Gender and the updated International Classification of Status in Employment (ICSE-18)

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Abstract:

The measurement of work is built upon a range of statistical standards and classifications which form an overlapping conceptual framework, the purpose of which is to measure and describe in meaningful detail the work of women and men.

While the standards in use in recent decades have played a critical role in supporting a major expansion in the availability of statistics on those who perform work and the activities they undertake, substantial data gaps remain, with some of the most important data gaps related to women's work and employment.

To attempt to fill these gaps and acknowledged limitations in existing frameworks, the ILO and others have been engaged in a long process of review and update of standards and related classifications concerning work. A landmark development was the adoption in 2013 of Resolution I of the 19th ICLS concerning statistics of work, employment and labour underutilization (ILO, 2013). By recognising different forms of work, both paid and unpaid, these standards set the scene for a more comprehensive understanding of all work activities. Data on paid and unpaid work in combination has a huge gender relevance, for example allowing us to see that when only employment is considered men have longer average working hours, but when unpaid work performed for the family is included, the picture is reversed. Information of that type is simple and powerful, but fuller understanding of differences between men and women's work and the impact of those differences requires greater detail and granularity, which in turn is built upon a wide range of classifications.

One such classification is the International Classification of Status in Employment (ICSE) which was first adopted in 1993. This classification allows employment to be differentiated based on the relationship between the worker and their job/business. While serving a very important purpose, ICSE-93 has become outdated due to many factors including the increase in non-standard forms of employment. To address this the international community has agreed to replace it with a more detailed and granular classification at the 20th ICLS in October 2018. This presentation will highlight the main features of the updated ICSE-18 and its gender relevance. Among the key highlights of the new classification are:

- A classification of status in employment that is more clearly built around the two dimensions of type of authority the workers has over the organisation of his/her work and type of economic risk to which the worker is exposed. These two dimensions are highly relevant to understanding of differences between men's and women's employment.

- A far greater level of detail than ICSE-93, including identification of key groups of policy interest such as dependent contractors, previously not defined for measurement.
- Conceptual and operational definitions of the different categories in the classification to support more consistent, coherent and comparable measurement across time, country and source.
- Definitions for a range of cross cutting variables to properly describe working relationships
- A classification which extends beyond employment and covers also the other forms of unpaid work identified in the 19th ICLS standards

Keywords: Work, employment, work relationships, jobs, self-employment, employee, dependent contractors, non-standard forms of employment.

1. Introduction

Like many statistical domains, statistics on work are built on the foundation of a range of inter-related standards and classifications. This foundation serves many purposes and contributes to data quality across many aspects such as comparability, transparency, coherence etc. In the domain of work the history of the development of key standards and classifications is long but can be summarised as a process of establishment of a core base standard, followed by a cycle of development or update of related standards or classifications.

To illustrate this we can examine the period from the early 1980's on. At the 13th ICLS in 1982 a landmark set of standards was adopted through the *Resolution concerning statistics of the economically active population, employment, unemployment and underemployment* (ILO, 1982). Most importantly these standards provided the first joined up framework to identify the economically active population, separately comprising those in employment and those in unemployment, linked clearly to the System of National Accounts (SNA). The most direct impact of these standards was the progressive expansion in availability of key labour market indicators over the subsequent years and decades as countries started measurement, then increased frequency and detail. This expansion was assisted by the increased frequency and importance of household surveys which occurred concurrently. Increased availability of data in turn triggered increased demand, often for supplementary information describing characteristics of people, their work and their engagement with the labour market. That demand, along with other developments, in turn fed into further rounds of standards and classifications development ultimately adopted at subsequent ICLSs.

Within that cycle the 15th ICLS in 1993 was notable in that it generated two particularly noteworthy resolutions namely the *Resolution concerning statistics of employment in the informal sector* (ILO, 1993a) and the *Resolution concerning the International Classification of Status in Employment* (ILO, 1993b). Both provided highly important frameworks to provide complementary information to the employment indicator generated through application of the 13th ICLS definitions.

The success and importance of these standards should not be underestimated. The range and depth of statistics available increased exponentially, and while far from the only driver of that increase the standards were certainly a key enabler of the expansion. However, deficiencies in the statistics generated under the standards became ever clearer over time, as countries faced the challenge of ever-increasing demands which were either not envisaged or could not be addressed when the standards were initially developed.

