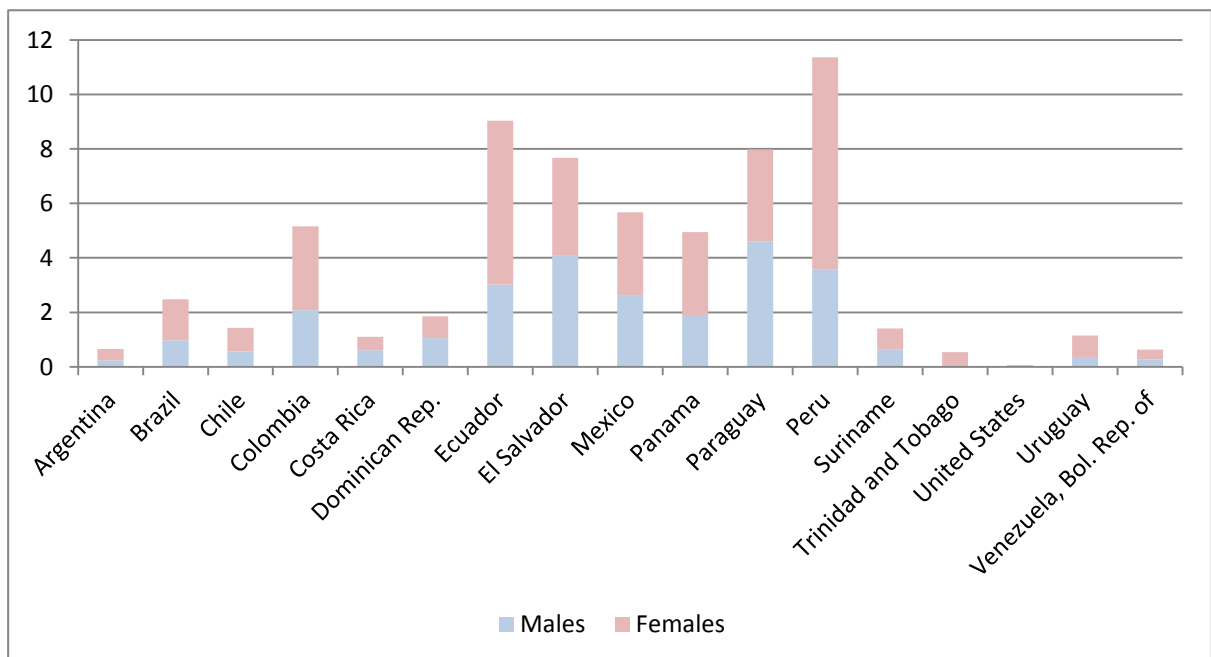
113. As noted in Chapter 1, ICSE-93 defines 'Contributing family workers' as 'those workers who hold a self-employment job in a market-oriented establishment operated by a related person living in the same household'. They are distinguished from own-account workers and employers, 'because their degree of commitment to the operation of the establishment, in terms of working time or other factors determined by national circumstances, is not at a level comparable to that of the head of the establishment'. Where it is customary for young persons to work without pay in an enterprise operated by a related person who does not live in the same household, the requirement of living in the same household may be eliminated.
114. Contributing family workers make up a very small proportion of total employment in most industrialized countries, but are a large and important group in many less developed countries. Figure 2 shows contributing family workers as a percentage of total employment, broken down by sex, for the 20 countries with the highest number of contributing family workers for which 2013 data are available on ILOSTAT. Figure 3 shows the same information for selected countries in the Americas. In almost all countries significantly more women than men are identified as contributing family workers and in some countries they represent a remarkably high proportion of total employment.
115. Since the data were collected according to the pre-19th ICLS standards for labour statistics, some workers now classified as own-use production workers and therefore not in employment, may be included for some countries. For data compiled according to the 19th ICLS definitions the number of contributing family workers included in employment might therefore be somewhat lower in some countries. The proportion of total employment could be higher or lower, as a result of removing all own-use production workers from employment.

Figure 2: Contributing family workers as a percentage of total employment, 2013 - Top 20 countries



Source: ILOSTAT

Figure 3: Contributing family workers as a percentage of total employment, 2013 – Americas (selected countries)



Source: ILOSTAT

Note: Suriname: Provisional, Geographical coverage: Urban areas only

116. The restriction of contributing family workers to employment in market-oriented establishments means that own-use producers of goods, including subsistence workers, cannot in theory be classified as contributing family workers. They are classified by default as own-account workers, even if they are, for example, children helping their parents on the family plot of land. In practice, however, this rule has not always been strictly followed by countries. The distinction between those who own and take responsibility for the operations of the establishment, and those who have a supporting role, is indeed equally valid for own-use production of both goods and services.
117. Now that own-use production work is treated as a separate form of work from employment, there is a need to consider whether this type of distinction should also be made in own-use production work. For example, when household farms produce foodstuffs mainly for own consumption but nevertheless sell some of their produce on the market, it may be useful to identify own-account workers and contributing family workers on a consistent basis in both own-use production and market-oriented production.
118. It is also important to note that ICSE-93 does not restrict this contributing family workers to unpaid workers, even though the term ‘unpaid family workers’ is still frequently used for this group. Whilst the reasoning for this was not made explicit, either in the resolution or in the report to the 15th ICLS on the proposals for the revision of ICSE, it would seem to reflect the reality that any income derived from the employment of contributing family workers is accrued at household level, and may or may not be redistributed (in cash or in kind) within the household. This situation is well reflected by the Resolution concerning the measurement of employment-related income, adopted by the 16th ICLS (1998), in its guidance on the imputed contribution of contributing family workers which notes that:

In household enterprises, and more generally in self-employment activities, activities may be jointly performed by several members of the household without formal or individualized earnings or income. In that case, the profit or mixed income derived by the self-employed head of the enterprise also rewards the participation of contributing family workers (as defined in the most recent version of ICSE) whose participation in the economic activity is of varying duration and intensity and at different levels of responsibility.

119. The boundary between contributing family workers and other self-employed workers may also be interpreted in different ways in different countries. For example, in some family operated businesses, a single person (typically the head of the household) might be identified as an own-account worker or employer, while others equally committed to the operation of the business, such as a spouse or adult children, are identified as contributing family workers. A consequence of this is that a much greater proportion of women than men are classified as contributing family workers in almost all countries where this group is significant, and that many joint operators of businesses may not be identified.
120. This concern is perhaps related to a more fundamental problem with the definition of contributing family workers. The statement in ICSE-93 that contributing family workers hold a self-employment job implies two things, bearing in mind the ICSE-93 definition of self-employment jobs. Firstly it implies that remuneration is directly dependent upon the profits derived from the goods and services produced, which is no doubt the case for contributing family workers. Secondly it implies that they make operational decisions affecting the enterprise, or delegate such

decisions while retaining responsibility for the welfare of the enterprise. Many of those classified as contributing family workers clearly do not make operational decisions affecting the enterprise and do not have responsibility for its welfare. The statement that ‘their degree of commitment to the operation of the establishment ... is not at a level comparable to the head of the establishment’ comes close to confirming this.

121. The use of working time to decide who in a family business is to be classified as a contributing family worker is also a potential source of confusion, even though it may not usually be used as part of their operational measurement. Should we assume, for example, that a 17 year old boy who works 40 hours a week serving, cleaning and stacking shelves in a family shop but makes no operational decisions about the business, should be classified as an own-account worker? Should his grandmother, who owns the shop and works only 15 hours a week but makes all operational decisions in partnership with one of her children, be classified as a contributing family worker because of the short hours worked? It seems that the use of working time as an operational criterion would lead to inappropriate results in these and many other cases.
122. Finally, the inclusion among contributing family workers of young persons who work without pay in an enterprise operated by a related person who does not live in the same household may have some unintended consequences. Firstly, a worker not living in the same household as the operator of the enterprise does not benefit from the income in kind derived at household level, in the way that household members do. Secondly, unpaid or minimally paid apprenticeship in a business operated by a relative is a very common way in which young people develop occupational skills in the informal economy. Since the 19th ICLS Resolution gives priority to employment, including as a contributing family worker, this could lead to loss of information about a significant proportion of unpaid trainees and apprentices.
123. In view of these concerns, it may be appropriate to revisit the definition of contributing family workers to specify that:
 - a) They work in an establishment operated by a related person, living in the same household;
 - b) Their remuneration in cash or in kind is directly dependent on the profits of the establishment;
 - c) They **do not** make operational decisions affecting the enterprise or have responsibility for its welfare.
124. The third part of this definition would imply the need either (1) to revise the definition of the self-employment jobs by removing the requirement that the incumbents make operational decisions affecting the enterprise, OR (2) to accept that contributing family workers should not be classified as self-employed. What distinguishes them from employees, according to the above definition, is the method of remuneration and their relationship to the operators of the enterprise. In other respects they are dependent workers.
125. A further issue related to family workers is concerned with those who assist members of their family in their paid employment jobs. This group has sometimes been termed ‘assisting family workers’. There is little information about the size of this group, but they may be of particular significance in assisting homeworkers and outworkers. The importance of this group and possible ways of defining and classifying them need to be further investigated. Given that they do exist, the revised ICSE-93 should at least provide some guidance as to how they should be classified

according to status. For example should they be classified as ‘employees,’ included with ‘contributing family workers’ or separately identified?

