

Resolution concerning the International Classification of Status in
Employment (ICSE), adopted by the Fifteenth International
Conference of Labour Statisticians
(January 1993)

The Fifteenth International Conference of Labour Statisticians,

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Recalling the resolution concerning an international standard classification according to industrial status adopted by the Seventh International Conference of Labour Statisticians (1949) and the conclusions regarding the International Classification according to Status reached by the Ninth International Conference of Labour Statisticians (1957),

Considering the supplementary recommendations for Housing and Population Censuses adopted by the twenty-fourth session of the United Nations Statistical Commission (1987),

Considering the development in the world of work and recognizing the diversity in the work situation of workers, there is currently a need for adapting the technical guidelines provided by the International Classification of Status in Employment as a basis for strengthening national statistical programmes and enhancing international comparability of statistics,

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, and

Noting that such work could result in improvements leading to a revision of the present resolution at the next International Conference of Labour Statisticians;

Adopts, this 28th day of January 1993, the following resolution:

I. The name and conceptual basis for the classification

1. The classification of status in employment as shown in section 11 of this resolution is designated the International Classification of Status in Employment (ICSE-93). The group definitions are given in section III, while the statistical treatment of particular groups is specified in section IV.
2. The ICSE classifies jobs held by persons at a point in time. A job is classified with respect to the type of explicit or implicit contract of employment of the person with other persons or organizations. The basic criteria used to define the groups of the classification are the type of economic risk, an element of which is the strength of the attachment between the person and the job, and the type of authority over establishments and other workers which the job incumbents have or will have.
3. The ICSE-93 classifies persons by virtue of their actual and potential relations with jobs according to the rules set out in section V.

II. The ICSE-93 groups¹

¹ For linguistic convenience the group titles and definitions have been formulated in a way which corresponds to the situation where each person holds only one job during the reference period. Rules for

4. The ICSE-93 consists of the following groups, which are defined in section III:
1. employees;
among whom countries may need and be able to distinguish "employees with stable contracts" (including "regular employees");
 2. employers;
 3. own-account workers;
 4. members of producers' cooperatives;
 5. contributing family workers;
 6. workers not classifiable by status.

III. Group definitions

5. The groups in the ICSE-93 are defined with reference to the distinction between "paid employment" jobs on the one side and "self-employment" jobs on the other. Groups are defined with reference to one or more aspects of the economic risk and/or the type of authority which the explicit or implicit employment contract gives the incumbents or to which it subjects them.
6. Paid employment jobs are those jobs where the incumbents hold explicit (written or oral) or implicit employment contracts which give them a basic remuneration which is not directly dependent upon the revenue of the unit for which they work (this unit can be a corporation, a non-profit institution, a government unit or a household). Some or all of the tools, capital equipment, information systems and/or premises used by the incumbents may be owned by others, and the incumbents may work under direct supervision of, or according to strict guidelines set by the owner(s) or persons in the owners' employment. (Persons in 'paid employment jobs' are typically remunerated by wages and salaries, but may be paid by commission from sales, by piece-rates, bonuses or in-kind payments such as food, housing or training.)
7. Self-employment jobs are those jobs where the remuneration is directly dependent upon the profits (or the potential for profits) derived from the goods and services produced (where own consumption is considered to be part of profits). The incumbents make the operational decisions affecting the enterprise, or delegate such decisions while retaining responsibility for the welfare of the enterprise. (In this context "enterprise" includes one-person operations.)
8.
 1. Employees are all those workers who hold the type of job defined as "paid employment jobs" (cf. paragraph 6). Employees with stable contracts are those "employees" who have had, and continue to have, an explicit (written or oral) or implicit contract of employment, or a succession of such contracts, with the same employer on a continuous basis. "On a continuous basis" implies a period of employment which is longer than a specified minimum determined according to national circumstances. (If interruptions are allowed in this minimum period, their maximum duration should also be determined according to national circumstances.) Regular employees are those 'employees with stable contracts' for whom the employing organization is responsible for payment of relevant taxes and social security contributions and/or where the contractual relationship is subject to national labour legislation.

classifying persons with two or more jobs are given in section V.

