

Status in Employment: a world survey of practices and problems¹

by Peter Elias²

Introduction

The *International Classification of Status in Employment (ICSE)* is one of the main international statistical standards and classifications for which the *International Labour Office (ILO)*, represented by its *Bureau of Statistics (STAT)*, is responsible. The current version, ICSE-93, was approved by the *15th International Conference of Labour Statisticians (ICLS)* in 1993³, but with some reluctance linked to the following factors:

- (a) The ILO reports which introduced the proposal for a revised ICSE to a preparatory meeting of experts in 1992 and to the 15th ICLS, see *ILO (1991)* and *ILO (1992)* respectively, provided the first opportunities for in depth discussions of the conceptual basis for the classification since the discussion which took place at the 9th ICLS in 1957.
- (b) The lack of discussions of conceptual and methodological issues at the international level was a reflection of the limited discussions in countries. Thus many delegates felt unprepared to make firm decisions on what seemed to be proposals for significant changes to the existing ICSE, in particular with respect to the proposed extensions of the classification with more detailed groups to reflect changing contractual relationships in the labour market and the associated distribution of economic risks between those demanding and those offering labour services.
- (c) Some of the proposed detailed groups could not unambiguously be allocated to one and only one of the familiar aggregate ICSE groups. Thus ICSE-93 is more a framework for the classification of jobs and persons by type of economic risk and authority at work than a unified classification of the conventional type, as exemplified by the *International Standard Classification of Occupations (ISCO-88)*. That this would be the case, in particular from an operational perspective, was clearly recognized in the report to the 15th ICLS, see para. 45 of *ILO (1992)*.

¹ Earlier reports based upon preliminary analyses of these data have been circulated (Elias and Hoffmann, 1997a; Elias and Hoffmann, 1997b) for discussion in meetings and workshops.

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³ See pp. 37-38 and pp. 65-72 of *ILO (1993)*.

The following paragraph in the preamble to the Resolution on Status in Employment reflects the concern of the 15th ICLS:

Recognizing that, on the basis of experience gained in applying the present classification, further thought should be given to the conceptual basis of the ICSE and the relevance of the groups and subgroups proposed hereafter be verified in operational terms, ...

To respond to this request ILO has carried out in 1997 a comprehensive inquiry about national practices with respect to the use of classifications similar to ICSE, covering the last population census as well as in labour and household surveys. The Institute for Employment Research, University of Warwick, was engaged to assist in the design of data collection instruments; to analyse the information provided by about 120 countries and territories; and to use this information together with its knowledge about the analytical and descriptive uses made of such classifications to make recommendations concerning the further work, if any, which needs to be done with respect to ICSE-93. Results from this enquiry are presented in this report.

The statistical functions of a classification of Status in Employment

Before examining in detail the nature of the response to this enquiry it is useful to reflect upon the statistical functions sought from and achieved by such a classification.

Classifications generally perform two major functions. Their first and arguably most important function of a classification is to *discriminate* between a set of objects or activities to be classified in a way which *assists our interpretation* of the world. Thus, for example, a classification of educational activities might distinguish educational institutions according to the type of educational activities they provide or people in terms of the educational activities they have experienced. The purpose of classification here is to count, measure and describe the complexity of a process in a way which yields insights into the nature of the process itself, and simplifies the study of its interrelationship with other events (educational funding or individual earnings for example). The classification should identify *key categories* for analytical purposes, and the conceptual basis of the classification from which such categories are formed should reflect the analytical purpose to which information so classified is put.

Of less importance, and closely related to this first use, classifications serve to *reduce information* to a manageable set of categories which lend themselves to future research and analysis. Here the link between the conceptual basis of the classification and purpose of classifying data is less clear. Research is often a speculative activity and the statisticians responsible for classification cannot best guess to what uses the classified data will be put. Yet the existence of classified information and its juxtaposition with data summarized via other classifications often provides the insight required for exploratory research and speculative enquiry.

In the area of labour market activity, a number of complex classifications are utilized to facilitate reporting and analysis. The International Standard Classification of Occupations 1988 (ISCO-88) and the International Standard Industrial Classification of All Economic Activities (ISIC Rev3) or national versions of these classifications are both widely used and well known. The International Classification of Status in Employment (ICSE-93) is less well known, even though most countries make operational in some form or another many of the basic conceptual ideas developed and elaborated in this classification. To explore the possible reasons for this apparent paradox, it is instructive to examine the underlying conceptual basis

of the classification and to study the variety of its uses.

The ICSE-93 classifies jobs by reference to the type of contract of employment between the person holding that job and other persons or legal organisations. Such contracts are classified according to the types of economic risk spread between the contracting parties and/or the authority relationships which are defined by and which may legally regulate the contract.

As specified in Sections II and III of the ICSE-93 the following broad groups are defined on this basis:

1. employees;
2. employers;
3. own account workers;
4. members of producers' co-operatives;
5. contributing family workers.

Fundamental to the definition of these groups is the distinction made in the ICSE-93 between *paid employment jobs* and *self-employment jobs*. Paid employment jobs are those for which the associated contract of employment remunerates the incumbent in a manner which is not directly dependent upon the profits derived by the other party to the contract from the goods and/or services produced. Self employment jobs are those jobs where the remuneration depends directly upon the profits (or future profitability) derived from goods and/or services produced.