126. In summary, the following key issues need to be addressed with respect to the treatment of family workers:
- a) The usefulness and feasibility of providing categories analogous to own-account workers and contributing family workers for persons engaged in own-use production work and other forms of work;
 - b) Whether or not contributing family workers should continue to be classified as self-employed;
 - c) The treatment of workers who assist members of their family in their paid employment jobs;
 - d) The revision of the definition of contributing family workers along the lines proposed in paragraph 123 above, or its possible extension to include workers who assist members of the family in their paid employment jobs.

Members of producers’ cooperatives

127. In defining Members of producers’ cooperatives as ‘workers who hold a *self-employment job* in a cooperative producing goods and services’ ICSE-93 provides little guidance on the distinction between this group and own-account workers or employers who work with one or more partners.
128. Very few countries have collected statistics on members of producers’ cooperatives in recent surveys on employment. In most of those countries that do publish figures, members of producers’ cooperatives represent an insubstantial share of the population in employment, usually less than 1%. This group’s share of total employment is very small and in decline in almost all countries. For those countries where the percentage was greater than 1% in 2007, the share of members of producers’ cooperatives as a percentage of total employment, disaggregated by sex, is shown in Table 1.
129. It is not clear whether these changes reflect major structural changes in the labour market, significant changes in contractual and legal arrangements for cooperative economic units, or methodological changes in data collection and compilation. In the case of Armenia, however, it should be noted that the data source for 2007 was the Labour Force Survey, whereas for 2009 and 2010 it was the Household Income and Expenditure Survey. For Cuba and Morocco it seems that the percentage of workers who are members of cooperatives has been stable or increasing slightly in recent years.
130. It is also important to note that the category ‘Members of producers’ cooperatives’ as currently defined may give a misleading impression of the impact of cooperatives on employment. Employment by cooperatives of persons who are not members of the cooperative, as employees for example, is not covered. The need for a more comprehensive set of statistics on employment by cooperatives has been identified by the ILO, and is being addressed as part of a separate programme of work which is beyond the scope of the revision of ICSE-93.

Table1: Members of producers' cooperatives as a percentage of total employment, selected countries and sex, 2007 - 2010

Year		2007	2008	2009	2010
Armenia	Total	5.6	-	0	0
	<i>Males</i>	3.2	-	0	0
	<i>Females</i>	8.5	-	0	0
Cuba	Total	4.9	4.7	5.1	5.1
	<i>Males</i>	6.5	6.3	7.0	2.0
	<i>Females</i>	2.2	2.2	1.9	7.1
Israel	Total	1.1	1.0	0.8	0.6
	<i>Males</i>	1.1	0.9	0.8	0.7
	<i>Females</i>	1.1	1.0	0.7	0.6
Morocco	Total	1.6	1.6	1.5	1.9
	<i>Males</i>	2.0	2.0	1.9	2.4
	<i>Females</i>	0.6	0.5	0.5	0.6
Venezuela	Total	6.7	-	1.7	1.6
	<i>Males</i>	8.0	-	2.4	2.4
	<i>Females</i>	4.6	-	0.6	0.5

131. Since the current ICSE category for members of producers' cooperatives is not used by most countries, and the number of persons employed in this category is very small in almost all countries, the ongoing requirement for a separate category for this group needs to be further investigated. Removal of the category altogether would imply the need for guidance on how the group members of producers' cooperatives should be classified in the new framework.

132. A possible solution could be to include them in the category for own-account workers if the cooperative does not have regular employees and as employers if it does have regular employees. Any set of statistics on employment in cooperatives could thus be usefully cross-tabulated by status in employment, showing the number of employers, own-account workers and employees employed in cooperatives. An adjustment would be necessary to the definitions of the categories for own-account workers and employers along the following lines:

Own-account workers are defined as those workers who, working on their own account, with one or more partners, or as members of producers' cooperatives, hold the type of job defined as a 'self-employment job', and have not engaged on a continuous basis any employees to work for their enterprise or cooperative.

133. If there is a need for on-going identification or definition the group, it would be difficult justify its continuing identification as a main category at the top level of a hierarchical classification of status in employment. If a separate category is retained, however, there may be a need for stronger guidance on the distinction between members of producers' cooperatives and own-account workers operating a business in partnership with others.

The identification of entrepreneurs

134. There is a strong demand for statistical information about entrepreneurs, in other words about people who organize, operate and assume the risk for a business. Entrepreneurs create

employment for themselves and employment opportunities for others. Governments therefore frequently have policies to support and promote entrepreneurship. Small businesses are seen by many governments as engines of growth and a key requisite for economic development. The promotion of micro and small-scale enterprises has also been identified as a strategy for advancing the economic empowerment of women, while reducing poverty and gender inequality. A recent study by the United Nations Conference on Trade and Development (UNCTAD) notes that ‘women’s microenterprises and small subsistence businesses play a crucial role in ensuring the survival of poor households, and in building up women’s confidence, skills and socio-economic status with social benefits accruing to the community and future generations.’¹⁹

135. There is a need, therefore, for statistical information to monitor the effectiveness of these policies and to understand the demographic and other characteristics of entrepreneurs, as well as the characteristics of their enterprises. ICSE-93, however, does not serve this need well. Analysts may understandably assume that there is a close correlation between the self-employed as defined in ICSE and entrepreneurs, at least for the categories of Employers and Own-account workers. The exclusion from these categories of owner-managers of incorporated enterprises in some data sources, however, means that the picture may frequently be incomplete. The inclusion among the self-employed of dependent contractors, contributing family workers (and to a lesser extent members of producers’ cooperatives) adds further to the confusion.
136. These problems could to a partial extent be resolved by ensuring that, in line with the proposals suggested in the preceding sections of this chapter :
 - a) owner-operators of businesses, including those who operate incorporated enterprises, are classified as employers or own-account workers as appropriate,
 - b) dependent contractors are not classified as own-account workers,
 - c) workers in family businesses who do **not** make operational decisions affecting the enterprise or have responsibility for its welfare are **not** classified as employers or as own-account workers,
137. This would allow the aggregate of employers and own-account workers to be treated with greater confidence as a proxy for entrepreneurs. There may be a need for further consideration, however, of whether certain categories of freelance workers, who would not normally be classified as dependent contractors, should appropriately be considered as entrepreneurs. Such freelance workers would include, for example, persons working independently or in partnership with others such as artists, in other occupational groups where freelance work is a common or usual employment arrangement. It is not clear that these workers would generally be considered as entrepreneurs who organize, operate and assume the risk for a business or enterprise. Whilst freelance workers of this type may make up a significant proportion of own-account workers, they may not be the group policy makers have in mind when designing policies to promote entrepreneurship. The possibility of separately identifying freelance workers from workers who own and operate a business, as already happens in some countries²⁰, could therefore be considered.

¹⁹ United Nations, 2014

²⁰ Pärnänen, A. and Sutela, F

3 'Regular' employment and non-standard or temporary working arrangements

138. In this chapter we discuss the need for statistical information on the extent to which workers have stable and long-term employment arrangements or have other working arrangements of a non-permanent, non-standard or temporary nature, including those in transition from education to work. These statistics are needed for such purposes as:
- Informing policy debate on the extent to which short-term flexible or 'non-standard' employment arrangements provide employment opportunities and promote economic growth, through making it easier for employers to take on new workers;
 - Monitoring the extent to which workers experience less stable and more precarious employment situations, as a result of the promotion of non-standard employment arrangements, or of other changes in economic conditions;
 - Monitoring the transition of young people from education to work.
139. The discussion in this chapter focuses primarily on the need for disaggregation of workers in paid employment. There are also implications for workers in forms of work other than employment, especially unpaid trainee work, as well as for certain groups that may be classified either as self-employed or in paid-employment according to ICSE-93.
140. Guidance and definitions are provided in ICSE-93 for a number of subcategories of the group 'Employees'. These include 'regular employees' and various categories of employee that might be considered to reflect precarious employment situations. It is also stated that the three categories of worker in precarious employment specified (casual workers, short term workers and seasonal workers) may be classified as being 'employees' or 'own-account workers' according to the specific characteristics of the employment contract.
141. In order to determine which jobs might be counted in our statistics as temporary, casual or non-standard in some other way, it is necessary first to consider what might be understood to be the normal, standard or regular employment relationship. In the modern labour market, however, this is not entirely straightforward. As noted in the Report of the Director-General of the ILO to the 102nd Session of the International Labour Conference in 2013,

the classic stereotype of a full-time permanent job, with fixed hours, and a defined-benefit pension on the completion of a largely predictable and secure career path with a single employer, however desirable it might appear, is an increasingly infrequent reality²¹.

142. The ILO Report for discussion at the Meeting of Experts on Non-standard Forms of Employment held in February 2015, states that a standard employment relationship 'is understood as being work that is full-time, indefinite employment in a subordinate employment relationship'. It further notes that the term 'non-standard forms of employment' covers work that falls outside the scope of a standard employment relationship. This report identifies the following forms of non-standard employment: (1) temporary employment; (2) temporary agency work and other

²¹ ILO, 2013a, p. 13

contractual arrangements involving multiple parties; (3) ambiguous employment relationships; and (4) part-time employment.²²

143. Ambiguous employment relationships are those that display characteristics of both self-employment and paid employment and are discussed above in Chapter 2. Statistics on part-time employment do not need to be addressed as part of the revision of ICSE-93. They are covered by the 18th ICLS Resolution concerning the measurement of working time (2008) and are referenced in the main resolution of the 19th ICLS, as part of the measurement of time-related underemployment. Indeed, for statistical purposes it is important not to mix up measurement based on the on-going or temporary nature of an employment relationship with measurement of hours worked.
144. This chapter continues, therefore, with a discussion of the measurement and identification of ‘regular employees’, following the terminology used in ICSE-93 and goes on to discuss various types of temporary or irregular employment situations and workers with contractual arrangements involving multiple parties. This is followed by a discussion of another group whose work is generally of a temporary or fixed duration: apprentices, trainees and interns.

