

Chapter 1 Introduction

1.1 Alongside the digitalisation and globalisation of societies around the world, demographic change, and the green transition, new ways of organizing employment have emerged in recent decades. The COVID-19 pandemic and public health measures introduced by governments to limit the spread of the virus have also accelerated the emergence of work performed remotely with the support of information and communication technologies (ICT) and other digital technologies. New forms of employment can offer benefits to both businesses and workers, but also challenge existing statistical and legal concepts, labour market institutions and social protection systems. This has created a need to adapt statistical concepts and measurement strategies to better capture the growing diversity of forms of employment.

1.2 In 2020, the Bureau of the Conference of European Statisticians completed an In-Depth Review on *New Forms of Employment and Quality of Employment* to assess current challenges around measuring various forms of employment. The review found that there is strong interest among policy makers and researchers across the CES region for data on new forms of employment, particularly digital platform employment.

1.3 At the centre of the statistical measurement of forms of employment are resolutions of the International Conference of Labour Statisticians (ICLS), which provide guidelines on core statistical concepts such as work, employment, unemployment and work relationships.

1.4 While these core concepts reflect broad consensus within the international statistical community, they are accompanied by a variety of additional terms and definitions proposed by international organizations, researchers, and national statistical agencies to describe in greater detail various aspects of employment. These supplementary concepts, which include notions such as non-standard employment, quality of employment, atypical employment and gig work, among others, have made substantive contributions to the understanding of the various ways in which employment is organized and carried out around the world.

1.5 Yet, these terms occasionally overlap and are not integrated as part of a coherent framework, leading to possible confusion about the precise nature and characteristics of various employment-related phenomena. The lack of a clear overarching framework also poses a challenge to NSOs who wish to track the growing diversity of forms of employment in a consistent and comparable manner.

1.6 In this context, the main purpose of this Handbook is to reconcile the rich conceptual literature on forms of employment around a coherent and durable Conceptual Framework. This framework can serve as a guide for further data collection and offers a set of terms for NSOs and researchers to use when analysing and disseminating data on forms of employment. In addition, it aims to help NSOs and other researchers understand and classify new forms of employment that are currently emerging in their country. The guide does not replace the resolutions of the ICLS and key international guidelines such as the UNECE *Handbook on Measuring Quality of Employment*. Rather, it is a reference document which compiles information from a variety of sources and serves as a starting point for more in-depth data collection and research on specific topics.

1.7 It is hoped that the Handbook can foster consensus within the international statistical community by providing a common conceptual language for the classification and measurement of existing and future forms of employment.

1.8 While the present Handbook focuses largely on employment statistics, labour statisticians are encouraged to stay informed of changes and innovations in other statistical

areas such as national accounts, and the classification of occupations and industries. On several topics, including digitalization and the sharing economy, the parallel evolution and integration of statistical concepts is required in order to fully capture economic transformations.

1.1 What is a “form” of employment?

1.9 The present Handbook focuses solely on the statistical category of employment – one of the five categories of *work* defined by 19th ICLS *Resolution concerning statistics on work, employment and labour underutilization*. The Resolution defines employment as “work performed for others in exchange for pay or profit” ([ILO, 2013a, paragraph 7\(b\)](#)).

1.10 Forms of employment are, first and foremost, distinct clusters of features associated with the way employment is organized, supervised, compensated and performed. Forms of employment may have a basis in labour law, collective bargaining agreements or only exist as organizational practices. For example, most countries establish a distinction between paid employment carried out for an employer and employment conducted for profit. However, in other cases, forms of employment only exist as company practices and lack an official definition.

1.11 Ongoing change in the forms of employment found in national labour markets is often, but not always, the result of strategies implemented by businesses to increase flexibility ([Eurofound, 2015, p. 135](#)). There are two broad types of flexibility. Business, or employer-led flexibility refers to the ability for businesses to operate with fewer constraints in relation to governmental regulations, time and space, while worker-led flexibility refers to the ability for workers to exert greater control over different aspects of their employment such as their work location and maintaining a balance between their work and personal life. Innovations introduced by organizations to become more flexible can play an important role in increasing productivity and in decreasing transaction costs, and may provide new opportunities for workers to achieve greater work-life balance. At the same time, employer-led flexibility can increase working time instability and expose workers to greater economic risk.

1.12 While flexibility and forms of employment can be defined from the perspective of workers or businesses, the Handbook is aligned with existing international statistical standards on employment by focusing on the classification of forms of employment from the perspective of workers. As such it builds up from the statistical unit of employment, capturing the diverse circumstances which characterize work for pay or profit around the world, and its implications for workers.