9. 2. Employers are those workers who, working on their own account or with one or a few partners, hold the type of job defined as a "self-employment job" (cf. paragraph 7), and, in this capacity, on a continuous basis (including the reference period) have engaged one or more persons to work for them in their business as "employee(s)" (cf. paragraph 8). The meaning of "engage on continuous basis" is to be determined by national circumstances, in a way which is consistent with the definition of "employees with stable contracts" (cf. paragraph 8). (The partners may or may not be members of the same family or household.)
10. 3. Own-account workers are those workers who, working on their own account or with one or more partners, hold the type of job defined as a 'self-employment job' (cf. paragraph 7), and have not engaged on a continuous basis any 'employees' (cf. paragraph 8) to work for them during the reference period. It should be noted that during the reference period the members of this group may have engaged 'employees', provided that this is on a non-continuous basis. (The partners may or may not be members of the same family or household.)
11. 4. Members of producers' cooperatives are workers who hold a "self-employment" job (cf. paragraph 7) in a cooperative producing goods and services, in which each member takes part on an equal footing with other members in determining the organization of production, sales and/or other work of the establishment, the investments and the distribution of the proceeds of the establishment amongst their members. (It should be noted that 'employees' (cf. paragraph 8) of producers' cooperatives are not to be classified to this group.)
12. 5. Contributing family workers are those workers who hold a 'self-employment' job (cf. paragraph 7) in a market-oriented establishment operated by a related person living in the same household, who cannot be regarded as partners, because their degree of commitment to the operation of the establishment, in terms of working time or other factors to be determined by national circumstances, is not at a level comparable to that of the head of the establishment. (Where it is customary for young persons, in particular, to work without pay in an economic enterprise operated by a related person who does not live in the same household, the requirement of 'living in the same household' may be eliminated.
13. 6. Workers not classifiable by status include those for whom insufficient relevant information is available, and/or who cannot be included in any of the preceding categories.

IV. Statistical treatment of particular groups

14. This section outlines a possible statistical treatment of particular groups of workers. Some of the groups represent subcategories or disaggregations of one of the specific ICSE-93 categories. Others may cut across two or more of these categories. Countries may need and be able to distinguish one or more of the groups, in particular group (a), and may also create other groups according to national requirements:
 - (a) Owner-managers of incorporated enterprises are workers who hold a job in an incorporated enterprise, in which they: (a) alone, or together with other members of their families or one or a few partners, hold controlling ownership of the enterprise; and (b) have the authority to act on its behalf as regards contracts with other organizations and the hiring and dismissal of persons in "paid employment" with the same organization, subject only to national legislation regulating such matters and the rules established by

the elected or appointed board of the organization. Different users of labour market, economic and social statistics may have different views on whether these workers are best classified as in "paid employment" (cf. paragraph 6) or as in "self-employment" (cf. paragraph 7), because these workers receive part of their remuneration in a way similar to persons in 'paid employment' while their authority in and responsibility for the enterprise corresponds more to persons in "self-employment", and in particular to employers'. (Note, for example, that to classify them as "employees" will be consistent with their classification in the "System of National Accounts", while they may be best classified as "employers" or "own-account workers" for labour market analysis.) Countries should, therefore, according to the needs of users of their statistics and their data collection possibilities, endeavour to identify this group separately. This will also facilitate international comparisons.

- (b) Regular employees with fixed-term contracts are "regular employees" (cf. paragraph 8) whose contract of employment specifies a particular date of termination.
- (c) Regular employees with contracts without limits of time are 'regular employees' (cf. paragraph 8) who have contracts which only can be terminated for specified causes such as incompetence, serious misconduct, or for economic reasons according to national legislation or custom.
- (d) Workers in precarious employment can either: (a) be workers whose contract of employment leads to the classification of the incumbent as belonging to the groups of "casual workers" (cf. item (e)), "short-term workers" (cf. item (f)) or "seasonal workers" (cf. item (g)); or (b) be workers whose contract of employment will allow the employing enterprise or person to terminate the contract at short notice and/or at will, the specific circumstances to be determined by national legislation and custom.
- (e) Casual workers are workers who have an explicit or implicit contract of employment which is not expected to continue for more than a short period, whose duration is to be determined by national circumstances. These workers may be classified as being "employees" (cf. paragraph 8) or "own-account workers" (cf. paragraph 10) according to the specific characteristics of the employment contract.
- (f) Workers in short-term employment are workers who hold explicit or implicit contracts of employment which are expected to last longer than the period used to define "casual workers" (cf. item (e)), but shorter than the one used to define "regular employees" (cf. paragraph 8). These workers may be classified as "employees" (cf. paragraph 8) or 'own-account workers' (cf. paragraph 10) according to the specific characteristics of the employment contract.
- (g) Workers in seasonal employment are workers who hold explicit or implicit contracts of employment where the timing and duration of the contract is significantly influenced by seasonal factors such as the climatic cycle, public holidays and/or agricultural harvests. These workers may be classified as "employees" (cf. paragraph 8) or "own-account workers" (cf. paragraph 10) according to the specific characteristics of the employment contract.
- (h) Outworkers are workers who: (a) hold explicit or implicit contracts of employment under which they agree to work for a particular enterprise, or to supply a certain quantity of goods or services to a particular enterprise, by prior arrangement or contract with that enterprise; but (b) whose place of work is not within any of the establishments which

