



Department of Statistics



## Concept Note

### Regional Meeting of Labour Statisticians in preparation for the 20<sup>th</sup> ICLS

**Muscat, Oman, 9 – 11 October, 2017**

#### Introduction

1. In October 2018 the International Labour Organization (ILO) will convene the 20th International Conference of Labour Statisticians (ICLS) at its headquarters in Geneva, Switzerland. The Conference will review and discuss for possible adoption a draft suite of international standards for statistics on work relationships. If adopted, the revised statistical standards will replace the International Classification of Status in Employment (ICSE-93). ICSE-93 is the current international standard for statistics on the relationship between workers and employers, including the distinction between self-employment and paid employment.
2. The ILO has established a Working Group to assist in the development of the new standards. Participants include producers and users of labour and economic statistics from national government agencies in all regions of the world, as well as from international and regional organizations and from workers' and employers' organizations. There is broad consensus within the working group on the conceptual framework and the nature and content of the classifications and variables to be included in the new standards. A number of aspects still need to be clarified or further developed, however, including guidelines for implementation and data collection.
3. To widen the consultation process, the ILO is organizing preparatory regional meetings of labour statisticians, covering all regions of the world, with a view to enhancing their participation in the 20<sup>th</sup> ICLS, and obtaining feedback on the current proposals, especially with respect to technical feasibility. These meetings have been scheduled during late 2016 and throughout 2017.

#### Date and Venue

4. The preparatory regional meeting for Arab States, will be hosted by GCC-STAT in Muscat, Sultanate of Oman from 9 – 11 October, 2017.

#### Purpose and objectives

5. The main purpose of the preparatory regional meeting is to bring the consultation and technical discussions to countries in the region, to ensure that the revised draft standard to be prepared by the ILO adequately reflects the labour markets and labour force data priorities of the region.

6. Specifically the meeting will:

- Inform participants about the review process in preparation for the 20<sup>th</sup> ICLS;
- Present the current proposals for new international standards for statistics on work relationships;
- Share information about national experience with statistics on work relationships;
- Identify potential opportunities for testing of the proposals;
- Gather feedback and promote discussion among participants to generate new ideas and further refinements to the proposals.

7. Reflecting these objectives, the ILO and GCC will invite one representative from selected national statistical offices to attend the meeting. All participants will be expected to have in-depth knowledge and experience with the collection, compilation and/or analysis of labour statistics.

### **Agenda and format of the meeting**

The meeting is structured in three parts (see draft agenda):

**Part I:** Overview of ICSE-93 and its limitations, the revision process in preparation for the 20<sup>th</sup> ICLS, and the current status of statistics on work relationships in the countries of the region

**Part II:** Substantive sessions to address the following topics:

- Conceptual framework for coherent and harmonized statistics on work relationships in all forms of work;
- The classification of independent workers;
- Workers at the boundary between self-employment and paid employment, particularly with respect to dependent contractors;
- Identification of workers in a range of non-standard forms of employment, including those with temporary, seasonal, short-term and casual employment arrangements;
- The identification of family helpers and the issue of co-operators in family businesses
- The classification of domestic workers and multi-party employment relationships;
- The statistical treatment and identification of a number of specific groups in addition to those mentioned above, including: apprentices, seasonal workers, trainees and interns, entrepreneurs and family workers;
- Guidelines on data collection, questionnaire design, derivation and adaptation of the standards for national use;
- An assessment strategy for testing the framework

**Part III:** A Round table discussion on the relevance of the proposals for the region will serve as a forum to discuss and strategize the implications of the ICLS revision process for activities at the national and regional levels.

8. For each topic, the substantive session will cover: (1) issues in the current standards identified for review and update, (2) review of country practices implementing the current standards (regional and global), (3) ILO draft proposals to update the standards developed in consultation with the WG.

9. Prior to the meeting, one or two participants will be invited to act as discussants for each topic. The main objective is to request discussants to reflect on the relevance, feasibility and applicability to national realities of the proposals for update presented by the ILO, in order to promote subsequent discussion in plenary sessions.

## Official languages and documentation

10. The official languages of the meeting are English and Arabic. Background documents to the meeting will be made available prior to the meeting, mainly in English.

## Overview of the proposals

11. Proposals have been developed concerning a conceptual framework for statistics on work relationships and classifications of status at work and status in employment. The categories in the classification of status in employment may be aggregated according to alternative hierarchies based either on economic dependency or on the nature of the economic risk to which the worker is exposed. This allows the production of separate statistics on dependent and independent workers and on those employed for pay and for profit (in line with the current distinction between paid employment and self-employment). These classifications by status will be complemented by a set of standard variables that may be used to provide more detail, or to allow the identification of specific groups.