A key area of deficiency related to the depth of the insight offered by the statistics on gender differences in work and labour market engagement. The framework was essentially designed to provide statistics aligned with the SNA production boundary and thus align the measurement of labour input with statistics on production. While valuable for national accounting purposes this had consequences for the interpretation and use of the statistics, particularly in terms of gender relevance. For example the need

for a labour measure which covered all production with the SNA production boundary, at least in theory (and sometimes although not consistently in practice) meant various unpaid working activities would be measured and essentially given equal treatment as paid working activities when the statistics on employment were presented. Related to this, unpaid work was not separately defined or promoted for measurement through the standards. As a consequence some types of work were either invisible or undistinguishable from others. Given the difference in working activities of men and women this inevitably created a deficit in understanding of those differences, and the size and nature of contribution of men and women to social and economic well-being.

Many efforts were made to fill these knowledge gaps within the existing frameworks. For example countries increased the detail collected in their labour force surveys to try to better describe the type of work being done and barriers to labour market engagement. At the 17th ICLS in 2003 the international community agreed a *Checklist of good practices for mainstreaming gender in labour statistics* which explicitly recognised the need for countries to provide added detail below the headline indicators *"To usefully address gender concerns, and to understand more fully the labour market functioning"* (ILO, 2003).

However, while developments again enabled some expansion in availability of gender relevant labour market statistics, there was an ever-increasing recognition that for substantial progress to be made the core statistical standards themselves needed to be re-assessed, leading to a call at the 18th ICLS in 2008 for revision of the 13th ICLS standards.

19th ICLS Resolution I

Fast forward to 2013 and the international community adopted a ground-breaking set of new standards (ILO, 2013) through the *Resolution concerning statistics of work, employment and labour underutilization*. The key features of this new set of standards were:

- The first statistical definition of work – comprising all activities to produce goods or services for own use or use by others
- Definitions of different forms of work distinguish by the intended destination of production (own use or use by others) and the purpose of the work. Within this forms of work framework employment is now defined more narrowly as work for pay or profit (see figure 1)
- Definitions of new labour underutilization indicators to supplement the unemployment rate, comprising other forms of labour underutilization.

Figure 1: Forms of Work Framework, Resolution I, 19th ICLS

*i.e. compulsory work performed without pay for others.

Of critical importance from the gender perspective is the development of a set of definitions which recognises and provides a common framework for all work, whether paid and unpaid. When fully applied this more fully explains the differential roles of men and women in supporting household well-being and provides a more meaningful basis for gender relevant labour market policymaking.

Review of the International Classification of Status in Employment

As witnessed in the years following the 13th ICLS, the standards from the 19th ICLS have both direct and indirect impacts. The most obvious direct impact derives from the increased availability of more meaningful labour statistics, already evident in some countries and with many more to follow in coming years. We can also observe that we have entered into another cycle of review of employment related standards, classifications and guidelines. The first key standard to be reviewed was ICSE-93, with the 19th ICLS, simultaneous to adopting Resolution I, calling on the ILO to review ICSE-93 and present an updated classification to the 20th ICLS.

Why a review of ICSE-93 was necessary

Economies, labour markets and societies are changing, seemingly ever more rapidly. Various forces are transforming the world of work including the impact of technology, climate change, the changing character of production and the changing nature of employment. Some of these forces are having a profound impact on the organization of work and production, and on the nature of the relationship between workers, employers and clients. A variety of new, or non-standard, arrangements that aim to increase flexibility in the labour market are also generating a need for statistical information to monitor the impact of these arrangements on workers and the functioning of the labour market. Some of these arrangements change the balance of economic risk between workers and enterprises and are leading to uncertainty about the boundary between self-employment and paid employment (ILO, 2018a).

Given the emerging nature of some of these phenomena, information describing them is inevitably lacking, while the demand for information describing work relationships has never been higher. The information deficit can in some part be related to the wide usage of the ICSE-93 classification as a reference for dissemination of statistics on work relationships. ICSE-93 established the distinction between self-employment and paid employment, the only disaggregation of status in employment presented by many countries. At its most detailed level, it included only five substantive categories which did not provide sufficient information to adequately monitor the changes in employment arrangements that are taking place in many countries, and are not sufficiently detailed to monitor various forms of non-standard employment. There was a strong consensus at the 19th ICLS in 2013 on the need to revise ICSE-93, in order to address these and other issues, and to complement the revised classification with an additional set of standard variables that would consider various dimensions of work relationships within a single conceptual framework. An additional and related driver for change was the recognised need for improved information on unpaid work and the care economy, thus creating a need for any update of ICSE to align with the forms of work framework from the 19th ICLS resolution.

