



Integrating ICSE-18 in the Quality of Employment framework

2024: Meeting of the Group of Experts on Quality of Employment

Background

- ▶ 20th ICLS resolution concerning statistics on work relationships was adopted in 2018.
 - Includes ICSE-18 which replaces ICSE-93.

- ▶ The resolution is a response to multiple needs:
- ▶ A need to provide a classification of employment that was aligned to the changes taken place with the *19th ICLS resolution concerning statistics on work, employment and labour underutilization*.
 - ICSE-93 was naturally not aligned to the 19th ICLS framework

- ▶ Provide a more detailed and meaningful classification that better reflects working relationships in countries labour markets.
 - Increasing uncertainty about the boundary between the different categories in ICSE-93 particular between the aggregated categories of self-employment and paid employment.
 - Non-standard forms of employment: ‘dependent’ contractors, short-term and zero hours contracts etc.

▶ Classification criteria

- ▶ ICSE-18 provides 10 detailed categories of status in employment.
- ▶ The classification uses two aspects of the work relationship as basis for defining the different statuses in employment
 - ▶ **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.

ICSE-18

- ▶ However, the 10 categories can also be organised according to the two dimensions type of authority and type of economic risk.
- ▶ Creates two different hierarchies:
- ▶ **Type of authority (ICSE-18-A)**
 - Creates a dichotomy between *independent workers* and *dependent workers*.
 - Suitable for various types of labour market analysis.
- ▶ **Type of economic risk (ICSE-18-R)**
 - Creates a dichotomy between *workers in employment for profit* and *workers in employment for pay*.
 - Suitable for the provision of data for national accounts, for the identification of wage employment.

ICSE-18 A –according to type authority

Independent workers

Employers

- Employers in corporations
- Employers in household market enterprises

Independent workers without employees

- Owner-operators of corporations without employees
- Own-account workers in household market enterprises without employees

Dependent workers

Employees

- Permanent employees
- Fixed-term employees
- Short-term and casual employees
- Paid apprentices, trainees and interns

Dependent contractors

- Dependent contractors

Contributing family workers

- Contributing family workers

ICSE-18 R according to type of economic risk

Workers in employment for profit

Independent workers in household market enterprises

- Employers in household market enterprises
- Own-account workers in household market enterprises without employees

Dependent contractors

- Dependent contractors

Contributing family workers

- Contributing family workers

Workers in employment for pay

Owner-operators of corporations

- Employers in corporations
- Owner-operators of corporations without employees

Employees

- Permanent employees
- Fixed-term employees
- Short-term and casual employees
- Paid apprentices, trainees and interns

▶ Main differences between ICSE-18 and ICSE-93

- ▶ Refers to employment as defined by the 19th ICLS resolution I.
- ▶ It includes 10 detailed categories of status in employment
 - The new category of dependent contractors
 - Two detailed categories of employers
 - a separation between being a worker for profit or pay
 - Two detailed categories of independent workers without employees
 - a separation between being a worker for profit or pay
 - Four detailed categories of employees
 - separation depending on the stability/expected duration of the employer-employee relationship
 - Members of producers' cooperatives do no longer constitute its own status in employment
- ▶ The same detailed categories can be organized in two different hierarchies, creating two different dichotomies; *independent workers* and *dependent workers*, *workers in employment for profit* and *workers in employment for pay*:
 - Clarifies the boundaries on the top level.
 - Meet the different needs from the SNA and labour statistics.
- ▶ Enables countries to provide improved statistics on work relationships with a higher precision and thereby better fulfilling the different needs for statistics on the different types of work relationships.

What is the impact of ICSE-18 on the QoE framework?

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Systematic review of the indicators in the 7 dimensions:

➤ Impact on:

- ▶ On definitions/boundaries
- ▶ Descriptions of the indicators
- ▶ Recommended disaggregation

➤ New possibilities due to ICSE-18:

- ▶ Potentially obsolete indicators
- ▶ Possibility of new indicators
- ▶ Possibilities for improved disaggregation

Assessment paper: *Integrating ICSE-18 in the Quality of Employment framework*

Integrating ICSE-18 in the Quality of Employment framework

-Quality of Employment subgroup: *Impact of ICSE-18*

► General impact on indicators, examples

Impact on indicator level; definitions/boundaries

- For example, indicator *2a2 Employees with low pay* and *2a4 Employment-related income of self-employed*:
- With ICSE-18 employees are not the only one in employment for pay (independent workers in employment of pay):
- “Self-employed” do not exist in ICSE-18.
- Inconsistency between boundary/definition used in QoE and ICSE-18.
- **Different possible solutions:**
- Adapt the indicators to ICSE-18:
 - *2a2 Workers in employment for pay with low pay*
 - *2a4 Employment related income of workers in employment for profit.*
- But that would change the boundaries and definitions of the indicators; or

- Remain the focus on employees in indicator 2a2, independent workers in employment for profit in indicator 2a4.
- But what about independent workers in employment for pay, DC etc.?