Regular employees

145. ICSE-93 defines ‘regular employees’ as ‘those employees with stable contracts for whom the employing organization is responsible for payment of relevant taxes and social security contributions and/or where the contractual relationship is subject to national labour legislation’. Employees with stable contracts are defined as those ‘who have had, and continue to have, an explicit or implicit contract of employment.... with the same employer on a continuous basis.’ Regular employees may be further broken down into those with fixed-term contracts and those with contracts without limits of time, for whom contracts can only be terminated for specific reasons such as incompetence, misconduct or economic circumstances, according to national legislation or custom.
146. If we assume that all regular employees belong to one of these two sub-groups, then we may conclude that regular employees are employees with stable contracts that are either fixed-term, or that can only be terminated for specific reasons. This is a little confusing, however, as the notion of termination of contract only for specific reasons seems not to apply to those on fixed-term contracts.
147. If we want to define regular employees so that there is no overlap with the various categories of workers in short-term or temporary employment, it might be better to include the qualification about termination of contract for specific reasons as part of the definition of regular employees. In today’s labour law environment, it may also be preferable to further qualify the reference to the contractual relationship being subject to national labour legislation, since many of the contract types associated with temporary or non-standard employment may also be subject to national labour legislation.
148. The situation of regular employees differs from those in temporary or other non-standard forms of employment primarily because there are limitations on the circumstances in which their

²² ILO, 2015

employment can be terminated. A revised definition of regular employees, along the following lines, was proposed in the paper on the revision of ICSE prepared for the 19th ICLS:

Regular employees are employees for whom:

(a) the employing organization is responsible for payment of relevant taxes and social security contributions; and

*(b) the contractual relationship is subject to provisions in national labour legislation which specify that the contract of employment can be terminated in only in specific circumstances or for specific reasons such as incompetence, misconduct or economic circumstances.*²³

149. This definition would exclude all employees with fixed -term contracts, even when the contract has a relatively long duration, such as one or two years. By specifying that the employer is responsible for the payment of social contributions, it also excludes most informal employment situations, even if there is a legally enforceable contract of employment or a verbal agreement that the employment will be of an on-going nature.

Temporary or precarious employment situations

150. ICSE-93 notes that workers in precarious employment can be either: (a) workers whose contract of employment leads to them being classified as ‘casual workers’, ‘short-term workers’, or ‘seasonal workers’; or (b) be workers whose contract of employment will allow the employing enterprise or person to terminate the contract at short notice and/or at will, the specific circumstances to be determined by national legislation and custom.

151. *Casual workers* are defined as those who have an explicit or implicit contract of employment which is not expected to continue for more than a short period, whose duration is to be determined by national circumstances. *Workers in short-term employment* are workers who hold explicit or implicit contracts of employment which are expected to last longer than the period used to define ‘casual workers’, but shorter than the one used to define ‘regular employees’. *Workers in seasonal employment* are workers who hold explicit or implicit contracts of employment where the timing and duration of the contract is significantly influenced by seasonal factors such as the climatic cycle, public holidays and/or agricultural harvests.

152. A major difficulty with this approach, from the perspective of international comparability, is that to determine the boundary between regular employees and the various forms of non-standard or precarious employment, as well as the boundary between casual workers and workers in short-term employment, a great deal is subject to variations in national circumstances. There also seems to be considerable overlap between workers in seasonal employment and those in casual or short-term employment. An additional problem is that, in some countries, the term ‘casual employment’ may refer to contracts that may be terminated at short notice, rather than to a very short-term contract.

²³ ILO 2013c

153. The Report for discussion at the Meeting of Experts on Non-Standard Forms of Employment (Geneva, 16–19 February 2015) notes that:

‘temporary employment, whereby workers are engaged for a specific period of time, includes fixed-term, project or task-based contracts, as well as casual work. Accurate, detailed and comparable cross-country data on the incidence and trends of temporary employment is lacking, due primarily to different statistical definitions used in national surveys. These differences stem in part from the different forms of temporary employment that exist in countries. In Europe and Latin America, for example, temporary employment is dominated by fixed-term contracts, while casual employment, rather than contractual arrangements with formal guarantees, dominates in many parts of Africa and Asia. Given this situation, some countries collect data on the incidence of fixed-term contracts but not on casual work, while others do the opposite.’²⁴

154. This would seem to suggest that there is a need for a statistical definition at international level that encompasses all of these forms of temporary employment in order to promote comparability across countries, at the same time as allowing for further breakdowns for fixed-term and casual employment. This same report indicates that, whilst there has been a long term increase in the incidence of various forms of temporary employment over time, there is a tendency for it to drop significantly during times of economic crisis. This highlights the importance of measuring these groups in regularly published statistics. The current situation in the Labour Force Surveys is that data on casual, short-term and seasonal employees are collected in 68 countries, but only in 4 countries is it measured as a category of Status in Employment.

Seasonal workers

155. Grouping together workers in seasonal employment with these various forms of temporary employee may be problematical, however. Firstly, seasonal employment contracts may not always be temporary in nature. Indeed there are specific contract types which specify that employment and payment will take place only during certain periods of the year, but that employment will recur from year to year. In Spain, for example, a model for permanent seasonal employment has been promoted in the tourism industry²⁵. Secondly, seasonal factors are frequently significant in self-employment and other forms of work as well as in paid employment. If there is a need for information about seasonal work, the most suitable approach could therefore be to define a separate variable for seasonality that could be applied to all types of employment, as well as to other forms of work.

Fixed-term contracts

156. Fixed-term contracts (FTCs) of employment are contractual employment arrangements between one employer and one employee characterised by a limited duration or a pre-specified event to end the contract between them. Together with project-based, casual employment, and temporary work through private employment agencies, fixed-term contracts represent special forms of

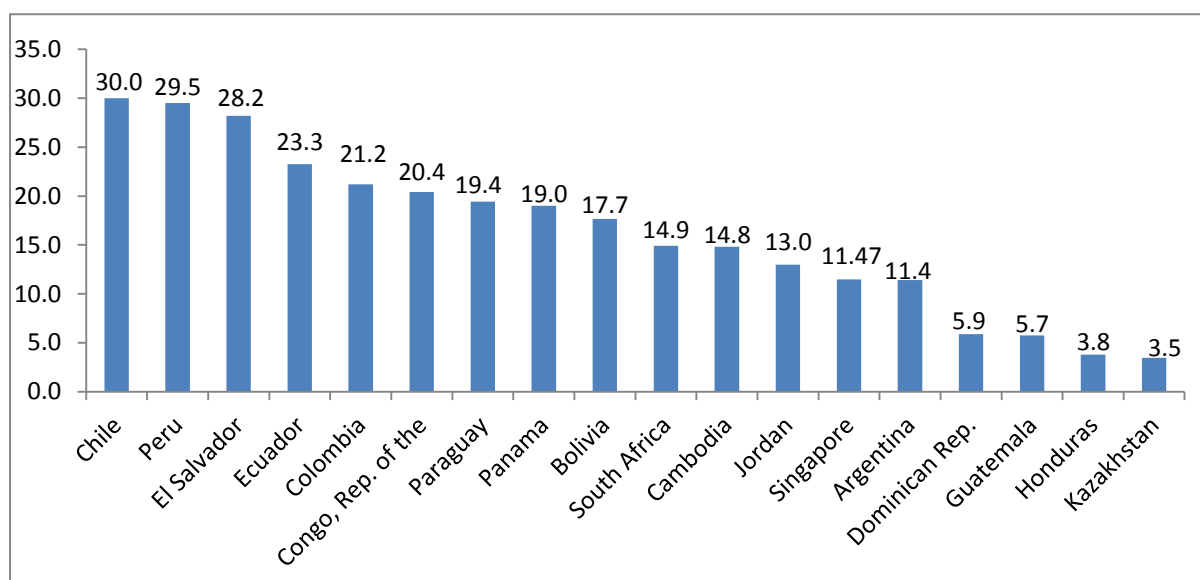
²⁴ ILO 2015

²⁵ Source: EFFAT study on Precarious Employment, London 2011 accessed here: <http://www.precarious-work.eu/en/what-did-trade-unions-do/spain-developing-model-permanent-seasonal-work>

temporary dependent employment. As such, they are distinct from regular employment that is open-ended, “permanent”, or “of indefinite duration”.²⁶

157. Fixed-term contracts can be either written or oral, but are characterized by a predefined term. In the majority of countries, fixed-term contracts are regulated by specific legal provisions on the maximum duration of the contract, the number of renewals, and valid reasons for recourse. In terms of duration of FTCs, the comparative analysis shows that around 60 per cent out of 193 countries with available information limit the cumulative duration in the range from 1 to 10 years. Half of the examined countries use limitations of 2, 3, 4 and 5 years (see Table 2).
158. Available data on the incidence of FTCs suggest significant variation in their use across countries, ranging from under 5 per cent in Honduras and Kazakhstan to 30 per cent in Chile (see Fig. 3). Data between 2003 and 2011 show that the incidence of FTCs increased in numerous countries, though some also witnessed a decline, which highlights the importance of separately measuring this form of temporary employment in regularly published statistics.