As with the 19th ICLS the gender relevance of the drivers for change of ICSE can be related back to the difference in working activities undertaken by men and women, and thus often not properly described within existing statistical frameworks. The higher prevalence of women in activities not previously well described by statistics is well documented including non-standard employment (ILO, 2017a), informal work (ILO, 2017b), volunteer work (Taniguchi, 2006; Dittrich & Mey, 2015) and care work, both paid and unpaid (ILO, 2018b).

The process of the revision

To assist in the development of proposals to replace ICSE-93, the ILO established a working group comprising producers and users of labour and economic statistics from national government agencies in all regions, intergovernmental agencies, and workers' and employers' organizations. The group met

four times from May 2015 to September 2017. To widen the consultation process and obtain feedback on the proposals developed by the working group, the ILO also conducted a series of preparatory regional meetings of labour statisticians, in all regions of the world starting in late 2016 and continuing throughout 2017. These meetings focused both on relevance to the regional context and technical feasibility of the proposed new standards. Opportunities for testing of the proposals were identified in several countries. A draft of the resolution was then considered in February 2018 by an ILO meeting of experts on labour statistics including government representatives as well as workers and employers representatives. The resolution was presented for discussion at the 20th ICLS in October 2018. The *Resolution concerning statistics on work relationships* (ILO, 2018c) received wide support by the conference and was adopted as an international standard.

Main elements of the resolution concerning statistics on work relationships.

The Resolution concerning statics on work relationships includes the Classification of Status in Employment that comprises ten mutually exclusive categories. These categories are defined on the basis of the **type of authority** that the worker is able to exercise in relation to the work performed, and the **type of economic risk** to which the worker is exposed. The two dimensions are also used in the resolution to organize the ten categories into two different hierarchies. The hierarchy according to type of authority (ICSE-18-A, see figure 2), which creates a dichotomy between independent workers and dependent workers and the hierarchy according to type of economic risk (ICSE-18-R, see figure 3), which creates a dichotomy between workers in employment for profit and workers in employment for pay.

Figure 2: Status in employment when organized according to type of authority (ICSE-18-A)

Independent workers	Dependent workers
Employers • Employers in corporations • Employers in household market enterprises **Independent workers without employees** • Owner-operators of corporations without employees • Own-account workers in household market enterprises wn-account worker	**Employees** • Permanent employees • Fixed-term employees • Short-term and casual employees • Paid apprentices, trainees and interns **Dependent contractors** • Dependent contractors **Contributing family workers** • Contributing family workers

Figure 3: Status in employment when organized according to type of economic risk (ICSE-18-R)

Workers in employment for profit	Workers in employment for pay
Independent workers in household market enterprises • Employers in household market enterprises • Own-account workers in household market enterprises without employees **Dependent contractors** • Dependent contractors **Contributing family workers** • Contributing family workers	**Owner-operators of corporations** • Employers in corporations • Owner-operators of corporations without employees **Employees** • Permanent employees • Fixed-term employees • Short-term and casual employees • Paid apprentices, trainees and interns

The two different hierarchies based on the same ten mutually exclusive detailed categories of status in employment complement each other and highlight that the correlation between the degree of authority and degree of economic risk are not always straight forward. *Employers in corporations* and *owner-operators of corporations without employees* are an example of this. These two categories are defined as independent workers, indicating that they have a relatively high degree of authority. At the same time they are defined as workers in employment for pay due to that they own and operate an incorporated enterprise. Their degree of economic risk is therefore relatively lower compared to independent workers who own and operate a household enterprise (i.e. unincorporated enterprise).

The two different hierarchies enable different types of analysis. The hierarchy organized according to type of authority is suitable for various types of labour market analysis (such as analysis of the impact of economic cycles, of government policies and the identification of entrepreneurs) as well as for the compilation of statistics classified by socio-economic status. The hierarchy organized according to type of economic risk is more suitable for the provision of data for national accounts, for the identification of wage employment and for the production and analysis of statistics on wages, earnings and labour costs. Thus the two different hierarchies complement each other and countries will be able to apply both once they start to collect information for the ten detailed categories.