This basic distinction, defined in economic terms in the ICSE-93 according to the way in which labour gains its rewards, accords equally with the nature of the power and authority relationships between labour and capital as elaborated by both Marx and Weber. As Erikson and Goldthorpe (1993) note:

From both sources, we can derive a basic, threefold division of class positions, as follows:

- 1. employers: i.e. those who buy the labour of others and thus assume some degree of authority and control over them;*
- 2. self-employed workers without employees: those who neither buy the labour of others nor sell their own;*
- 3. employees: those who sell their labour to employers and thus place themselves under their authority and control.*

(Erikson and Goldthorpe, *op.cit.*, pp 37-40)

From the economic perspective, classifying jobs in the labour market according to the nature of the relationship between their remuneration and the production of associated goods and services links well with the requirements of a System of National Accounts (SNA). National accounting practices attempt to measure the extent of economic activity within a framework of income and expenditure flows and the 'balance sheet' reconciliation which ultimately records wealth accumulation. At the very heart of national economic measurement, these accounting conventions facilitate our understanding of trends and cycles in economic activity and assist national governments to monitor and mediate their own interventions in national, regional or local economic activity. By distinguishing between self employment jobs on the one hand and paid employment jobs on the other, a link can be made between the profits of

self employed persons and employing organisations, personal income and expenditure. Via the different motivations and expectations of the incumbents of such jobs, the relationship between economic activity and the economic cycle will vary significantly. The basic distinction afforded by the Status in Employment classification and operationalized in accounting terms through the SNA is a fundamental part of employment analysis and forecasting.

Apart from this use, *social classifications* depend heavily upon both status in employment and occupational classifications to arrive at a set of social class categories which can be used to differentiate between social, economic and health variations in human populations. Most social class schema utilize information on the jobs people hold or have held at some earlier point in their lives to derive a *class position* as the basic category for analysis.

Thus, *Status in Employment* classifications function to categorize labour market activities for both economic interests (the link between ‘risk’ and economic prospects) and for the construction of social categories for the analysis of variations in educational opportunities, mortality, morbidity and social status. The basic categorisations are between the self employed (or ‘own-account’ workers) without employees, employees and employers. The ISCE-93 recognizes there three groups, together with two others (contributing family workers and members of producers’ co-operatives). However, as was well recognized in the Resolution passed at the 15th ICLS, a potential problem relates to the ‘boundary’ between these activities. Given the rapid changes that are taking place in the labour market, it is appropriate to take stock of the current situation with regard to national practice and to make any recommendations for further change, on the basis of information gathered. This reason, together with the expressed wish of the 15th ICLS, led to the enquiry detailed below.

A survey of the use of Status in Employment Classifications

In April 1997 a six-page questionnaire was sent to the National Statistical Institute or another responsible authority in 211 countries and territories throughout the world. The questionnaire requested information on current practices regarding the collection and interpretation of information concerning *status in employment* from the last Population Census as well as from Labour Force and Household Income and Expenditure surveys carried out after 1989. Questions were asked concerning:

1. the *methods used to collect information* about the status in employment associated with particular jobs;
2. the *nature of instructions and guidance* available to interviewers and respondents to help them determine the appropriate response to questions about status in employment;
3. the *statistical treatment of a number of groups* of workers which are difficult to classify by status in employment;
4. the *nature of changes* in the national classification of status in employment and the extent to which ICSE-93 is associated with any such changes.

By December 1st 1997 a total of 121 statistical offices had responded to the enquiry. Table 1 shows the breakdown of response rates by world regions. In total, the statistical offices of 57 per cent of the countries and territories responded, with regional response rates varying from 92 per cent for the countries of East and Central Europe to 33 per cent for African countries.

Table 1

Response to ILO Questionnaire on ICSE-93 by World regions

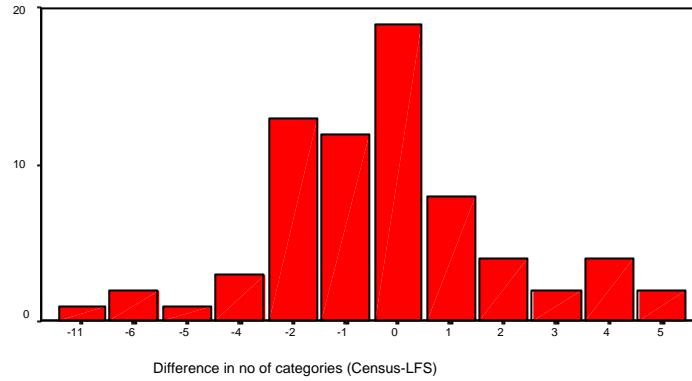
			Response to survey		Total
			Responded	No response	
World region	Western Europe	Count	21	4	25
		%	84.0%	16.0%	100.0%
	East and Central Europe	Count	11	1	12
		%	91.7%	8.3%	100.0%
	Newly Independent States plus Mongolia	Count	14	2	16
		%	87.5%	12.5%	100.0%
	Middle East	Count	6	8	14
		%	42.9%	57.1%	100.0%
	Indian/Asian subcont	Count	15	9	24
		%	62.5%	37.5%	100.0%
	North America	Count	3	2	5
		%	60.0%	40.0%	100.0%
South/Central America	Count	26	17	43	
	%	60.5%	39.5%	100.0%	
Australia/NZ/Oceania	Count	8	12	20	
	%	40.0%	60.0%	100.0%	
Africa	Count	17	35	52	
	%	32.7%	67.3%	100.0%	
Total	Count	121	90	211	
	%	57.3%	42.7%	100.0%	