1.2 Classifying forms of employment

1.13 Classifying forms of employment requires addressing three key challenges (see [Cappelli and Keller, 2013](#)). The first is to ensure that forms of one type are more similar to each other than forms of a different type. While this may seem relatively straightforward, in practice, challenges arise when forms of employment are considered from different angles. For example, different types of employees may be more similar to each other than independent workers (see Box 1.1) when using a classification based on autonomy, but some employees may have more characteristics in common with some types of independent workers (see Box 1.1) when considering their situation in terms of stability and permanence. As such, the selection of attributes to classify forms of employment are central to the development of a consistent and durable Conceptual Framework.

1.14 The second challenge is to develop well-defined boundaries that ensure that categories of forms of employment are clearly distinct from each other. Forms of employment are discrete categories rather than points on a continuous or ordinal scale, and specific forms have common attributes which distinguishes them from others.

1.15 The third challenge is to ensure that forms of employment can be classified into categories that remain relatively stable and relevant over time. The labour market is in constant evolution, and new forms of employment continuously emerge in response to technological, legislative, and economic change. As such, it is important for a Conceptual Framework to offer a set of categories that can capture ongoing change within the labour market, while remaining informative about the specific properties which characterize each employment form.

1.16 In addition to the challenges identified by Cappelli and Keller, the classification of forms of employment should be associated with measurable phenomena that can serve as the basis for data collection and the statistical measurement of forms of employment.

1.17 While classifications are typically hierarchical in nature, with broader categories covering more detailed sub-dimensions, the Conceptual Framework on Forms of Employment is based on a two-dimensional approach which reflects the distinction between **work relationships** and **work modalities**.

1.3 The Conceptual framework: a two-dimensional classification

1.18 To accurately capture the growing diversity of forms of employment, it is necessary not only to consider the work relationships, but also the way in which employment is conducted. Therefore, the Conceptual Framework is organized around both work relationships and an additional dimension: the concept of work modalities². This dimension refers to the ways in which work is coordinated, performed, and compensated over time and space.

1.19 The idea of developing a multi-dimensional system for the classification of forms of employment is not new. In Eurofound's (2015; 2020) conceptualization of new forms of employment in Europe, the concept of "work patterns" was introduced to describe emerging forms of employment that involve aspects other than the work relationship itself and concerns "the way in which work is conducted" (Eurofound, 2015, p.7). Similarly, as part of its review of the French system of employment measurement in 2016, the Conseil national de l'information statistique (CNIS) in France independently put forward the concept of "modalities of the performance of employment" ("modalités d'exercice de l'emploi") (CNIS, 2016) to describe phenomena which relate to the way in which work is conducted.

1.20 **Work relationships** refer to the relationship between workers and the economic unit for which they work. According to the International Labour Organization (ILO) (2020a, paragraph 7) "statistics on work relationships provide important information on the nature of the economic risk and authority that individuals experience at work, and on the strength and nature of the attachment of workers to the economic units in which or for which they work."

² NSOs and researchers may also use the terms "work pattern" or "work arrangement" if deemed more relevant to the national context or closer to existing terminology in the national language.

Box 1.1

From “self-employed” to “independent” workers

Throughout the text, the concept of *independent worker* is used instead of *self-employed*. Despite its widespread use, the term “self-employment” has an ambiguous meaning. In the System of National Accounts (SNA), self-employment refers to the working owners of unincorporated enterprises who are not in paid employment (they receive mixed income, which contains elements of both labour remuneration and capital returns), while in the previous version of ICSE (ICSE-93), self-employment referred to all workers who are not employees, independent of the exact form of remuneration. In addition, some workers who are treated as self-employed in ICSE-93 – namely contributing family workers and dependent contractors – are not truly independent since they depend on an economic unit they do not own or control for their employment. Annex A provides a detailed explanation of self-employment in the SNA.

For this reason, the ICSE-18 classification based on authority (ICSE-18-A) treats dependent contractors and contributing family workers as distinct types of work relationships which are included in the broader group of *dependent workers*. Employers and independent workers without employees are classified as *independent workers*.

