



Regional Course on SDGs Indicators: Measuring decent work using microdata from labour force surveys

Classification of ICSE, ISCO and ISIC including Women in managerial positions (SDG 5.5.2)

Chiba (Japan)

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Concepts of industry, occupation and status in employment – Overview

Status in employment

- The status of an employed person with respect to his/her employer
- The type of implicit or explicit contract of employment with other persons or organizations
- **International Classification of Status in Employment (ICSE)**

Occupation

- The type of work done by the person employed regardless of the industry, or under what status in employment.
- A “set of jobs whose main tasks and duties are characterized by a high degree of similarity”
- **International Standard Classification of Occupations (ISCO)**

Industry

- The economic activity of the establishment in which a person worked
- What the establishment does, not what the individual does when working for that establishment
- **International Standard Industrial Classification of All Economic Activities (ISIC)**

International Classification of Status in Employment (ICSE-93)

- Adopted through a resolution of the Fifteenth International Conference of Labour Statisticians (ICLS) in January 1993
- It has been **replaced in October 2018 by ICSE-18 during the 20th ICLS.**
- ICSE-93 remains the classification used up to now in all countries but will gradually be replaced with the new framework.
- Classifies jobs with respect to the type of explicit or implicit contract of employment between the job holder and the economic unit in which he or she is employed

ICSE-93

Paid employment jobs

- 1. Employees

Self-employment jobs

- 2. Employers
- 3. Own-account workers
- 4. Members of producers' cooperatives
- 5. Contributing family workers

- 6. Workers not classifiable by status

Employees

Employees are all those workers who hold the type of job defined as paid *employment jobs*

- More detailed categories of employees are not provided as a formal part of the classification
- The definition of this group provides guidance on the definition of employees on stable contracts and of 'regular employees'
- Typically comprise 60 – 90% of the employed population.
- More than 80% of workers are employees in developed regions
- In some less developed countries employees comprise a relatively small percentage of total employment

Employers and Own-account workers

Both Employers and Own-account workers

- Work on their own account or with one or a few partners

Employers

- Have engaged one or more persons to work for them in their business as employee(s)'.

Own-account workers

- Have not engaged any employees on a continuous basis
- May have engaged employees during the reference period but not on a continuous basis
- May work with or without the assistance of contributing family workers

- Globally, own account workers are the second largest group
- Employers rarely comprise more than 5% of total employment
- In some countries own-account workers are more numerous than employees

Contributing family workers

Hold a *self-employment* job in a market-oriented establishment operated by a related person living in the same household

- Contributing family workers are a significant group in many countries
- In most industrialized or wealthy countries they represent a very small percentage of total employment

ICSE-18

Comprises ten detailed categories that can be organised according to the two dimensions type of authority and type of economic risk

Creates two different hierarchies:

International Classification of Status in Employment according to type of authority (ICSE-18-A) - Creates a dichotomy between independent workers and dependent workers

Classification of Status in Employment according to type of economic risk (ICSE-18-R) - Creates a dichotomy between workers for profit and workers for pay

ICSE-18 dichotomy between independent and dependent workers based on type of authority

Independent workers

- Own the economic units in which they work, and control its activities
- Make the most important decisions about the activities of the economic unit and the organization of their work.
- Are not supervised by other workers
- Are not dependent on a single other economic unit or person for access to the market
- May work on their own account or in partnership with other independent workers and may or may not provide work for others

Dependent workers

- Do not have complete authority or control over the economic unit in which or for which they work.
- If employed for profit they
 - Have no employees
 - Do not make the most important decisions about the activities of the economic unit for which they work

Classification of status based on type of Authority (ICSE-18-A)

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-A : International Classification of Status in Employment according to type of authority

Independent workers are classified into the following groups:

- A. Employers:
 - 11 – Employers in corporations.
 - 12 – Employers in household market enterprises.
- B. Independent workers without employees:
 - 21 – Owner-operators of corporations without employees.
 - 22 – Own-account workers in household market enterprises without employees.

Dependent workers are classified into the following groups:

- C. Dependent contractors:
 - 30 – Dependent contractors.
- D. Employees:
 - 41 – Permanent employees.
 - 42 – Fixed-term employees.
 - 43 – Short-term and casual employees.
 - 44 – Paid apprentices, trainees and interns.
- E. Contributing family workers:
 - 51 – Contributing family workers.

Dichotomy based on type of economic risk - analogous to self-employment and paid employment

Workers in employment for profit

- Remuneration is directly and entirely dependent on the profit or loss made by the economic unit in which they are employed
- Do not receive a wage or salary in return for time worked.

Workers in employment for pay

- Receive, or expect to receive, remuneration in cash or in kind, in return for time worked or for each piece or service produced.

Classification of status based on the type of economic Risk (ICSE-18-R)

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

ICSE-18-R: Classification of Status in Employment according to type of economic risk

Workers in employment for profit are classified into the following groups:

- F. Independent workers in household market enterprises:
 - 12 – Employers in household market enterprises.
 - 22 – Own-account workers in household market enterprises without employees.
- C. Dependent contractors:
 - 30 – Dependent contractors.
- E. Contributing family workers:
 - 51 – Contributing family workers.