Obsolete indicators:

- For example, *4a4 Self-employed with one client* can be replaced with the share of DC out of total employment.

Possibly new indicators

- For example, in relation to dependent contractors particularly if they are not included within already existing indicators, e.g., Access to social insurance, parental leave.

Disaggregation

ICSE-93 is systematically used for disaggregation

- ▶ Particular the distinction between *employees* and *self-employed* or more indirectly *ICSE-93 (particularly self-employed workers and employees)* are regularly used
- ▶ *Employees with fixed-term contracts versus permanent employees* is also frequent.

ICSE-18 includes different possibilities for disaggregation

The aggregated categories in ICSE-18 A

- ▶ *Employers, independent workers without employees, dependent contractors, employees, and contributing family workers.*

The two dichotomies

Independent workers and dependent workers:

- ▶ The top-level aggregated categories in ICSE-18 when organized according to type of authority

Workers in employment for pay and workers in employment for profit

- ▶ Highly relevant in relation to earnings, wages and income

Possibility to create new ICSE-18 aligned categories

Employees and non-employees:

- ▶ A dichotomy that would be aligned to the current distinction between employees-self-employed

Employees, dependent non-employees, independent workers

- ▶ Not an “official” categorization but could be relevant to consider if low numbers of CFW and DC

Employees the detailed ICSE-18 categories of employees.

Or alternatively employees with fixed term or permanent agreements.

► **Flexible recommendation for disaggregation?**

Bottom-up approach depending on feasibility and relevance. For example:

- Use the **aggregated categories according to ICSE-18-A**
 - If not feasible relevant, then: **Employees, dependent non-employees, independent workers**
 - If not feasible relevant, then: **Independent workers, Dependent workers**
- In relation to employees: The **four detailed categories of employees**
 - If not feasible relevant, then: **Employees with fixed term agreements versus employees with permanent agreements**

**How to deal with a transition period, some countries
uses ICSE-93 while others uses ICSE-18?**

Implementation of ICSE-18 a global picture

- ▶ As part of the preparations for the 21st ICLS, the ILO have collected information from countries through the “country practice questionnaire”.
- ▶ Received answers from 126 countries.
- ▶ Number of countries that have implemented ICSE-18 in the national LFS

Region	Have implemented ICSE-18 in LFS	Total replies
Africa	14	32
Americas	7	22
Arab States	4	7
Asia and the Pacific	6	26
Europe and Central Asia	3	39
Total	34	126

Implementation of ICSE-18 a global picture cont.

- ▶ Number of countries that have plans for implementation of ICSE-18 in the national LFS.

Region	Have implemented ICSE-18 in LFS	Have plans to implement ICSE-18 in the LFS	Total replies
Africa	14	12	32
Americas	7	10	22
Arab States	4	2	7
Asia and the Pacific	6	11	26
Europe and Central Asia	3	28	39
Total	34	63	126

► What should countries collecting ICSE-18 do until the framework has been adjusted?

- Countries with ICSE-18 can apply the current boundaries for the different indicators based on ICSE-93.
 - If the boundary is “employees”, then restrict it to employees as defined by ICSE-18
 - If “self-employed” then restrict it to non-employees as defined by ICSE-18.
- Disaggregation, countries can be encouraged to explore the possibilities offered by ICSE-18 to create different aggregated categories.
 - If the objectives to maintain a high degree of consistency with the current framework, a distinction between employees and non-employees can be used, which broadly corresponds to the current recommended disaggregation of employees and self-employed.
- As most countries will be able to collect ICSE-93 and ICSE-18 countries can create reconciliation tables explaining the changes due to implementation of ICSE-18.

ICSE-18

	Employer	Indep. worker without employees	Dep. contractor	Employee	Contrib. family worker	Total
Self-declared status in employment (ICSE-93)	% Distribution					
Employee	0.0	0.0	17.5	82.5	0.0	100.0
Self-employed	11.7	83.1	5.2	0.0	0.0	100.0
Contributing family worker	5.6	28.9	0.7	0.8	63.9	100.0
Apprentice or intern	0.0	0.0	0.0	100.0	0.0	100.0
Total	6.5	36.3	11.3	42.3	3.7	100.0

▶ Next steps; The update of the QoE framework

Restricted approach

- ▶ The objective would be to minimize the impact.
- ▶ Minor adjustments of definitions, boundaries and disaggregation.
- ▶ To ensure there are no inconsistencies.

More ambitious approach

- ▶ A broader and more fundamental discussion about how the framework better can reflect the situation of independent workers and dependent contractors.
- ▶ Currently a strong focus on the situation of employees.
- ▶ Discussion could be based on countries increasing experience of exploring ICSE-18.



Thank you