Use of ICSE-93 in national statistical programmes

As expected, classifications similar to ICSE-93 are used in almost all the responding countries and territories. However, it is clear that within many national statistical offices there are differences between the classifications used by the different data collection programmes included in this review, thus it may be misleading to talk about a **national** standard classification for these countries. This is demonstrated using information drawn from the enquiry about the methods used to collect information on Status in Employment. For those countries which used the most common method, whereby the respondent (or interviewer) selects between a set of predefined employment status categories, national statistical offices were requested to state the number of categories used in each data collection source.

Figure 1 below shows the distribution of responses for the difference between the number of categories used in the last Census of Population compared with the Labour Force Survey.

Figure 1: *Difference in the number of Status in Employment categories used in Census of Population and the Labour Force Survey*



A significant number of countries reported using one or two categories fewer in their census than in their Labour Force Survey. However, no clear relationship emerges between the nature of the classification of status in employment used in these two sources in each country.

Relatively few of the offices, about 23, reported that the classifications used by them have been re-examined or revised since the approval of ICSE-93, which was said to have been adopted as a national classification in 5 countries and to have served as a model or provided ideas in six. Tables 2 and 3 display this information by World regions.

Table 2

Changes made to Status in Employment classification since 1993 by world regions

			Any changes made to Status in Employment classification since 1993?					Total
			Yes	Yes, to the scope	No, but changes proposed	None	other	
World region	Western Europe	Count	3	1	2	13	1	20
		%	15.0%	5.0%	10.0%	65.0%	5.0%	100.0%
	East and Central Europe	Count	2	1		5	1	9
		%	22.2%	11.1%		55.6%	11.1%	100.0%
	Newly Independent States plus Mongolia	Count	4		1	6		11
		%	36.4%		9.1%	54.5%		100.0%
	Middle East	Count				2		2
		%				100.0%		100.0%
	Indian/Asian subcont	Count	1	1		12		14
		%	7.1%	7.1%		85.7%		100.0%
North America	Count		1		2		3	
	%		33.3%		66.7%		100.0%	
South/Central America	Count	3	1	4	16		24	
	%	12.5%	4.2%	16.7%	66.7%		100.0%	
Australia/NZ/Oceania	Count	2		1	5		8	
	%	25.0%		12.5%	62.5%		100.0%	
Africa	Count	1	2	1	11	1	16	
	%	6.3%	12.5%	6.3%	68.8%	6.3%	100.0%	
Total	Count	16	7	9	72	3	107	
	%	15.0%	6.5%	8.4%	67.3%	2.8%	100.0%	

Table 3

Role played by ICSE-93 in changes to Status in Employment classification made since 1993 by world region

Count

		What role did ICSE-93 play in these changes?				Total
		No role	Served as model or provided ideas	Was adopted as national classification	Other role	
World region	Western Europe	1	1	1	1	4
	East and Central Europe		1	1	1	3
	Newly Independent States plus Mongolia		2	2		4
	Indian/Asian subcont		1		1	2
	North America		1			1
	South/Central America	3			1	4
	Australia/NZ/Oceania	1		1		2
	Africa	1			2	3
	Total	6	6	5	6	23

Almost all the classifications used recognize in some way the basic distinction between paid-employment and self-employment jobs. The differences between them relate to the type of further distinctions made and the methods used to make these distinctions. Many do not go beyond the groups traditionally defined for ICSE, but a significant number make use of other classifications to make these further distinctions⁴.

Procedures used for classifying jobs by Status in Employment

Unlike classifications of occupations and sectors of economic activity, which typically have large and complex coding structures, the smaller number of categories used by most countries in their status in employment classification lends itself to *self-classification* - the process whereby respondents to census and survey questions, or the interviewers, choose from among a limited set of pre-defined categories that which best describes their current work status. Tables 4, 5 and 6 reveal the extent to which this technique dominates among alternative methods (e.g. classification on the basis of responses to questions about the nature of the employment contract or some combination of self-classification and questions about the employment contract). Classification via selection from pre-defined categories is the predominant method in Censuses of Population, with this method used in the Population Censuses of 72% of responding countries. The use of this particular method appears slightly lower in survey data collection methods, presumably because of the presence of an interviewer and the scope that this affords to assist the respondent. Nonetheless, in 60-65% of countries, selection of status in employment is from pre-defined categories in such surveys.

Table 4

⁴ Many classifications are also extended with typologies for persons who do not have a job. These typologies typically reflect source of livelihood.