One important criticism levelled at ICSE-93 was that the boundary between "self-employed" and "paid-employment" was not always entirely clear. There were a major challenge for many statistical agencies in both the developed and developing world to classify workers that had contractual arrangements of a commercial nature to provide services or goods to an enterprise, but at the same time are dependent on that enterprise for the organization and execution of the work or for access to the market. This 'in-between' situation could for example include a hairdresser that 'rents' a chair in a hairdressing salon and has to purchase the materials (shampoos, dyes etc.) from the salon owner. The salon owner might decide the price of the service as well as taking a portion of the payments. Another example could be a homeworker that preforms a task such as assembly work in manufacturing and where a trader or intermediary provides the main raw materials and pays by the piece for the finished goods. These types of work relationships constitute a significant part of the labour market in some countries and are increasing in others, not least due to the increase in the gig-economy, and it was not always clear how they should be categorized in ICSE-93. The category d*ependent contractors* was therefore introduced in the new framework to deal with these types of work relationships. Dependent contractors are defined as being dependent workers due to their dependency on another economic unit that exercises explicit or implicit control over their activities and directly benefits from the work performed by them. At the same time they are defined as workers in employment for profit which recognizes that they have a contractual arrangements of a commercial nature and not a contract of employment. The introduction of the category dependent contractors will contribute to a more harmonised treatment of this category as well as providing important information regarding this specific group for policy makers and analysts.

In addition to the classification of status in employment there is the extended classification of status at work which provides a categorization of work relationships for all forms of work, including own-use production work, employment, unpaid trainee work, volunteer work and other forms of work. As with ICSE-18 these categories are defined on the basis of the type of authority, and the type of economic risk experienced by the worker in a particular job or work activity. The groups are aggregated, according to the type of authority only, to form eight broad groups and a dichotomy between independent workers and dependent workers, as can be seen in box 1.

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Box 1
Classification of Status at Work (ICSaW-18)

Independent workers

1.　　**Employers***

　　11 – Employers in corporations*

　　12 – Employers in household market enterprises*

　　13 – Employers in own-use provision of services

　　14 – Employers in own-use production of goods

2.　　**Independent workers without employees***

　　21 – Owner-operators of corporations without employees*

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

　　23 – Independent workers in own-use provision of services without employees

　　24 – Independent workers in own-use production of goods without employees

　　25 – Direct volunteers

Dependent workers

3.　　**Dependent contractors***

　　30 – Dependent contractors*

4.　　**Employees***

　　41 – Permanent employees*

　　42 – Fixed-term employees*

　　43 – Short-term and casual employees*

　　44 – Paid apprentices, trainees and interns*

5.　　**Family helpers**

　　51 – Contributing family workers*

　　52 – Family helpers in own-use provision of services

　　53 – Family helpers in own-use production of goods

6.　　**Unpaid trainee workers**

　　60 – Unpaid trainee workers

7.　　**Organization-based volunteers**

　　70 – Organization-based volunteers

9.　　**Other unpaid workers**

　　90 – Other unpaid workers

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*Categories also included in ICSE-18-A

The purpose of the Classification of Status at Work is to provide a coherent and consistent set of categories and definitions for statistics on workers classified by status, covering all forms of work in a conceptually exhaustive way. The aim is not that a country should collect information on all categories within the same statistical source, The aim is rather to allow statistical outputs on topics such as employment, volunteer work, child labour and time use to be reported on a conceptually consistent basis, regardless of the scope, frequency and source of the statistics.

The classifications of status at work and status in employment are complemented by a set of variables and categories that provide more detailed information on characteristics of the work relationship that cut across several status categories. The cross-cutting variables provides information of a range of aspects such as the form of remuneration, type of workplace, multi-party work relationships and access to social protection. Many of the cross-cutting variables are already regularly part of countries data collection however they are not in general covered by international standards. The inclusion of the cross-cutting variables in the resolution will therefore contribute to greater harmonization, coherence and international comparability.

Finally the resolution also defines a set of indicators that will allow the assessment and the monitoring of labour market performance, stability of the employment relationships, exposure of the employed population to economic risk, participation in non-standard employment relationships and the relative importance of the different categories referring to the unpaid forms of work.

Gender relevance of ICSE-18 and ICSaW-18

The added detail provided by ICSE-18 and ICSaW-18 versus ICSE-93 inevitably adds value to our understanding of gender differences in the performance of work. Even the most basic application of the top level of ICSE-18 will move us from the previous binary disaggregation of employment (self-employment and paid employment) to a disaggregation into 5 groups, distinguishing degrees of authority or risk, key criteria we expect to highlight important gender differences. Application of the full ICSE and ICSaW classifications, at whatever frequency it occurs will contribute to a substantially richer portrait of women and men's work. In addition the cross-cutting variables covering issues such as reasons for non-permanence of employment, domestic work and others will increase the availability of comparable data on these topics.