## Statistical Units and Work Relationships

12. Statistics on the work relationship are concerned with (a) the relationships between persons who work and the economic units in which or for which the work is performed, and (b) the contractual or other conditions in which the work is performed. These statistics can relate to all forms of work, including own-use production work, employment, unpaid trainee work, volunteer work and other forms of work, as defined in the *Resolution concerning statistics of work, employment and labour underutilization*,<sup>1</sup> adopted in October 2013 by the 19<sup>th</sup> ICLS. This resolution defines work as 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.
13. The concept of economic unit used in the framework is aligned with that defined in the System of National Accounts (SNA 2008) which distinguishes between:
  - (a) Market units (i.e. corporations, quasi-corporations and household unincorporated market enterprises);
  - (b) Non-market units (i.e. government and non-profit institutions serving households); and
  - (c) Households that produce goods or services for own final use (domestic households).
14. Since persons frequently perform work for more than one economic unit, and the nature of their work relationships may differ for each unit, statistics on work relationships refer primarily to characteristics of jobs or work activities in particular economic units. A **job** or **work activity** is defined in the 19<sup>th</sup> ICLS Resolution 1 as *a set of tasks and duties performed, or meant to be performed, by one person for a single economic unit*. The term *job* is used in reference to

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<sup>1</sup> 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>

employment. This statistical unit, when relating to own-use production work, unpaid trainee work, and volunteer work is referred to as *work activity*. A person may therefore have as many work relationships as they have jobs or work activities in economic units.

15. The characteristics of jobs and work activities that are relevant and of interest for statistics on work relationships, and the nature of the relationships that exist, vary to some extent depending on the form of work and on the analytical purposes of the statistics. Some of the concepts, variables, classification schemes and categories described in these standards may be applied, therefore, to all forms of work. Others may be relevant only for certain forms of work.

### **Classifications according to status**

16. The framework uses two aspects of the work relationship as criteria to differentiate categories of jobs and work activities according to status at work, and to arrange them into aggregate groups. These are the *type of authority* that the worker is able to exercise over the economic unit in which the work is performed and *the type of economic risk* to which the worker is exposed. A relatively detailed set of mutually exclusive categories is defined on the basis of these criteria, to form the *International Classification of Status at Work, 2018 (ICSaW-18)*. The subset of these categories that relate to employment form the *International Classification of Status in Employment, 2018 (ICSE-18)*. Another way of describing this is to say that the Classification of Status at Work is an extension of the Classification of Status in Employment to cover all forms of work.

### **Status at work**

17. The proposed International Classification of Status at Work includes categories relevant to all forms of work (own-use production work, employment, unpaid trainee work, volunteer work and other forms of work). It allows different jobs and work activities in all forms of work to be classified in a meaningful and mutually exclusive manner to facilitate the compilation of comparable statistics taken from various sources of data. It is not a recommendation for the design of a single survey.

### **Status in employment**

18. The proposal for a revised International Classification of Status in Employment (ICSE-18) classifies jobs in employment for pay or profit based on the type of authority and the type of economic risk. The 9 detailed categories in the Classification of Status in Employment have the same definition and scope as the equivalent categories in the Classification of Status at Work. They are used as common building blocks to create two alternative classification hierarchies.
19. The first hierarchy, based on the type of authority that the worker is able to exercise, can be used to produce statistics on two broad groups of workers in employment: *Independent workers* and *Dependent workers*. This hierarchy is referred to as the International Classification of Status in Employment According to Type of Authority and abbreviated to ICSE-18-A.
20. This classification hierarchy is suitable for various types of labour market analysis, including analysis of the impact of economic cycles on the labour market, analysis of government policies related to employment creation and regulation, and the identification of entrepreneurs. Since the category 'independent workers' excludes helpers in family businesses and dependent contractors, while including owner-managers of incorporated enterprises, it is the most appropriate category for the identification of entrepreneurs.

### Box 1: Classification of Status in Employment According to Type of Authority

#### I Independent workers

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

#### D Dependent workers

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

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

### Box 2: Classification of Status in Employment according to type of Economic Risk

#### S Workers in employment for profit

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

#### P Workers in employment for pay

- C Owner-managers of corporations
  - 11 Owner-managers of corporations with employees
  - 21 Operators of corporations without employees
- 4 Employees
  - 41 Permanent employees
  - 42 Fixed-term employees
  - 43 Casual and short-term employees

22. This hierarchy is suitable for the provision of data for national accounts, for the identification of wage employment and its distribution, and for the production and analysis of statistics on wages, earnings and labour costs.
23. The hierarchies for status in employment based on both economic risk and authority should have equal priority in the compilation of statistical outputs. Statistics from labour force surveys and other relevant sources should be compiled on a regular basis according to both hierarchies. The hierarchy used will depend on the analytical purpose of the output in question.

### **Cross-cutting variables**

24. The classifications of status at work and status in employment are complemented by a set of variables and classification schemes that provide more detailed information on characteristics associated with the degree of stability and permanence of a particular work arrangement, and for other characteristics that are not reflected in the status at work categories. They provide definitions and categories for types of arrangement that may be represented in several status categories and are therefore referred to as 'cross-cutting variables'. They can be combined in output with relevant status categories to construct output classifications relevant for national purposes.
25. Many of the cross-cutting variables are essential elements of the framework. These variables are required to derive the categories in the classifications by status, or are essential for the compilation of coherent statistics on work relationships – or both. Some variables defined here are recommended for use in certain contexts only. The variables described are therefore divided into two groups: *essential* cross-cutting variables and *recommended* cross-cutting variables.
26. The following cross-cutting variables are proposed:
  - a) Duration of contract
  - b) Duration of employment in the current economic unit
  - c) Reason for non-permanent employment
  - d) Contract type
  - e) Form of remuneration.
  - f) Seasonality (e.g. seasonal or not).
  - g) Full-time/part-time status
  - h) Place of work
  - i) Domestic workers
  - j) Homeworkers and outworkers
  - k) Multi-party work arrangements
  - l) Social insurance coverage
  - m) Paid annual leave
  - n) Paid sick leave
  - o) Apprentices, trainees and interns