Procedures used in Population Censuses for classifying jobs by Status in Employment

			Procedure used in Censuses of Population			Total
			select from predetermined categories	on basis of questions about emp. contract	combination of these, or other method	
World region	Western Europe	Count	14		3	17
		%	82.4%		17.6%	100.0%
	East and Central Europe	Count	8		1	9
		%	88.9%		11.1%	100.0%
	Newly Independent States plus Mongolia	Count	3	1	2	6
		%	50.0%	16.7%	33.3%	100.0%
	Middle East	Count	3	1		4
		%	75.0%	25.0%		100.0%
	Indian/Asian subcont	Count	11	2	1	14
		%	78.6%	14.3%	7.1%	100.0%
North America	Count	1	1	1	3	
	%	33.3%	33.3%	33.3%	100.0%	
South/Central America	Count	15	1	5	21	
	%	71.4%	4.8%	23.8%	100.0%	
Australia/NZ/Oceania	Count	4	3	1	8	
	%	50.0%	37.5%	12.5%	100.0%	
Africa	Count	11	1	3	15	
	%	73.3%	6.7%	20.0%	100.0%	
Total	Count	70	10	17	97	
	%	72.2%	10.3%	17.5%	100.0%	

Table 5

Procedures used in Labour Force Surveys for classifying jobs by Status in Employment

			Procedures used in Labour Force Surveys			Total
			select from predetermined categories	on basis of questions about emp. contract	combination of these, or other method	
World region	Western Europe	Count	11	2	5	18
		%	61.1%	11.1%	27.8%	100.0%
	East and Central Europe	Count	8	1		9
		%	88.9%	11.1%		100.0%
	Newly Independent States plus Mongolia	Count	5	2		7
		%	71.4%	28.6%		100.0%
	Middle East	Count	3	1		4
		%	75.0%	25.0%		100.0%
	Indian/Asian subcont	Count	11	1	1	13
		%	84.6%	7.7%	7.7%	100.0%
North America	Count	1		2	3	
	%	33.3%		66.7%	100.0%	
South/Central America	Count	13	3	7	23	
	%	56.5%	13.0%	30.4%	100.0%	
Australia/NZ/Oceania	Count	3	3	2	8	
	%	37.5%	37.5%	25.0%	100.0%	
Africa	Count	8	2	2	12	
	%	66.7%	16.7%	16.7%	100.0%	
Total	Count	63	15	19	97	
	%	64.9%	15.5%	19.6%	100.0%	

Table 6

Procedures used in Income/Expenditure Surveys for classifying jobs by Status in Employment

			Procedure used in Income/Exp. surveys			Total
			select from predetermined categories	on basis of questions about emp. contract	combination of these, or other method	
World region	Western Europe	Count %	12 70.6%	1 5.9%	4 23.5%	17 100.0%
	East and Central Europe	Count %	7 100.0%			7 100.0%
	Newly Independent States plus Mongolia	Count %	7 63.6%	3 27.3%	1 9.1%	11 100.0%
	Middle East	Count %	3 75.0%	1 25.0%		4 100.0%
	Indian/Asian subcont	Count %	7 58.3%	3 25.0%	2 16.7%	12 100.0%
	North America	Count %			2 100.0%	2 100.0%
	South/Central America	Count %	5 38.5%	2 15.4%	6 46.2%	13 100.0%
	Australia/NZ/Oceania	Count %	2 33.3%	3 50.0%	1 16.7%	6 100.0%
	Africa	Count %	8 57.1%	3 21.4%	3 21.4%	14 100.0%
	Total	Count %	51 59.3%	16 18.6%	19 22.1%	86 100.0%

How many predefined *Status in Employment* categories are used?

Five main categories of status in employment are defined within the ICSE-93. Together with a 'not classified' category these are:

- employees
- employers
- own account workers
- members of producers' co-operatives
- contributing family workers
- workers not classified by status

Underlying these six categories is the distinction between 'paid employment' jobs on the one hand and 'self employment' jobs on the other. Paid employment jobs are those jobs for which the job holder holds an employment contract which gives a basic remuneration not wholly dependent upon the revenue or profit of the unit for which they work. Self employment jobs are those jobs where remuneration is directly dependent upon such revenues or profit. All employees are in paid employment jobs, while all employers and own-account workers are self-employed, as are members of producers' co-operatives and contributing family workers.

Given this basic underlying distinction, it might have been assumed that a number of countries and territories would distinguish only two categories of status in employment: employees and self-employed persons. Figures 2, 3 and 4 reveal, however, that in the 60-72% of cases where predefined categories are used, most countries and territories distinguish more categories than this. For their most recent Census of Population, by far the majority of responding countries

and territories used between 4 and 8 categories. Slightly fewer categories were, on average, identified in their Labour Force Surveys, and a fairly wide range (between 2 and 8 categories) was identified in Household Income and Expenditure Surveys.