However, this will only be achieved with wide implementation and appropriate measurement approaches. The ILO and the wider international community has been engaged with testing activities to identify good practices over recent years. The experiences to date have identified many areas where misclassification could occur, thus requiring redesigned or additional question sequences to enable activities to be properly described.

For example, through a round of pilot studies organised by ILO from 2015 to 2017[1] the clear risk of under-reporting or misclassification of people providing unpaid help in family businesses (who are employed in line with the standards) was observed. Firstly, without dedicated questions the people engaged in these activities may not report them in response to standard questions on employment. However, even when identified as employed additional questions were required to properly understand their role in the business, with people self-identifying as unpaid helpers in family businesses, then, after further questioning, being revealed as decision makers in the business. Classifying these workers as contributing family workers (dependent workers under ICSE-18) is a misclassification (they should be identified as independent workers). However, it also clearly misrepresents the relationship of those workers to that business and their relationship with other family members in supporting the household, appearing as subordinate. The people engaged in these roles are predominantly women and the level of prevalence varies across age groups. This means that the under-identification and misclassification risk poses a potentially great difficulty in the generation of meaningful analysis of male and female work across the life-cycle.

This is just one example that illustrates the need for proper testing of measurement approaches, to ensure guidance can be developed to promote not only the availability of statistics in line with latest standards, but also assure the quality of the data generated and thus ensure that the 'evidence' is truly fit for the

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[1] https://www.ilo.org/stat/Areasofwork/Standards/lfs/WCMS_627815/lang--en/index.htm

purpose of evidence based policy making. For this reason, the ILO, in partnership with other interested agencies will continue the guidance development process into the future, with a clear focus on gender relevance among the high priority objectives. The process will not just cover ICSE, touching also on many aspects (e.g. informality, measuring volunteer work, measuring unpaid household services and care work) required to achieve proper segmentation of working activities in a manner which truly illustrates differences in men's and women's work, their social status and the varied social norms surrounding work across countries.

Finally, as with the 19th ICLS, the international community recognised through the *Resolution concerning statistics on work relationships* that there is a need to devise a statistical system which generates the widest range of data possible in an efficient way at appropriate frequencies. It will not be feasible for all countries to capture information on all forms of work, and cover the full detailed ICSE and ICSaW classifications every time an LFS is run (or at least not without imposing very high burden on respondents and risking the quality of key labour market indicators). The proposed solution is a set of sources, identified based on national availability and context, delivering the full set at a frequency reflecting national priorities. One approach which can be imagined is an LFS run on a regular frequency with add-on modules covering topics at different points in time. Approaches of this nature have been successfully used in countries for some time and offer a useful approach to programming topic coverage based on a steady core, yielding benefits such as linkability across topics. This need to generate an efficient system across time will be reflected in ongoing guidance development activities with a view to a flexible range of supports, covering a wide range of topics and how they can be integrated, while maintaining necessarily levels of quality. The ILO has started this process through the launch of tools as part of an LFS toolkit[2], which will be built on to ensure coherence in guidance provided.

Other standards to be reviewed

The need for update does not stop at the classification of status in employment. As is usually the case the 20th ICLS, while agreeing one set of standards, called on the ILO to organise a review of others, namely the framework for measurement of informality, another topic of high gender relevance but limited in application due to deficits in the current framework. As with the demand for a review of ICSE, the ICLS has recognised the need to modernise the framework reflecting on good measurement practices, while also aligning the concepts and definitions with the forms of work framework from the 19th ICLS. Beyond informality other standards and classifications will inevitability come up for review such as the International Standard Classification of Occupation. The process to review these standards and guidelines in a coherent manner will be an ongoing major challenge the ILO is committed to meet.

Conclusions and next steps

Considering statistical standards and classifications in isolation from related standards and their historical context gives at best an incomplete picture. The development and impact of ICSE-18 and ICSaW-18 need to be thought of in relation to the gaps they were designed to fill (greater understanding of work relationships) and other key standards, in particular those adopted at the 19th ICLS.

Now that these standards have been developed, the focus must be on advocacy and support for implementation. It is clear that countries require guidance built on country experiences and best practices to devise a system of surveys and other sources to build up a comprehensive set of gender relevant labour market statistics. It is also clear that the standards development cycle does not end here, with the informality framework the next under review.

The ILO will continue its work in partnership with countries and other agencies to fill the guidance and standards gap, while at the same time promoting and supporting wide implementation of the standards.

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[2] https://ilo.org/lfsresources/

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