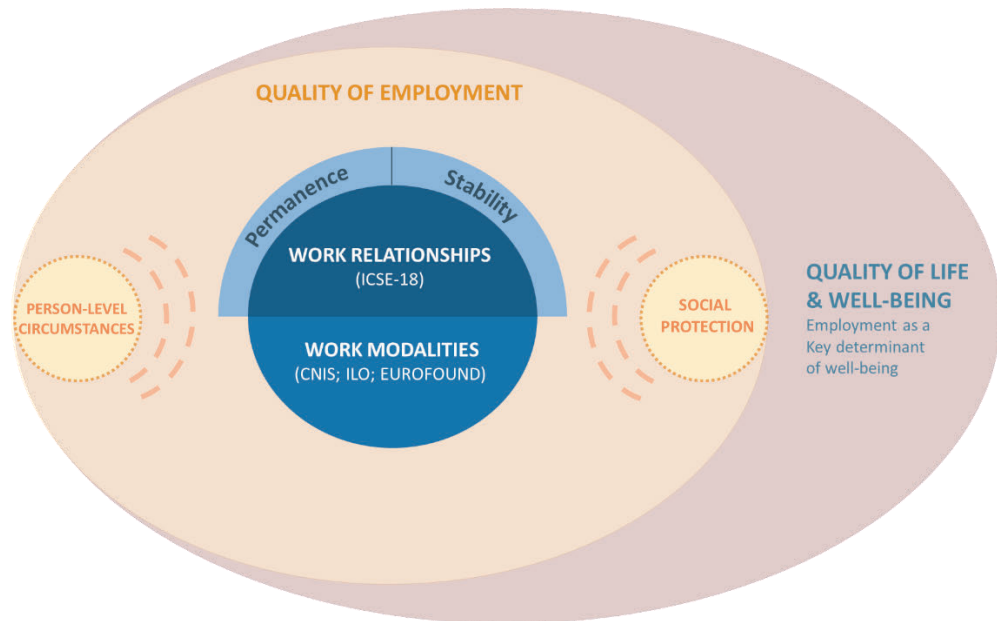
For the purposes of providing data to SNA, ICSE-18-R should be used. This version of ICSE-18 is based on the broad distinction between *employment for profit*, which includes dependent contractors, independent workers in household market enterprises, and contributing family workers, and *employment for pay*, which includes employees and the owner-operators of corporations.

1.21 The international statistical standard for statistics on work relationships is the International Classification of Status in Employment 2018 (ICSE-18). ICSE-18 includes two classifications: ICSE-18-R which classifies work relationships according to the type of economic risk and ICSE-18-A which classifies work relationships according to the type of authority. The status in employment categories described by ICSE-18-A include, for example, employees, employers, independent workers without employees, and dependent contractors.

1.22 While there is no international statistical standard governing the concept of work modalities, a number of specific modalities, such as working time arrangements, are defined by ICLS resolutions.

1.23 The Conceptual Framework put forward in the Handbook is summarised in Figure 1.1. At the centre are the twin concepts of work relationships and work modalities, as discussed above.

Figure 1.1
Conceptual Framework on Forms of Employment



1.24 A full understanding of forms of employment involves additional considerations, including: (1) the level of **permanence and stability** associated with work relationships; (2) the **social protection system** in which the form of employment is found; (3) **the circumstances of persons** who are employed in the form of employment; and (4) the impact of forms of employment on individual well-being, as captured by the broader concept of **quality of employment**. Alongside the central considerations of work relationships and work modalities, these four additional dimensions help support a comprehensive Conceptual Framework for measuring forms of employment and understanding their impact on well-being.

1.4 Integrating the dimensions in measurement

1.25 The relationship between work relationships and work modalities can be presented in the form of a grid (Figure 1.2). All forms of employment correspond to a single status in employment category that can be associated with one or more modalities.

1.26 The length of work hours, the main work location, and digital platforms are presented as examples of work modalities. While all combinations of these modalities and ICSE-18 categories are possible, some modalities only apply to a few or one type of work relationship. For example, some forms of remuneration, such as wages and salaries, only apply to employees and owner-operators of corporations. A more complete mapping of possible combinations of work modalities and status in employment categories is presented in Annex C.

Figure 1.2

The relationship between work relationships and work modalities at the level of the job

Work relationships (ICSE-18)		Work modalities: Example					
		Working-time		Working location		Digital platforms	
		Length of work hours		Main work location		Works through a digital platform	
Main ICSE-18 categories		Part-time	Full-time	At home	Outside the home	Yes	No
Employees							
Dependent contractors							
Employers in corporations							
Employers in household market enterprises							
Owner-operators of corporations without employees							
Own-account workers in household market enterprises without employees							
Contributing family workers							

1.27 Measuring the degree of permanence or stability workers experience in their jobs may also be of interest to NSOs and researchers. While permanence in employment refers to the existence of an open-ended guarantee of continuous employment, stability refers to the length of the duration of employment (tenure) and the regularity at which workers were able to remain employed or engage in income-generating tasks over this period. Permanence and stability should be understood as subdimensions of the broad categories of work relationships in ICSE-18 with more or less permanent or stable jobs existing within each category. While ICSE-18 includes a subclassification of employees based on permanence and stability that reflects the degree to which employees are exposed to economic risk, it does not offer guidance on the measurement of the two dimensions in other types of work relationships. However, independent workers, dependent contractors and contributing family workers may also face different levels of permanence and stability. This can be captured by additional indicators which are described in Chapter 4.

1.28 Indicators of permanence and stability can be combined with the classification of work relationships and work modalities to create a grid covering all major dimensions of interest for the measurement of forms of employment, as illustrated in Figure 1.3.