Figure 2

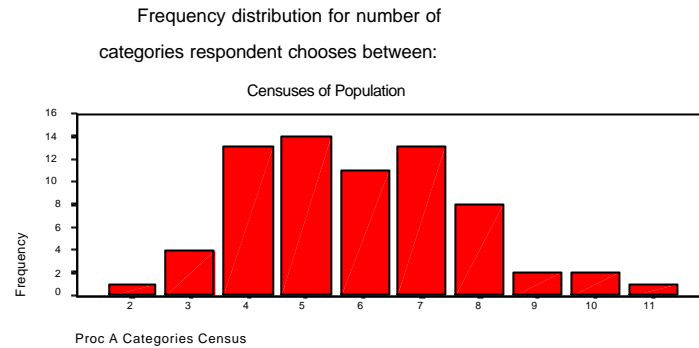


Figure 3

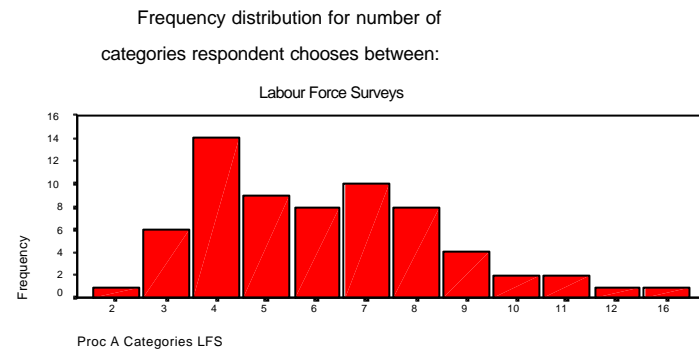
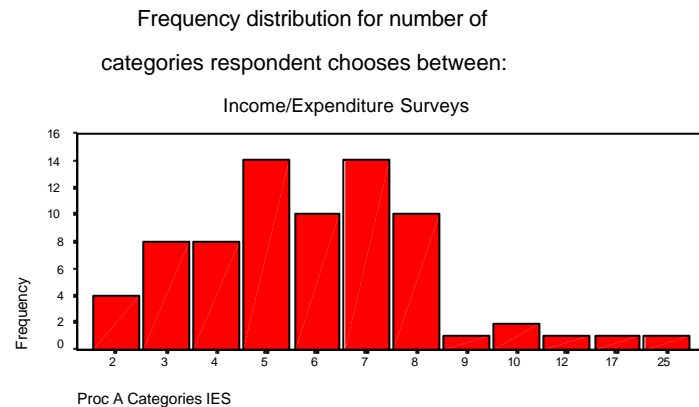


Figure 4

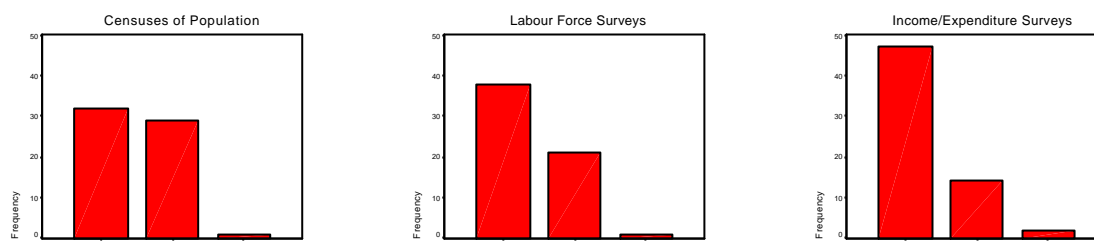


Who selects these categories?

In cases where status in employment categories are predefined, it is of interest to see how the most appropriate selection of a relevant category is made. For each type of data collection instrument, National Statistical Institutes were requested to state who chooses among the predefined categories to classify the job described by the respondent. Figure 5 reveals that, generally, the interviewer selects the appropriate category. This is an interesting finding, because it is usually the case that predefined categories are used when a classification is thought to be fairly evident to the respondent and when the predefined categories present a

mutually exclusive and exhaustive set of categories. In such instances, the respondent chooses from among the categories that which best describes their current situation. The fact that predefined categories are the predominant data collection method and yet *interviewer* selection of these categories often takes place suggests that the categories themselves are perhaps not particularly well understood by respondents and that interviewers may have to guide the respondent to select a particular category.⁵

Figure 5: Who chooses the relevant status in employment category from a predetermined set?



Support for this proposition, that respondents need guidance to enable them to select the appropriate status in employment category, can be seen from the information in Table 7. Most countries and territories indicated that verbal *and* written advice and guidance was available to respondents and/or interviewers to help them select the appropriate category. Only a very small number of responding offices reported that no instructions or guidance notes are available.

Table 7: Nature of instructions, advice, guidance notes available to respondents to help them determine the appropriate response to questions about Status in Employment

<i>Nature of instructions</i>	<i>Census of Population</i>		<i>Labour Force Surveys</i>		<i>Income/Expenditure Surveys</i>	
	<i>Count</i>	<i>%</i>	<i>Count</i>	<i>%</i>	<i>Count</i>	<i>%</i>
No response	26	21.5	24	19.8	36	29.8
Verbal advice only	15	12.4	17	14.0	23	19.0
Verbal and written advice	37	30.6	48	39.7	34	28.1
Written advice only	35	28.9	25	20.7	23	19.0
No verbal or written advice	8	6.6	7	5.8	5	4.1
Total	121	100	121	100	121	100

⁵ However, it may also reflect the experience that respondent selection has proved to be impractical because of the terminology used or the number of alternative categories. The procedure presupposes the use of a cue card which can be shown to the respondent or that the interviewer reads out the possible categories.

What categories are used?