Figure 3. Incidence of workers with FTCs as a percentage of wage employees, in selected countries; latest available year



Note: Workers with FTCs as a percentage of all wage employees

Sources: Argentina: data for 2011 (SEDLAC); Bolivia: 2004 (ECLAC); Cambodia: 2011 (LFS); Chile: 2014 (INE); Colombia: 2012 (GEIH); Congo: 2009 (CNSEE); Dominican Republic: 2005 (ECLAC); Ecuador: 2005 (ECLAC); El Salvador: 2010 (SEDLAC); Guatemala: 2012 (ENEI); Jordan: 2010 (ILO DWCP); Honduras:2007 (EPHPM); Kazakhstan: 2014 (Decent Work Country Profile); Panama: 2005 (ECLAC); Paraguay: 2005 (ECLAC); Peru, 2011 (ENAHO); South Africa:2014 (QLFS); Singapore: 2012 (MOM).

Original source: Aleksynska/Muller 2015

²⁶ Aleksynska and Muller 2015

Table 2. Maximum legal duration of fixed-term contracts, including renewals

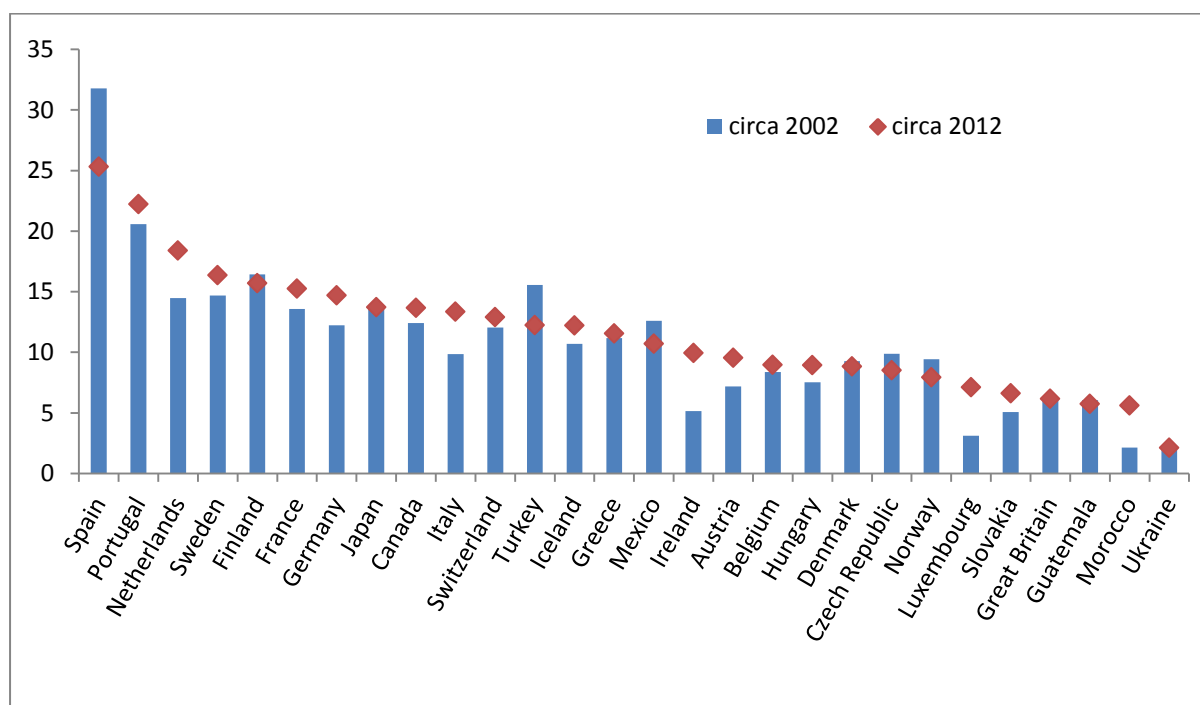
Maximum duration of FTCs, including renewals	Countries
1 year and less	Chile, Guinea-Bissau, Pakistan*, Panama, Serbia, Sierra Leone, Venezuela, Zimbabwe*
2 years	Bolivia, Bosnia and Herzegovina, Brazil, Burkina Faso*, Cambodia, Central African Republic, Republic of Congo, Djibouti, Côte d'Ivoire, Ecuador, Equatorial Guinea, France*, Germany, Guinea, Iceland, Republic of Korea, Lebanon*, Luxembourg, Madagascar, Maldives, Mauritania, Montenegro*, Morocco*, the Netherlands**, Palau, occupied Palestinian territories, Senegal, Slovakia, Slovenia**, Spain, Sweden, Thailand, Venezuela
3 years	Algeria, Angola, Belgium*, Bulgaria, Colombia*, Comoros, Croatia, Cuba, Greece, Indonesia, Italy, Latvia, Liberia*, Myanmar, , Panama*, Portugal, São Tomé and Príncipe, Saudi Arabia*, Timor-Leste
4 years	Benin, Cameroon, Chad, Democratic Republic of Congo, Gabon, Georgia, Germany, Ireland*, Libya, Malta, Niger, Norway, Sudan, Togo, Tunisia, United Arab Emirates*, United-Kingdom*
5 years	Argentina, Armenia, Azerbaijan, Bahrain, Belarus*, Cape Verde, Costa Rica*, Finland, Honduras, Hungary, Japan, Jordan*, Kuwait, Kyrgyz Republic, Lithuania, Macedonia (FYR), Moldova, Mongolia*, Paraguay, Peru, Qatar, Romania, Russian Federation*, Senegal*, Syria, Tajikistan, Turkmenistan, Uzbekistan
6 years	Mali, Mozambique, Portugal, Viet Nam
10 years	China, Estonia, Switzerland*, Czech Republic (9 years)
No legal limits for the maximum duration of fixed-term contracts	Afghanistan, Albania, Antigua and Barbuda, Australia, Austria, Bahamas, Bangladesh, Barbados, Belize, Botswana, Brunei Darussalam, Burundi, Canada (federal), Cyprus, Denmark, Dominica, Dominican Republic, Egypt, El Salvador, Eritrea, Ethiopia, Fiji, Gambia, Ghana, Grenada, Guatemala, Guyana, Haiti, Hong Kong (SAR, China), India, Iran, Iraq, Israel*, Jamaica, Kazakhstan, Kenya, Lao, Lesotho*, Malawi, Malaysia, Marshall Islands, Mauritius, Mexico, Namibia, Nepal, New Zealand, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Poland, Rwanda, Samoa, Seychelles, Singapore, Solomon Islands, South Africa**, Sri Lanka, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sri Lanka, Suriname, Swaziland, Tanzania, Thailand, Tonga, Trinidad and Tobago, Turkey, Uganda, Ukraine, United States, Uruguay, Vanuatu, Yemen, Zambia

Source: Muller, 2015 (forthcoming) with data from ILO EPLex, World Bank Doing Business Database, and national labour laws.

Note: For countries marked with “*”, specific comments and assumptions are provided in Muller, 2015 (forthcoming).

Original source: Aleksynska/Muller, 2015

Figure 4. Trends in FTC in Selected Countries, around 2002 and 2012



Note: Workers with FTC as a percentage of all wage employees

Source: for OECD countries – data for 2003 and 2011, OECD Employment Outlook (2013); Ukraine: State Statistics of Ukraine, “Labour of Ukraine”, data for 2004 and 2011; Morocco: Direction de la Statistique, data for 2004 and 2011; Guatemala: ENEI and ECLAC, data for 2002 and 2012.

Original source: Aleksynska/Muller, 2015

159. As discussed above, ICSE-93 includes workers on fixed-term contracts among ‘Regular employees’. It notes that regular employees may be further broken down into employees with fixed-term contracts and those with contracts without limits of time. In classifying employees with fixed-term contracts as regular employees, ICSE-93 does not take the duration of the contract into consideration, however. This results in a lack of clarity about the boundary between employees on fixed-term contracts and ‘short-term workers’ who are to be considered as precarious employment.
160. A possible solution to this problem would be to count employees on fixed-term contracts longer than a certain duration (for example 2 years or more) as regular employees, along with employees on contracts without limit of time. ‘Temporary employees’ would be those with contracts shorter than the prescribed threshold. Further distinctions between different types of regular employee and temporary employee might best be made through the use of a separate variable measuring the ‘duration of contract’ (or ‘expected duration of employment’ for those employed without written contracts).
161. If this approach is pursued there would need to be further debate and research about the most appropriate duration to determine the threshold between temporary and ‘regular’ employment. In determining the most appropriate duration of employment to define the boundary between regular and temporary employees, an important consideration is that, in some countries, the permissible duration of FTCs is limited. A comparative overview of national labour law shows that countries

have adopted a range of different approaches to prevent abusive recourse to FTCs. These include the prohibition of FTCs for objectively permanent work, the limitation of the number of successive FTCs, and the limitation of cumulative duration of FTCs. There are 41 out of 193 countries where the duration of FTC, including renewals, is limited to a maximum of two years (see Table 2). The other 152 countries with available information allow cumulative FTC up to ten years or do not have any legal limits for the maximum duration of FTCs.²⁷

162. The need to draw a consistent boundary between these various types of temporary employee and those with ‘regular’ contracts will need to be given considerable attention, however, especially with respect to informal employment where contracts are not usually written or explicit.