Figure 1.3

Work relationships, work modalities, and permanence and stability

Work relationships (ICSE-18)		Work modalities: Example						
		Main ICSE-18 categories	Permanence and stability	Working-time		Working location		Digital platforms
				Length of work hours		Main work location		Works through a digital platform
		Part-time	Full-time	At home	Outside the home	Yes	No	
Employees	Permanent							
	Fixed-term							
	Short-term and casual							
	Paid apprentices, trainees and interns							
Dependent contractors	More permanent or stable							
	Less permanent or stable							
Employers in corporations	More permanent or stable							
	Less permanent or stable							
Employers in household market enterprises	More permanent or stable							
	Less permanent or stable							
Owner-operators of corporations without employees	More permanent or stable							
	Less permanent or stable							
Own-account workers in household market enterprises without employees	More permanent or stable							
	Less permanent or stable							
Contributing family workers	More permanent or stable							
	Less permanent or stable							

1.29 While statistical indicators could reflect a specific cell within the table (e.g. fixed-term employees working part-time), in many cases a combination of status in employment categories, a specific work modality, or even a mix of modalities and status in employment categories are

used to build indicators. For example, NSOs interested in measuring the use of digital platforms among independent workers without employees who work from home would combine two statuses in employment categories (own-account workers in household market enterprises without employees and owner-operators of corporations without employees) with two modalities.

1.30 When social insurance programs are tied to jobs rather than provided universally, social protection can be added as an additional dimension to the grid. The statistical relationship between forms of employment and social protection is highly dependent on the design of laws and social programs within a country.

1.31 The classification and statistical measurement of forms of employment is conducted at the level of the job. However, a person may have multiple jobs, and the job may have a different impact on the person depending on their situation. As such, the interaction between the form of employment and person-level characteristics should be treated as separate level of analysis.

1.5 Organization of the Handbook

1.32 In this first, introductory chapter, the main dimensions of the Conceptual Framework and their interrelationships were presented and defined. Each subsequent chapter of the Handbook elaborates on these main dimensions.

1.33 *Chapter 2* describes in greater detail the concept of work relationships, building on the statistical units of employment and “job”, as defined by ICLS Resolutions. The Chapter also provides definitions of the main status in employment categories in ICSE-18 and introduces the concept of multi-party work relationships.

1.34 *Chapter 3* introduces five broad work modality aspects as well as the concept of informality and provides definitions for many modalities increasingly relevant in the context of a digitized and globalized world such as telework and digital platform employment.

1.35 *Chapter 4* presents definitions of stability and permanence based on ICSE-18 and introduces possible criteria for assessing stability and permanence among independent workers and dependent contractors. In addition, it proposes a definition of “gig work”, in order to help NSOs capture new forms of employment that are based on short tasks rather than well-defined positions.

1.36 *Chapter 5* describes concepts and indicators that can be used to measure and understand the relationship between forms of employment and person-level circumstances.

1.37 *Chapter 6* provides a discussion of core concepts related to social protection and describes how social protection should be measured in relation to forms of employment.

1.38 *Chapter 7* outlines the link between the Conceptual Framework on Forms of Employment and Quality of Employment.

1.39 *Chapter 8* offers a description of possible data sources as well as recommendations on indicators to prioritize in relation to the statistical measurement of forms of employment.

1.40 *Annex A* addresses the conceptual and statistical relationships between forms of employment and the System of National Accounts (SNA).

1.41 *Annex B* presents an overview of emerging forms of employment in CES countries based on research by the European Foundation for the Improvement of Living and Working Conditions (Eurofound) complemented by the results of a survey carried out by the Task Force on Forms of Employment in 2021.

1.42 *Annex C* provides a more detailed conceptual mapping of the relationship between work relationships and work modalities.

1.6 Topics and considerations for further work

1.43 The Handbook reflects consensus reached by task force members on a wide range of issues, including a broad framework to classify and understand forms of employment, definitions of key concepts such as work relationships and work modalities, as well as a list of key indicators that can help NSOs track changes in forms of employment over time and understand their impact. The Handbook does not include a comprehensive list of all forms of employment, nor does it attempt to map all possible combinations of work modalities and work relationships. Rather, it provides general principles and guidelines that can help NSOs and researchers classify and measure diverse forms of employment that are relevant to their national context. Since the Handbook focuses on concepts and statistical definitions, in most cases specific measurement guidance (e.g., examples of questions for household surveys) and recommendations on the frequency of measurement are not provided. Hence, further work on forms of employment should consider the development of practical guidance on data collection and measurement challenges. Sharing of experiences and good practices in measuring new and emerging forms of employment among countries will also be helpful. Additionally, as some of the topics raised in the Handbook are on the cutting edge of labour statistics, further work should be aligned with the conceptual and methodological development of those topics.