There is a considerable degree of variety between countries in terms of the Status in Employment categories which they use. While most countries achieve the basic distinction between employers, employees and own-account workers, this is usually combined with other information or extended in some way to yield more detail.

Employees are quite frequently distinguished according to whether or not they are in the public or private sector (also distinguished as ‘government’ and ‘non-government’ or ‘profit’ and ‘non-profit’ employees). This distinction probably reflects the fact that it is quite difficult to operationalize a split between such employees via ISIC, given that privatisation programmes in many countries now make it quite difficult to determine whether or not the State is the employer from information on the sector of economic activity. Some countries also distinguish the nature of the employee’s contract further, by differentiating between permanent and temporary employees, casual work, contracts of determinate duration, etc.

Own-account workers: some countries distinguish between those who have incorporated their business (yet have no employees) from those who remain unincorporated. A number of countries (e.g. Austria, Philippines, Slovenia) separate out farmers from among this group of workers.

Employers: this group is often distinguished according to the size of their enterprise, measured in terms of the number of employees. Definitions vary markedly in this area, sometimes distinguishing small enterprises as those with less than 5 employees, or 10, 20 or 25.

Treatment of particular groups of workers

Some groups of workers have jobs which are difficult to classify, usually because they lie at the boundary between paid employment and self-employment, or **between paid and non-paid work** (in other words, on the production boundary of the System of National Accounts and thus frequently excluded from consideration). The ILO enquiry investigated five such categories. These are:

- owner-managers of incorporated enterprises

This group may be regarded as ‘employees’ from a legal and income tax perspective and this is how they should be treated according to the rules of the *System of national Accounts*, yet the jobs classified to this group may share the characteristics of self-employment jobs in terms of their total remuneration and control over resources. In ICSE-93 it is said that “countries should... endeavour to identify this group separately”.

- outworkers/homeworkers

This group may be regarded as ‘employees’ or as ‘self-employed’ dependent upon the specific terms of their contract.

- contractors

This group is usually defined with reference to the employment taxation system as workers who are responsible for their own taxation (as self-employed persons) yet who operate 'under contract' as if in paid employment.

- franchisees

This group consists of workers whose operating contracts determine how they will work and require that a share of their income or operating fee is remitted to a licence holder (the franchiser). Such workers may be regarded as self-employed although their working conditions are essentially similar to those in paid employment.

- subsistence workers

This group consists of workers who hold a self-employment job and produce goods/services predominantly consumed by their own household.

Table 8 reveals whether or not these groups are separately identified in population censuses, labour force surveys and household income and expenditure surveys. Approximately 30 per cent of countries/territories did not respond to these questions. Where responses were obtained, these usually indicated that only a minority of countries/territories separately identified the categories in question.

The rate of identification is highest for owners-managers of incorporated businesses, but even for this group only 25 per cent of the statistical offices indicated that this group of workers was separately identified. For outworkers/homeworkers, about 20 per cent stated that this group is identified from the information on status in employment generated from each data source. Subsistence workers were identified by 15 per cent of responding countries/territories. Contractors were identified by approximately 10 per cent and franchisees by only 5 per cent.

Table 8: Whether or not various 'difficult-to-classify' groups of workers are separately identified in each data collection

Owner-managers of incorporated enterprises

	Census of Population		Labour Force Survey		Income/Expenditure Survey	
	No.	%	No.	%	No.	%
Separately identified	29	24.0	33	27.3	30	24.8
Not identified	56	46.3	52	43.0	48	39.7
No response	36	29.8	36	29.8	43	35.5
Total	121	100.0	121	100.0	121	100.0

Outworkers/homeworkers

	Census of Population		Labour Force Survey		Income/Expenditure Survey	
	No.	%	No.	%	No.	%
Separately identified	29	24.0	26	21.5	19	15.7
Not identified	60	49.6	60	59.6	62	51.2
No response	32	26.4	86	28.9	40	23.1
Total	121	100.0	121	100.0	121	100.0

Contractors

	Census of Population		Labour Force Survey		Income/Expenditure Survey	
	No.	%	No.	%	No.	%
Separately identified	11	9.1	12	9.9	14	11.6
Not identified	77	63.6	75	62.0	63	52.1
No response	33	27.3	34	28.1	44	36.4
Total	121	100.0	121	100.0	121	100.0

Franchisees

	Census of Population		Labour Force Survey		Income/Expenditure Survey	
	No.	%	No.	%	No.	%
Separately identified	6	5.0	8	6.6	4	3.3
Not identified	82	67.8	81	66.9	75	62.0
No response	33	27.3	32	26.4	42	34.7
Total	121	100.0	121	100.0	121	100.0

Subsistence workers

	Census of Population		Labour Force Survey		Income/Expenditure Survey	
	No.	%	No.	%	No.	%
Separately identified	17	14.0	22	18.2	17	14.0
Not identified	70	57.9	66	54.5	59	48.8
No response	34	28.1	33	27.3	45	37.2
Total	121	100.0	121	100.0	118	100.0

Table 9 shows how countries/territories would classify owner-managers of incorporated enterprises, regardless of whether or not they are separately identified. By far the most common response indicated that such jobs would be classified as employers, but some offices indicated that it might depend on the particular type of work contract or response given in the survey. Thus only a minority of offices thought that priority would be given to the legal or taxation determined status of such jobs. However, included in this minority are the statistical offices of: Australia, Israel, Panama, Syria, Thailand, United States and Zimbabwe.