Duration of employment contract

163. Whatever approach is taken towards the measurement of temporary employees, the information could be complemented by a separate variable on ‘duration of contract’ or ‘anticipated duration of employment’. This variable could potentially be applied not only to employees as currently conceived but also to ‘dependent contractors’ (whether classified as employees or as self-employed) and to some forms of work other than employment such as: unpaid trainee work and volunteer work.
164. Whilst statistics on the duration of employment contracts, or the expected duration of employment, are frequently collected in labour force surveys, there are currently no international recommendations on such statistics. Information about the duration of contract is useful not only to assist in distinguishing between permanent and temporary employment arrangements. It also allows the identification of those with very short-term or casual employment arrangements, suggesting a relatively precarious employment situation, from those with more stable and longer term arrangements. Statistics on the expected duration of the contract or work are also relevant for the dependent self-employed and for those in other forms of work such as volunteer work and unpaid trainee work.
165. The European Union (EU) Labour Force Survey collects statistics on the total duration of temporary job or work contract of limited duration as a core variable. All countries in the European Union (EU), as well as the other states participating in the EU LFS therefore ask a question about the duration of the temporary employment contract. This is defined as the total of the time already elapsed plus the time remaining until the end of the contract.²⁸ In the core EU LFS it is restricted to employees with a temporary job.
166. The general wording of the question about duration of employment is similar in most countries, asking “What is the total duration of this job?” Only a few countries include the duration of the contract in the question about whether the employment is temporary or permanent (Switzerland and Hungary). Except for Austria, Bulgaria, Germany and Lithuania, where the answer to this question is open, the surveys provide several categories ranging from 1 month up to 3 years or even longer (for example up to 8 years in Switzerland). In most of the surveys the question is only asked of employees. In a few countries the question is posed for all statuses in employment and some countries have separate questions for the self-employed (for example Portugal and

²⁷ Aleksynska and Muller 2015

²⁸ Eurostat 2014

Spain²⁹) or for those employed in temporary agency relationships (France) or employees without contract (Italy)

167. The EU LFS specifies the following categories for duration of temporary job:

- Less than one month
- 1 to 3 months
- 4 to 6 months
- 7 to 12 months
- 13 to 18 months
- 19 to 24 months
- 25 to 36 months
- More than 3 years
- Not applicable

168. These categories provide useful information to serve as an indicator of workers in temporary or precarious employment situations but may perhaps be too detailed for the purposes of international comparability at the global level. If the classification were to be applied to all statuses in employment, it would be necessary to replace the category ‘Not applicable’ with something like ‘without limit of time’.

Zero- hours and on-call contracts of employment

169. Statistics about the specific group of on-call workers or workers on zero-hours contracts have been collected in the LFS of a number of European countries, including Denmark, Italy, Austria, Czech Republic, Estonia, Malta, the Netherlands, Norway and the UK. At this stage we do not have information about the collection of statistics on these types of worker in other regions.

170. In the Report for discussion at the Meeting of Experts on Non-Standard Forms of Employment, various types of non-standard forms of employment are subsumed under a discussion on part-time employment.³⁰

Very short and unpredictable working hours, in the form of zero-hours contracts in the United Kingdom, mini-jobs and work-on-demand (Arbeit auf Abruf) in Germany, casual employment in Australia, and crowdwork via the Internet, have grown in importance (see figure 11). Very short hours (fewer than 15 per week) can be an attractive option for people who want to devote a limited amount of time to paid work. Nevertheless, in many instances such arrangements are associated with a high level of variability and a lack of predictability in working time and schedules (Messenger and Wallot, forthcoming). In Denmark, Germany, the Netherlands and the United Kingdom, more than 40 per cent of establishments employ at least some of their workforce for fewer than 15 hours per week (Riedmann et al., 2010).³¹

²⁹ For example the exact wording in the LFS of Spain for the self-employed is : “What is the total duration, in months, of your employment?”

³⁰ The standards for statistics on working time adopted at the 18th ICLS in 2008 are not being reviewed as part of the ICSE revision. These standards already provide a concept of ‘Contractual hours of work. There are no recommendations on full-time/part-time status due to wide variations in national practice. On-call or zero-hours work is dealt with in the annex on working time arrangements

³¹ ILO, 2015

171. These forms of part-time employment may be considered as casual work, because these workers are called in to work only as and when they are needed. The activity of these workers is therefore closely dependent on the level of, and fluctuation in, the workload, and they can work for only a few days or for as several weeks in a row. The employment contracts of casual workers can stipulate their minimum and maximum hours of work and indicate the notice period that has to be respected for requiring that they work. In contrast, under “zero-hours” contracts, workers are not entitled to any minimum numbers of hours of work.
172. In contrast to other forms of part-time work, on-call working does not specify the numbers of hours work, but which request workers to be available if and when the employer needs them. Zero-hours contracts and on-call working arrangements do not always imply part-time work, however. As reported in the Finland Times, questions about zero-hours contract in the 2014 LFS in Finland, showed that:

Sixty-eight per cent of the employees working on zero-hour contracts reported that they were working part-time in 2014. Thirty-two per cent were working full-time. The average working hours of everyone working on zero-hour contracts was 23 hours per week. The average working hours of those working part-time was 15 hours per week and for those working full-time was 37 hours per week³².

173. In most of European countries on-call working is not regulated by law and a legal definition of ‘zero-hours contracts’ does not exist. But according to the Eurofound, data for some countries are available. They are not directly comparable, but the incidence of zero-hours employment varies significantly between 5% (for UK and Austria) and approximately 1% (for Malta and Norway) of total employment. Additionally data were found for Finland, where two surveys commissioned by the country’s trade unions highlight that 4% to 8% of respondents are involved in on-call work. In Italy, where zero hours/on-call contracts have been formalised through 2003 legislation, 0.7% of all employment is considered to be under this form of contractual arrangements.³³
174. With respect to the distinction between paid employment and self-employed workers with zero-hours contracts have to be considered as paid employees. Whether this employment form is temporary or permanent is not clear. It is characterized, however, by the unpredictability of working time and income, and for this reason is worthy of separate identification. Although the duration of the contract is not clear, the current discussion tends to subsume zero-hours contracts to casual work. The identification of workers on zero-hours contracts or on-call workers as a single category as a separate category of non-regular employees would, therefore, be meaningful and useful.

Conclusions with respect to temporary and casual work

175. In view of the likely difficulties that would be encountered in trying to distinguish between various forms of non-regular and temporary employment consistently among countries, it may be appropriate to identify relatively broad categories for temporary employees within the classification of status in employment as sub-categories within the group ‘employees’. A distinction between casual, zero-hours and on call employment, on the one hand, and temporary employment of a more stable nature, on the other hand, would be useful however. Categories in

³² Finland Times, 2015

³³ Eurofund, 2010

national classifications of status in employment, based on nationally relevant contract types, could then be mapped to these groups. This might allow the compilation of internationally comparable statistics that could usefully serve as an indicator of workers in precarious or temporary employment situations.

176. The resolution could make recommendations on the need to identify various national relevant contract types as part of a separate variable ‘type of employment contract’ for which detailed categories would not be defined in the international standards. A complementary approach could be to provide a separate variable based on the duration of the contract.
177. A potential solution for situations where there is no formal or written contract would simply to provide a category for employees without formal written contracts. Even though there might be an unwritten agreement that the employment will be of an on-going nature, in practice, the absence of a legally binding contract offers little social or legal protection for the employee.

Workers engaged by labour hire agencies

178. ICSE-93 states that ‘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, may be classified separately from other employees, and according to whether the primary organization is a temporary work agency or another type of enterprise.’
179. Statistics on this group are collected by a significant minority of countries, and the contracting out of labour supply and administration seems to be an increasing trend about which there is a demand for statistical information. Consideration may therefore need to be given to of identification this group as part of an international standard for statistics on the employment relationship. Since these workers may be engaged on regular, casual, short-term or seasonal contracts, however, it would difficult to incorporate this group in a classification that also included separate categories for employees on these types of contract.
180. As many as 19 countries, mostly located in Eastern Europe and Western Europe, separately identify workers engaged by labour hire agencies in the LFS³⁴. The International Confederation of Private Employment Agencies (Ciett) reported that there were 36 million temporary agency workers in 2012, with 11.5 million employed daily as agency workers. The United States has the largest number of temporary agency workers (11.5 million), followed by Europe (8.2 million), Brazil (7.1 million), Japan (2.5 million) and South Africa (2.2 million) (Ciett, 2014). These numbers only show the numbers of agency workers employed by members of Ciett, and do not include other agencies and firms that operate as labour brokers. Additionally, workers may be employed by a third-party firm, providing services to a user firm, in an “in-house subcontracting” arrangement.
181. The identification of workers in triangular relationships separately from regular employees may provide a useful indicator of precarious employment situations. Research in Germany, Italy, the Philippines and the United States shows that temporary agency workers may be paid less than those employed directly. Further, workers in labour hire relationships may slip back to unemployment at once a specific task has been completed. Although there is evidence for some

³⁴ ILO, 2013a

countries that agency work may provide a ‘stepping-stone’ to regular employment, it is not confirmed in the case of temporary workers in Germany, Sweden or certain parts of the United States, where workers in triangular relationships seem to remain in this specific type of relationship.³⁵

182. The legal framework for regulating triangular employment relationships aims to prevent abuses in the use of temporary agency work and, in some cases, to establish the principle of equal treatment for them and comparable workers at the user firm. The extent to which such regulation is applied, however, varies greatly between countries.
183. Agency work can be open-ended but in most cases the duration of the contract is fixed-term. Some jurisdictions explicitly provide for this relationship to be temporary (for example, Belgium, China and France), while others both permanent and fixed-term contracts are allowed (for example, Croatia, Germany, Hungary, Italy, Panama, Portugal and Slovenia), though fixed-term arrangements typically prevail. In some countries the relationship between the agency and the worker can also be one of self-employment (for example, Estonia and the United Kingdom) (ILO 2015).