Workers in employment for pay are classified into the following groups:

- G. Owner-operators of corporations:
 - 11 – Employers in corporations.
 - 21 – Owner-operators of corporations without employees.
- D. Employees:
 - 41 – Permanent employees.
 - 42 – Fixed-term employees.
 - 43 – Short-term and casual employees.
 - 44 – Paid apprentices, trainees and interns.

Occupation – Concept and uses

Occupation

- Refers to the type of work done by the person employed irrespective of where (the industry), or under what status in employment, it is being done
- An occupation is a “set of jobs whose main tasks and duties are characterized by a high degree of similarity”
- Major component of national labour market information
- Is usually applied to jobs in employment but may also be applied to other forms of work

International Standard Classification of Occupations (ISCO)

- Current version was endorsed by the ILO Governing Body in 2008:
 - For this reason it is known as ISCO-08
 - Structure and group definitions available on ILO Website
 - Hierarchically structured classification comprising:
 - 10 major groups
 - 43 sub-major groups
 - 130 minor groups
 - 436 unit groups

What is ISCO used for?

- ✓ International reporting, comparison and exchange of statistical and administrative data
- ✓ A model for development of national and regional classifications of occupations
- ✓ Used directly in countries that have not developed a national classification

Underlying concepts adopted with ISCO-08

- **Job** : a *set of tasks and duties* performed by one person including for an employer or in self employment
- **Occupation**: a *set of jobs* whose main tasks and duties are characterised by a high degree of similarity:
 - A person may be associated with an occupation through the main job currently held, a second job, or a job previously held
- Occupations are organized into groups according to **skill level** and **skill specialization**:
 - Skill level is applied mainly at the top (major group) level of the classification.
 - Within each major group occupations are arranged into unit groups, minor groups and sub-major groups, primarily on the basis of aspects of skill specialization.

Number of groups at each level of ISCO-08 (Numbers for ISCO-88 are shown in brackets where different)

Major groups	Sub-major Groups	Minor groups	Unit groups
1 Managers	4 (3)	11(8)	31 (33)
2 Professionals	6 (4)	27(18)	92 (55)
3 Technicians and associate professionals	5 (4)	20(21)	84 (73)
4 Clerical support workers	4 (2)	8 (7)	29 (23)
5 Service and sales workers	4 (2)	13 (9)	40 (23)
6 Skilled agricultural, fishery, and forestry workers	3 (2)	9 (6)	18 (17)
7 Craft and related trades workers	5 (4)	14 (16)	66 (70)
8 Plant and machine operators, and assemblers	3	14 (20)	40 (70)
9 Elementary occupations	6 (3)	11 (10)	33(25)
0 Armed forces occupations	3 (1)	3 (1)	3 (1)
Total ISCO-08 (ISCO-88)	43 (28)	130 (116)	436 (390)

Occupation – Information needed for coding

- For accurate coding to any level of ISCO (and related national classifications) information is needed on:
 - Name or title of occupation
 - Main tasks or duties usually performed in the job
- Information about the level of skill or qualifications of an individual is not necessary
- Questions need to focus on a specific job (for example the main job)

Purpose of International Standard Industrial Classification (ISIC)

- Since its creation in 1948, ISIC had two goals:
 - Provide a tool for international comparison
 - Provide guidance to countries for a national activity classification structure
- ISIC is periodically updated to keep it relevant with economic developments.
 - Side effect: Increasing need for detailed data has led to more detailed versions of ISIC

The concept of industry – or branch of economic activity

- The activity of the economic units (such as establishment) in which an employed person worked
- What the establishment does, not what the individual does when working for that establishment
- Collected in labour statistics with reference to a job or work activity held by a person
- Most countries are changing to a classification compatible with ISIC, Revision 4
- The industry classification used in labour force surveys must be consistent with that used for other relevant statistics, including economic statistics

Objectives of the ISIC revision

- Relevance
 - Reflect new industries, new production pattern, new needs for economic analysis
- Comparability
 - Improve linkages to major regional classifications
- Continuity
 - Maintain close links to the previous version of ISIC
- Main task: balancing these three objectives

Industry: information needed for coding

Industry question generally requires two components:

1. The name of the place of work
 - with details of division or branch for larger private enterprises, and government institutions
 - this information may be recorded under a place of work variable
 - Full name and address is required if an establishment register is to be used for coding
2. A clear description of the main products or functions of the establishment

ISIC Rev.4 main categories

- A - Agriculture, forestry and fishing
- B - Mining and quarrying
- C – Manufacturing
- D - Electricity, gas, steam and air conditioning supply
- E - Water supply; sewerage, waste management and remediation activities
- F – Construction
- G - Wholesale and retail trade; repair of motor vehicles and motorcycles
- H - Transportation and storage
- I - Accommodation and food service activities
- J - Information and communication
- K - Financial and insurance activities
- L - Real estate activities"
- M - Professional, scientific and technical activities
- N - Administrative and support service activities
- O - Public administration and defence; compulsory social security
- P – Education
- Q - Human health and social work activities
- R - Arts, entertainment and recreation
- S - Other service activities
- T - Activities of households as employers
- U - Activities of extraterritorial organizations and bodies
- X - Not elsewhere classified