Table 9: Most likely ICSE-93 categories used for classification of owner-managers of incorporated enterprise, by type of data collection

Owner-managers of incorporated enterprises

ICSE category most likely coded as	Census of Population		ICSE category most likely coded as	Labour Force Survey		ICSE category most likely coded as	Income/ Expenditure Survey	
	No.	%		No.	%		No.	%
	2	56		46.3	2		59	48.8
1	14	11.6	1	13	10.7	1	14	11.6
3	8	6.6	3	7	5.8	2 or 3	7	5.8
2 or 3	5	4.1	2 or 3	4	3.3	3	5	4.1
1, 2 or 3	1	0.8	6	2	1.7	1 or 2	2	1.7
4	1	0.8	1 or 3	1	0.8	2, 3 or 4	1	0.8
6	1	0.8	1, 2 or 3 1 or 2	1 1	0.8 0.8			
No reply	35	28.9	No reply	33	27.3	No reply	47	38.8
Total	121	100.0	Total	121	100.0	Total	121	100.0

Note: ICSE category codes are:

1 = employees 2 = employers 3 = own account workers 4 = members of producer cooperatives
5 = contributing family workers 6 = workers not classified by status

Table 10 shows how countries/territories would classify outworkers/homeworkers, regardless of whether or not they are separately identified. By far the most common response indicated that such jobs would be classified as employees, and only a minority of offices thought that such workers should be classified as own-account workers. Included in this minority are the statistical offices of: Cameroon, Chile, Israel, Panama, Slovak Republic, Tonga, Uganda and Uruguay.

Table 10: Most likely ICSE-93 categories used for classification of outworkers/homeworkers, by type of data collection

Outworkers/homeworkers

ICSE category most likely coded as	Census of Population		ICSE category most likely coded as	Labour Force Survey		ICSE category most likely coded as	Income/ Expenditure Survey	
	No.	%		No.	%		No.	%
1	35	28.9	1	40	33.1	1	34	28.1
3	18	14.9	3	18	14.9	3	16	13.2
5	5	4.1	5	5	4.1	2	5	4.1
1 or 3	4	3.3	6	5	4.1	1, 2 or 3	4	3.3
1, 2 or 3	4	3.3	1, 2 or 3	4	3.3	1 or 2	3	2.5
2	3	2.5	1 or 2	3	2.5	5	3	2.5
6	3	2.5	2	3	2.5	1 or 3	2	1.7
2 or 3	2	1.7	1 or 3	3	2.5	6	2	1.7
1 or 5	1	0.8	1 or 5	1	0.8	1 or 6	1	0.8
			1, 3 or 5	1	0.8			
			2 or 3	1	0.8			
No reply	46	38.0	No reply	36	29.8	No reply	51	42.1
Total	121	100.0	Total	121	100.0	Total	121	100.0

Note: ICSE category codes are:

- 1 = employees 2 = employers 3 = own account workers 4 = members of producer co-operatives
5 = contributing family workers 6 = workers not classified by status

Table 11 shows how countries/territories would classify contractors, regardless of whether or not they are separately identified. The responses do not identify any of the possible categories as the dominant choice, indicating that whether such jobs will be classified as employees, own account workers or employers will depend on national circumstances or on the precise understanding in the statistical offices of the contractual and work situation of those designated “contractors”, see the definition in point 14(i) of the ICSE-93 resolution. Statistical offices that have indicated different solutions in different data collections include those of: Cameroon, Chile, Finland, Germany, Panama, Portugal and Zimbabwe.

Table 11: Most likely ICSE-93 categories used for classification of contractors, by type of data collection

Contractors

ICSE category most likely coded as	Census of Population		ICSE category most likely coded as	Labour Force Survey		ICSE category most likely coded as	Income/ Expenditure Survey	
	No.	%		No.	%		No.	%
2	26	21.5	2	24	19.8	3	22	18.2
3	20	16.5	3	24	19.8	1	20	16.5
1	15	12.4	1	17	14.0	2	18	14.9
2 or 3	8	6.6	2 or 3	9	7.4	2 or 3	7	5.8
6	8	6.6	6	6	5.0	6	2	1.7
1 or 3	2	1.7	1, 2 or 3	3	2.5	1 or 3	1	0.8
1, 2 or 3	1	0.8	1 or 3	1	0.8	1, 2 or 3	1	0.8
1 or 2	1	0.8	1 or 2	1	0.8	5	1	0.8
No reply	40	33.1	No reply	36	29.8	No reply	46	40.5

Total	121	100.0	Total	121	100.0	Total	121	100.0
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Note: ICSE category codes are:

1 = employees 2 = employers 3 = own account workers 4 = members of producer co-operatives
5 = contributing family workers 6 = workers not classified by status

Table 12 shows how countries/territories would classify franchisees, regardless of whether or not they are separately identified. By far the most common response indicated that such jobs would be classified as employers, and only a minority of offices thought that such workers should be classified as own-account workers or employees. Included in this minority are the statistical offices of: Bolivia, Botswana, Cameroon, Germany, Hungary, Japan and Philippines.