Examples of questions used in surveys to measure workers engaged by labour hire agencies

184. Most European countries do have a question about labour hire agencies in the LFS. But as mentioned above there are variations in the concepts that prevent a direct comparison of this group of workers. In most cases the question is asked only of employees (for example in Germany, Ireland, Austria, Belgium, Bulgaria, Cyprus) but there are countries where a question on labour agency employment is also asked of the self-employed (for example Switzerland and Czech Republic) or where it is asked only of employees and the self-employed without employees (Portugal) or of employees and casual workers (Turkey).
185. There are also countries where separate questions are asked for employees and for the self-employed. For example in the UK the following question is asked only of employees:

May I just check, were you being paid for that work

- 1) *by the organisation or company you actually did the work for,*
- 2) *or by a different organisation or company?"*

The following question is asked only of the self-employed and employees who are not paid a salary or wage by an employer:

May I just check, are you/were you...

- 1) *paid a salary or wage by an employment agency?*
- 2) *a sole director of your own limited business?,*
- 3) *running a business or professional practice?,*
- 4) *a partner in a business or professional practice?,*
- 5) *working for yourself?,*

³⁵ ILO, 2015

- 6) *a sub-contractor?*,
- 7) *or doing free-lance work?*,
- 8) *none of the above?"* .

186. In some countries the question about triangular relationship is only asked for workers who are in temporary employment relationships, for example in Bulgaria. There are also countries which ask slightly different questions for permanent and temporary employees.

187. In general the question about triangular employment relationships is a single question on which the respondent has to answer whether she or he is employed by a labour agency or not. For example, in the 2014 in LFS Italy the following question was asked:

“Are you a temporary agency worker, that is, do you have a contract with a temporary employment agency but you work in another enterprise”.

188. There are also countries which collect information on agency work as part of a question on the type of contract. The following question was asked, for example, in the LFS in Estonia in 2015:

Under which kind of contract do you work? Is it a...

- 1) *written regular employment contract,*
- 2) *written fixed-term employment contract,*
- 3) *contract of agreement,*
- 4) *contract for services incl. public service,*
- 5) *authorisation contract,*
- 6) *contract with a temporary employment agency,*
- 7) *verbal employment contract,*
- 8) *verbal agreement?*

189. In view of the evidently increasing numbers of workers in triangular employment relationships, as well as the significant policy concerns about differences in working conditions between agency workers and other employees, it would seem useful to provide guidance on the collection of information about this group as part of a set of statistical standards on the work relationship. Since workers engaged by labour hire agencies may be employed with both temporary and on-going contracts, and may potentially be self-employed, it would probably be best to measure them as part of an separate variable, rather than as a category in a central classification of status. As relatively few countries mainly in Europe regularly collect such information in their surveys, however, there may need to be a considerable amount of research and development work to reach agreement on the definition of the concepts to be measured, and provide guidance on data collection.

Apprentices, interns and trainees

190. The treatment of workers undergoing training presents some particular challenges in the context of statistics on the work relationship. In many, mainly industrialized, countries workers in transition from education to work have traditionally been paid, usually for a reduced rate, in cash or in kind while undertaking training or gaining work place experience in an occupation as part of an apprenticeship, internship or traineeship. In many other countries, however, apprentices and

similar workers are not usually paid either in cash or in kind, although the education and training may be considered as a form of payment.

191. There is also an increasing tendency for newly graduated professionals in fields such as law and banking to be offered unpaid internships for a trial period, before being offered employment contracts. On the one hand, this may be seen as a flexible way to allow new entrants to the labour market to gain experience. On the other hand, it could be seen as an easy way to make use of skilled resources at little or no cost to the employer.
192. What is clear is that comprehensive information on apprentices, interns and trainees, whether paid or unpaid, is needed to:
 - a) support the formulation, monitoring and evaluation of policies and programmes for vocational education and training, skills development and reskilling of workers;
 - b) Assist in monitoring the transition from education to work.

It would be useful, therefore, to provide for separate identification of apprentices, interns and trainees as part of the standards that will replace ICSE-93.

193. ICSE-93 notes that, according to national circumstances, countries may decide to classify as apprentices or trainees those workers who hold explicit or implicit contracts of paid employment which specify that all or part of their remuneration should be in the form of training for a trade or profession. The notion that the receipt of training is a type of remuneration is problematical, however. It implies, for example, that the value of such training should be estimated in calculating employment related income.
194. According to the 19th ICLS apprentices, interns and trainees who work for pay in cash or in kind are included within employment. Those who work without pay in cash or in kind are explicitly excluded from employment and are included in a separate form of work: unpaid trainee work. Persons in unpaid trainee work are defined as all those of working age who, during a short reference period, performed any unpaid activity to produce goods or provide services for others, in order to acquire workplace experience or skills in a trade or profession. “Unpaid” is interpreted as the absence of remuneration in cash or in kind for work done or hours worked. These workers may, nevertheless, receive some form of support, such as transfers of education stipends or grants, or occasional in cash or in kind support (e.g. a meal, drinks). Activities undertaken in the context of education and training that are not done in return for pay or profit and do not involve the production of goods or services for others, are not counted as work.
195. With respect to paid apprentices, interns and trainees, a useful approach could be to identify them as a subcategory of employees. This would not cause problems of overlap with the other categories proposed within paid employment. It would not be appropriate, for example to consider them as ‘regular’ employees. They generally have a particular type of temporary or fixed-term contractual arrangement that may, in some cases, be longer than typical thresholds for short term or temporary employment. The statistics could be complemented by data on duration of contract.
196. It is important to note that orientation and learning while engaged in *volunteer work*, as well as learning while engaged in *own-use production work*, are specifically excluded from unpaid trainee work. The 19th ICLS resolution gives priority to volunteer work and own-use production

work over training status. Workers undergoing training may thus be found in all forms of work. A variable for trainee status could thus theoretically be applied to all forms of work.

197. The draft 19th ICLS resolution proposed guidelines for classifying apprentices, interns and trainees by type of labour transaction, distinguishing between monetary (paid fully or partly in cash), non-monetary (paid exclusively in kind), and non-remunerated (receiving training only) transactions. The decision of the 19th ICLS to create a separate form of work for unpaid trainee work meant that this proposal was not included in the final 19th ICLS resolution. For statistics about apprentices, interns and trainees as a whole, for example in cases where information on both paid and unpaid workers in training are included in a particular data set, such a breakdown could nevertheless be useful.
198. In some countries there is significant demand for separate statistics on different types of training related job, for example to separately identify apprentices, trainees and interns. It may be difficult to make such distinctions in an international classification, however, as there are significant differences in national practices concerning the organization and delivery of national apprenticeship, traineeship and internship programmes.
199. The ICSE-93 resolution states that, when identifying apprentice and trainee employees separately, countries may also distinguish between those who hold a formal training contract and follow a formal programme combining work experience with practical and theoretical instruction, and those who do not. This type of information is likely to be collected mainly in surveys with a specific focus on education and training or on transition from education to work.
200. With respect to unpaid traineeships the 19th ICLS resolution notes that persons in unpaid trainee work include those involved in:
 - a) traineeships, apprenticeships, internships or other types when unpaid, according to national circumstances; and
 - b) unpaid skills training or retraining schemes within employment promotion programmes, when engaged in the production process of the economic unit.
201. In conclusion there is a need to consider:
 - The usefulness and feasibility of providing a separate category for paid apprentices, interns and trainees, as a sub-category of employees, within a central classification of status in employment.
 - The need for a variable that could be used to identify trainees, apprentices and interns in all forms of work.
 - Whether there is a need to provide recommendations on disaggregation of trainee workers (paid or unpaid) based on the types of sub-category described in the four preceding paragraphs.

4 Domestic work and domestic workers

202. Since a significant number of countries provide statistics on domestic workers as part of the status in employment variable, there is a need to consider whether it would be useful or feasible to provide guidelines on the measurement and compilation of statistics on domestic workers as part of a suite of standards for statistics on the work relationship.
203. A wide variety of different approaches is used to measure domestic workers, however. The ILO report on domestic workers across the world³⁶ published in late 2013 discusses four alternative approaches to identifying domestic workers in household surveys:
- A task-based approach in which domestic workers are identified on the basis of their occupation;
 - A status-in-employment approach, frequently used in Latin America, where many countries have adapted ICSE-93 to distinguish between domestic workers and other employees;
 - A household- roster approach, in which live-in domestic workers are identified on the household roster of the Labour Force Survey;
 - An industry-based approach in which the category in the national classification of economic activities that includes private households as employers of domestic staff³⁷ is used to identify domestic employees.
204. Since each of these approaches measures a different concept of domestic worker, there is a need to consider exactly what concept of might best inform debate on social and economic policy related to domestic work. For example, should the concept of domestic workers be restricted to persons employed directly by households, or should it also include the self-employed or those employed by companies that provide domestic services to households? Should all occupational groups be considered or should the concept be restricted to certain occupations?

Domestic work

205. The ILO Domestic Workers Convention, 2011 (No. 189) provides some guidance as to the concept that needs to be measured. It defines “domestic workers” in Article 1a as follows:
- the term “domestic work” means work performed in or for a household or households;
 - the term “domestic worker” means any person engaged in domestic work within an employment relationship;
 - a person who performs domestic work only occasionally or sporadically and not on an occupational basis is not a domestic worker.
206. The first part of this definition defines domestic work in a way that embraces all forms of work including own-use production work and volunteer work. Since a very large proportion of domestic work is undertaken unpaid by household members, however, and there is strong policy interest in statistical information on unpaid domestic work, it may be useful to provide a

³⁶ ILO 2013d.

³⁷ Corresponding to ISIC Rev 4 Division 97, Activities of households as employers of domestic personnel

statistical definition of domestic work that could apply to all forms of work. A consistent definition of domestic work for use in both labour force and time use surveys, for example, would potentially enhance analysis of the various ways in which domestic work is performed. The definition of domestic work provided in Convention 189 may require some refinement for statistical purposes, however. We may not want, for example, the work performed by an electrician, who repairs electrical systems in and for households, to be counted as domestic work.

Domestic workers and the need for statistics on them

207. The second part of the definition provided in the Domestic Workers Convention, by restricting the concept of *domestic workers* to persons who engage in domestic work in an *employment relationship*, implies that those who perform domestic work on a self-employed basis should be excluded. If this definition is interpreted precisely, only those employed directly as employees of households or indirectly as employees of a service agency should be counted as domestic workers.³⁸ It might be preferable for statistical purposes, however, to be able provide information on the extent to which domestic work is performed on a self-employed basis.
208. There are policy concerns about the wages and working conditions experienced by domestic workers, many of whom may be migrant workers whose right to remain in the country is linked to their ongoing employment. In many countries, domestic employees are not afforded the same degree of social protection as other employees. They may be required to work longer hours than the average employee and receive low pay. Those whose food and accommodation is provided in the household that employs them, as part of their remuneration, are highly dependent on their employers. For these reasons, there is a strong demand for statistical information about these workers.

Statistical estimates of domestic workers

209. The ILO report, *Domestic workers across the world*, estimates that in 2010 at least 52.6 million people were employed as domestic worker. These estimates were compiled based on the ILO Domestic Workers Convention definition and measured using the industry-based approach. The report states that they account for 1.7 per cent of total employment worldwide and some 3.6 per cent of all wage employment. It notes that ‘the sector has particular importance in developing regions, such as Latin America and the Caribbean, where 11.9 per cent of all paid employees are domestic workers, or the Middle East, with a share of 8.0 per cent’³⁹ It adds, however, that since there are reasons to believe that some of the primary sources used for the global and regional estimates undercount domestic workers, the true extent of domestic work is likely to be even greater.
210. The numbers employed as domestic workers varies significantly between countries and regions, with very low numbers reported in some countries. In many of the countries that collect statistics on them, however, they represent a significant component of the employed population. They are frequently more numerous than some of the main ICSE-93 groups, such as Employers,

³⁸ The term ‘employment relationship’ refers in labour law to the legal link between employers and employees. See ILO Website accessed on 26/04/2015 : http://www.ilo.org/ifpdial/areas-of-work/labour-law/WCMS_CON_TXT_IFPDIAL_EMPREL_EN/lang--en/index.htm

³⁹ ILO 2013d, p21

Contributing family workers and Members of producers' cooperatives. For example, in 2011 they comprised 7.1% of total employment in Brazil, 4.8 % in Panama and 1.7%⁴⁰ in Switzerland.

211. Domestic workers are also predominantly female. In 2011 women comprised 92.6% of domestic workers in Brazil, 85.8% in Panama and 84.3% in Switzerland. They represented 15.6% of women's employment in Brazil, 10.9% in Panama and 3.2% in Switzerland. In some countries in the Middle East they are reported to represent more than 50% of total female employment.⁴¹
212. In some countries, it is a common practice to employ relatives, usually young people, as live-in domestic workers. These workers may be remunerated in full or in part by receiving food and lodging. In the case of domestic employees who are relatives, there is a risk that they could be identified as contributing family workers, if the household operates as a business, or else in own-use production work. In reality, however, these workers may be in an employment relationship in which they are informally contracted to provide domestic services to a household. Factors such as this, together with the high incidence of informal employment arrangements for domestic workers even in developed countries, may well be leading to the statistical invisibility of some domestic workers and significant underestimation.

National variations in statistical definitions of domestic workers

213. Even when a similar approach is used to identify domestic workers in official statistics, there is significant variation in the operational definitions used. In El Salvador a domestic worker is defined simply as a person who works for a private household to perform domestic activities. In Brazil, domestic workers are persons who worked to perform domestic activities paid in money or benefits, in one or more housing units. These definitions raise interesting questions about whether those domestic workers who work for more than one household should be treated as employees with multiple jobs (a separate job for each household), or whether they should be treated as own-account workers providing services to multiple households.
214. Some countries have specific guidelines to deal with cases where domestic workers work in more than one household. In Panama for example, a domestic worker is defined as a person who works or has worked for a household other than their own, performing activities for the household and receiving a salary in cash and/or in kind. Examples of the relevant occupational groups are provided, including housekeeper, gardener, driver, cook and butler. Guidance is provided concerning the 'multiple job versus multiple client' problem by specifying that persons who are engaged to work in private households will be further classified according to the following criteria:
 - a) If the person is engaged to work constantly for the same household, then she will be regarded as an employee
 - b) If the person is engaged to perform work at different households, on a daily basis, this person should be considered as self-employed
215. In Switzerland domestic workers are defined in official statistics as workers who perform unskilled work in private households. A distinction is made between individuals who perform

⁴⁰ Percentages calculated from the main national source of labour force data either published or provided to the ILO by the National Statistical Offices of each country.

⁴¹ ILO 2013d, Appendix II

domestic work in households from those who perform domestic work as employees of companies that provide domestic services.

216. In some European countries many of those who perform work at different households on a daily basis are employed informally or may be self-employed. Others may have formal contracts of employment that make provision for social protection and contributions. This is because there are facilities that make it easy for households to engage employees on formal employment contracts. The approach used in Panama, whereby those who work in different households on a daily basis are considered as self-employed, would not be appropriate in these situations.
217. The definitions used both at national and international levels tend not to be definitive about the range of occupational tasks that may be performed by domestic workers, or whether the defining characteristic is that the work is performed as an employee of a household. International studies on domestic work frequently attempt to produce estimates of domestic workers based on classification by occupation or economic activity (industry). There are problems with using occupational data, however, since many of the occupational groups commonly found in domestic work, may also be employed in non-domestic settings. The use of employment data classified by economic activity may therefore be more fruitful and was the method used, for example, in the ILO report, *Domestic workers across the world*.
218. A ready-made category is provided by ISIC Rev. 4 Division 97, Activities of households as employers of domestic personnel. This includes:
- activities of households as employers of domestic personnel such as maids, cooks, waiters, valets, butlers, laundresses, gardeners, gatekeepers, stable-lads, chauffeurs, caretakers, governesses, babysitters, tutors, secretaries etc.*
219. The ISIC Rev 4 explanatory notes state that this category allows the domestic personnel employed by households to state the activity of their employer in censuses or studies, even though the employer is an individual. The provision of services such as cooking, gardening etc. by independent service providers is excluded, thus restricting the definition of this category to the direct employees of households. An approach based on activity classification may also exclude employees who provide domestic services to households when the households are indistinguishable from unincorporated enterprises, such as household farms.
220. A potential problem with the industry-based approach is that those domestic workers who have an employment contract with a service provider, rather than with a household, are in theory excluded from the scope of ISIC Rev. 4 Division 97. This triangular form of employment relationship is common in some parts of Europe. As noted by the ILO Report, *Domestic workers across the world*, statistical agencies appear to in practice to classify domestic workers employed by agencies as if they were employed directly by household. The report notes that ‘a large number of domestic workers who are grouped as employed in private households can be found in labour force surveys in countries where domestic workers are predominantly agency workers (Belgium), and even in establishment surveys, which collect data from enterprises rather than households (China). This highlights the need for clear guidelines on the classification by economic activity of all workers in triangular employment relationships.