Table 12: Most likely ICSE-93 categories used for classification of franchisees, by type of data collection

Franchisees

ICSE category most likely coded as	Census of Population		ICSE category most likely coded as	Labour Force Survey		ICSE category most likely coded as	Income/ Expenditure Survey	
	No.	%		No.	%		No.	%
2	35	28.9	2	39	32.2	2	35	28.9
2 or 3	11	9.1	2 or 3	11	9.1	3	13	10.7
3	12	9.9	3	12	9.9	2 or 3	10	8.3
6	10	8.3	6	8	6.6	6	6	5.0
1	6	5.0	1	5	4.1	1	4	3.3
1 or 2	2	1.7	1 or 2	2	1.7	5	1	0.8
4	1	0.8	2, 3 or 4	1	0.8			
No reply	43	36.4	No reply	43	36.4	No reply	52	43.0
Total	121	100.0	Total	121	100.0	Total	121	100.0

Note: ICSE category codes are:

1 = employees 2 = employers 3 = own account workers 4 = members of producer co-operatives
5 = contributing family workers 6 = workers not classified by status

Table 13 shows how countries/territories would classify subsistence workers, regardless of whether or not they are separately identified. By far the most common response indicated that such jobs would be classified as own account workers, but a minority of offices thought that such workers should be classified as contributing family workers, own account workers or employees. Included in this minority are the statistical offices of: American Samoa, Denmark, Philippines, Thailand, Trinidad and Tobago.

Table 13: Most likely ICSE-93 categories used for classification of subsistence workers, by type of data collection

Subsistence workers

ICSE category most likely coded as	Census of Population		ICSE category most likely coded as	Labour Force Survey		ICSE category most likely coded as	Income/ Expenditure Survey	
	No.	%		No.	%		No.	%
3	41	33.9	3	45	37.2	3	36	29.8
5	12	9.9	5	13	10.7	6	10	8.3
6	12	9.9	1	5	4.1	5	6	5.0
1	5	4.1	6	6	5.0	1	4	3.3
2 or 3	2	1.7	2 or 3	2	1.7	2	4	3.3
3 or 5	1	0.8	3 or 5	1	0.8	2 or 3	3	2.5
2	1	0.8	2, 3 or 5	1	0.8	3 or 5	1	0.8
			4	1	0.8			
No reply	46	38.8	No reply	47	38.0	No reply	57	47.1
Total	121	100.0	Total	121	100.0	Total	121	100.0

Note: ICSE category codes are:

- 1 = employees 2 = employers 3 = own account workers 4 = members of producer co-operatives
- 5 = contributing family workers 6 = workers not classified by status

Concluding remarks

The national data collection programmes included in the review which have given the above results include those where a status in employment classification is most likely to be a significant descriptive variable without being the main focus for the type of descriptions and analysis to be carried out on the basis of the resulting statistics. However, based on their replies concerning the treatment of some of the problematic status in employment groups it seems that for a significant number of national statistical offices the inclusion of this variable in these important data collection programmes does not reflect a clear and uniform idea of where the dividing lines between the main groups are located: more than one third of the offices did not reply to these questions. Among the offices that did reply there is enough disagreement to indicate that comparisons between countries of statistics by status in employment groups should be made with great care and that only substantial differences should be considered to be significant. That only a few offices are using classifications which make it possible to separately identify one or more of these groups supports an impression that this classification suffers from benign neglect in most national statistical offices, and that those interested in the corresponding statistics have not had the concern, the analytical capacity or influence to put enough pressure on the offices for them to take a more active interest, even though ICSE-93 represents a model from which to work.

One can only speculate on the reason for this state of affairs: It is well known that the 'best practices' that the international statistical standards try to reflect have to rely almost exclusively on the experiences of national statistical offices and on the research into methodological problems which they can carry out. It is also clear that such work is carried out mainly in the statistically advanced countries, which are dominated by the rich,

industrialized and traditionally market oriented countries. As pointed out in *Korns (1994)*⁶ most of these countries traditionally have (i) well established, legally and administratively, tax and social security regulations which define the difference between paid and self employment; (ii) the terminology for one or both of these situations is well established in everyday language; (iii) the labour market is dominated by those in paid employment; and (iv) few people find themselves in mixed situations where either their one job has features of both paid- and self employment or they have to supplement a paid employment job with one where they are self-employed. Thus there are few incentives for the statistics producers and users to use a more complex typology for status in employment, or for investigating situations on the border between paid and self employment, even though there has been clear indications that the situation has become more complex lately also in these countries, see e.g. *OECD (1992)*. The situation in developing and transition countries is different in all these respects, as well as in the capacity of their national statistical offices to investigate the various contractual situations and formulate more adequate typologies than the one traditionally used, e.g. by making use of relevant sub-categories among those included in ICSE-93.

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⁶ This instructive discussion and summary of a set of relevant Indonesian studies only came to our attention while we were finalizing this note. Reference to these studies was not included in the reply from Indonesia, although the questionnaire did request such information. This leads us to suspect that also in other countries there may well be documentation of relevant experiences and studies which are unknown, even to others in the same organization.

Paris 1992.