Conclusions with respect to domestic work and domestic workers

221. There may be justification for the development of a statistical definition, not only of domestic employee, but also to provide a statistical definition of domestic work. This would facilitate the comparability of statistical information on domestic work performed as part of own-use production work and volunteer work, and be used as the basis to provide guidelines on the measurement of domestic work performed by the self-employed.
222. The use of data classified by economic activity may be the most useful method of identifying domestic employees in official statistics, and is relatively straight forward. The wider applicability of the approach used in many Latin American countries to collect this information in the context of questions status in employment, warrants further investigation, however. Whatever method is used to identify domestic employees, it may be preferable to represent domestic employee status as a separate statistical variable, since domestic employees may have various types and durations of employment contract. The separate identification, as part of this variable, of domestic workers who reside in the household that employs them may also be useful.
223. There is a need to ensure, however, that domestic employees who reside in the household that employs them are correctly identified as in employees. The use of the household roster approach, in addition to the industry approach may therefore be justified in countries where live-in domestic workers are common.

5 Towards a conceptual framework for statistics on the work relationship

224. In this final chapter, we discuss briefly what a conceptual framework for statistics on the work relationship might look like, as well as the concepts, variables and classification that may need to be defined. It is hoped that this will serve as a starting point for further discussion and assist in identifying the work that needs to be done to take the revision forward.

Classification by status

225. It is useful first of all to consider the relevance of maintaining a dichotomy between self-employment and paid-employment as high level categories. As noted in Chapter 1, ICSE-93 classifies jobs according to status based on two criteria:

- The *type of economic risk* (to which the job holder is exposed), an element of which is the strength of attachment between the person and the job, and
- The *type of authority* over establishments and other workers which the job incumbents have or will have.

226. In making the distinction between ‘self-employment jobs’ and ‘paid employment jobs’ the type of economic risk criterion is operationalized by considering whether the remuneration is:

- a) directly dependent on the profits derived from the goods or services produced, or
- b) based on an explicit or implicit contract which gives basic remuneration, typically through wages and salaries, which is not directly dependent upon the revenue of the unit in which they work.

227. Although it is stated as part of the definition of self-employment jobs that the holders of these jobs make the operational decisions affecting the enterprise in which they work, in practice the ‘type of authority over establishments’ criterion is not really used to distinguish these self-employment jobs from paid employment jobs. Contributing family workers and dependent contractors do not generally make operational decisions affecting the enterprise in which they work but their remuneration is dependent on whether the economic unit makes a profit or on whether the client agrees that the requirements of a contract have been met. Classifying both of these groups as self-employed effectively means that the type of economic risk criterion takes precedence over the type of authority.

228. The use of two criteria means that some types of job have characteristics of both paid employment and self-employment, and situations where the employment arrangements are said to be ambiguous. This situation could be avoided by using one criterion or the other to arrange types of jobs into broader groups and using the other criterion to distinguish between the detailed categories.

Classification of status based on type of authority/dependency

229. A classification that gave priority to the type of authority that the worker exercises over establishment and other workers would effectively be based on notions of dependent versus independent work, as opposed to the idea of self-employment and paid employment, based on the type of economic risk and method of remuneration. This approach would allow a dichotomous pair of high level categories, such as ‘Dependent workers’ and ‘Independent workers’ to be retained. This dichotomy would be based unambiguously on economic dependence.
230. Many of the detailed categories of worker that were discussed in the preceding chapters could be represented in a classification based on type of authority along the following lines:

Independent workers

- Employers
 - Owner-managers of incorporated enterprises with employees
 - Employers in unincorporated enterprises
- Own-account operators of enterprises
 - Own-managers of incorporated enterprises without employees
 - Own-account operators of unincorporated enterprises
- Freelance workers
- Own-account workers in own-use production

Dependent workers

- Regular employees
 - Temporary employees
 - Dependent contractors
 - Workers with casual, on-call and zero-hours contracts
 - Employees without formal contracts
 - Family helpers
 - Apprentices, trainees and interns
231. The type of economic risk concept is still used to distinguish between the more detailed categories. The split based on incorporated enterprises is shown here to demonstrate the building blocks needed to provide data aligned with SNA 2008 concepts, but could perhaps be represented more effectively as a separate variable. The feasibility of the distinction between own-account operators of enterprises and freelance workers, who operate independently in their occupation but do not operate a business, would need further investigation. It is included to allow the more precise identification of entrepreneurs.
232. This proposal includes a category for ‘Own-account workers in own-use production’ so that the classification could be applied to datasets that cover employment, own-use production work and unpaid trainee work. In variants of the classification applied only to employment it would be a simple matter to suppress this category. Members of producers’ cooperatives would be classified as employers or own-account workers, as appropriate. The term ‘Family helpers’ is used in preference to ‘Contributing family workers’ as it is simpler and to reflect the fact that we would propose to include family helpers in own-use production work and those who help other related dependent workers within this category.

233. We have not yet considered the extent to which this approach might apply to volunteer work.

Classification of status based on the type of economic risk

234. If priority were given to the type of economic risk to define categories at the broadest level then the same categories could be aggregated into dichotomous groups as follows:

Self-employed workers

- Employers in unincorporated enterprises
- Own-account workers in incorporated enterprises
- Dependent contractors
- Freelance workers
- Family helpers

Workers in paid employment

- Owner-managers of incorporated enterprises with employees
- Owner-managers of incorporated enterprises without employees
- Regular employees
- Temporary employees
- Workers with casual, on-call and zero-hours contracts
- Employees without formal contracts
- Apprentices, trainees and interns

235. In this classification workers in own-use production are not included as the terminology used refers to employment. The groups classified under self-employed workers fall within the concept of self-employment defined in SNA 2008.

236. If classifications based on both of these approaches were considered useful, there is no reason why the new standards could not provide alternative classifications according to the type of economic risk, and according to the type of authority, using a common set of detailed categories as building blocks. It could be challenging, however, to explain the difference between ‘Independent workers’, ‘Dependent workers’, ‘Self-employed workers’ and ‘Workers in paid employment’ to non-specialist users of the statistics.

Abandoning the dichotomy between self-employment and paid employment

237. Another approach that was raised as a possibility during the 19th ICLS was to completely abandon the idea of a dichotomous pair of categories for self-employment and paid employment or for independent and dependent workers, as this distinction may not be considered relevant to groups such as contractors, and owner-managers of incorporated enterprises. This approach could include the following categories:

Employers

- In own incorporated enterprise
- In own unincorporated enterprise

Own account workers

- In own incorporated enterprise

- In own unincorporated enterprise

Dependent Contractors

Family helpers

Employees

- Regular employees
- Temporary employees
- Employees with casual, on-call and zero-hours contracts
- Employees without formal contracts
- Employees in training

238. A difficulty with this approach, however, that in some countries the numbers of people employed in some of the top level groups would be very small, resulting in a classification that was imbalanced for use with sample survey data.

Retaining concepts of self-employment and paid employment while acknowledging that some forms of employment do not fit

239. A further option that could be considered would be to retain concepts of paid employment and self-employment while providing a third category for forms of employment that are ambiguous, which could look something like the following:

Self-employed workers

- Employers
 - Owner-managers of incorporated enterprises with employees
 - Employers in unincorporated enterprises
- Own-account operators of enterprises
 - Owner-managers of incorporated enterprises without employees
 - Own-account operators of unincorporated enterprises
- Freelance workers

Employees

- Regular employees
- Temporary employees
- Employees with casual, on-call and zero-hours contracts
- Employees without formal contracts
- Employees in training

Others forms of employment

- Contributing family workers
- Dependent contractors
- Other forms of employment not elsewhere classified

240. A difficulty with this approach is that the category 'Other forms of employment' however, is relatively meaningless and contains two groups that have little in common with each other.

Complementary variables and classifications

241. Whatever approach is adopted for the classification of jobs and work activities by status, these categories will need to be complemented by a series of supporting variables and classifications dealing with characteristics which cut across the categories defined in the central classification by status. At this stage the need to define standard variables at least for the following topics is anticipated.

- a) Duration of work contract, defined as the duration between the time when the work or employment arrangement began and the time when it is expected to end. The following categories based on those used in the EU LFS for duration of temporary job are proposed as a starting point for discussion:

- Less than one month
- 1 to 3 months
- 4 to 6 months
- 7 to 12 months
- 13 to 18 months
- 19 to 24 months
- 25 to 36 months
- More than 3 years
- Without limit of time

- b) Usual workplace, to capture for example homeworkers and outworkers, with categories such as:

- Employer's premises
- Client's premises
- Worker's residence
- Worker's premises except residence
- Other workplace

- c) Classification of domestic workers with categories such as

- Live-in domestic employee
- Domestic employee of household residing elsewhere
- Domestic worker employed by agency
- Self-employed domestic service provider

- d) Triangular employment relationships

- Details to be defined but what is envisaged is a variable that would identify whether a person is employed (or in a dependent contractual relationship) directly by the economic unit for which the work is performed or indirectly through an agency.

Underlying and cross-cutting concepts

242. In addition to the definitions of each of the variables and each of the categories included in the classification, there will also be a need to define a number of concepts that underlie the standards and/or are used by several of the variables defined. Where concepts are already defined in

international labour law, there may be a need to refine or modify these definitions for statistical measurement purposes.

243. The additional concepts that are likely to need to be defined, and not already defined in existing standards for labour statistics include the following:

- a) Work relationship
- b) Employment relationship
- c) Dependent work
- d) Independent work
- e) Domestic work
- f) Client
- g) Duration of employment

244. Many of the concepts currently described as part of ICSE-93, such as self-employment and paid employment, are also likely to need to be revisited.

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