make up that enterprise. These workers may be classified as being in "paid employment" (cf. paragraph 6) or in "self-employment" (cf. paragraph 7) according to the specific terms of their contract. They may be classified as "employers" if they engage other workers on terms as described in paragraph 9.

- (i) Contractors are workers who: (a) have registered with the tax authorities (and/or other relevant bodies) as a separate business unit responsible for the relevant forms of taxes, and/or who have made arrangements so that their employing organization is not responsible for relevant social security payments, and/or the contractual relationship is not subject to national labour legislation applicable to e.g. 'regular employees' (cf. paragraph 9); but who (b) hold explicit or implicit contracts which correspond to those of 'paid employment'. These workers may be classified as in a 'self-employment' job (cf. paragraph 7) or as in a 'paid employment' job (cf. paragraph 6) according to national circumstances.
- (j) Workers who hold explicit or implicit contracts of 'paid employment' (cf. paragraph 6) from one organization, but who work at the site of and/or under instructions from a second organization which pays the first organization a fee for their services, may be classified separately from other "employees", and according to whether the primary organization is a temporary work agency or another type of enterprise.
- (k) Work gang (crew) members are workers who are members of a group of workers who have been engaged as a group on terms corresponding to those of 'paid employment' and where the employing organization has entered into a contract only with the crew leader or with an organizing agent for the crew, and not with the individual worker.
- (l) Countries may need and be able to classify separately workers participating in public or private employment promotion or job training schemes on terms of employment which correspond to 'paid employment' jobs. This group of workers may be designated employment promotion employees. Workers who receive support from such schemes to establish their own business should be classified as being in a "self-employment" job (cf. paragraph 7) as "employer" (cf. paragraph 9) or "own-account worker" (cf. paragraph 10) as appropriate.
- (m) According to national circumstances countries may decide to classify as apprentices or trainees, workers who hold explicit or implicit contracts of "paid employment" which specify that all or part of their remuneration should be in the form of training for a trade or profession. When identifying apprentice and trainee employees separately, countries may also need and be able to distinguish between those who hold a formal training contract and follow a formal programme combining work experience with practical and theoretical instruction, and those who do not.
- (n) Employers of regular employees are those "employers" who during the reference period have engaged at least one person to work for them in their business on explicit or implicit terms such that this person will be classified as having a job as a "regular employee" as defined under paragraph 8.
- (o) Core own-account workers are those "own-account workers" (cf. paragraph 10) who work predominantly for the market independently of specific conditions imposed by the suppliers of credit, raw materials, etc., or of one main customer, and who rent or own their own equipment and other means of production.

- (p) Franchisees are workers who have explicit or implicit contracts with the owners of certain means of production (land, buildings, machinery, trade marks, etc.), holders of operational licences or suppliers of credit, which to a significant extent determine how the business is operated and require the payment of a specific part of total sales. "Franchisees" who engage "employees" (cf. paragraph 8) on a continuous basis should be classified as "employers" (cf. paragraph g).
- (q) Sharecroppers are workers who hold a 'self-employment' job (cf. paragraph 7) and in this capacity have explicit or implicit contracts with the owners of certain means of production (land, buildings, machinery, etc.) or suppliers of credit or raw materials, which to a significant extent determine how the business is operated and require the payment of a part of total production.
- (r) Communal resource exploiters are workers who hold a "self-employment" job (cf. paragraph 7) and in this capacity use a natural resource (e.g. land, fishing grounds, hunting and gathering areas) to which there are no individual property rights, but for which their community or the State may have certain management responsibilities.
- (s) Subsistence workers are workers who hold a "self-employment" job (cf. paragraph 7) and in this capacity produce goods or services which are predominantly consumed by their own household and constitute an important basis for its livelihood.
- (t) Countries may need and be able to supplement a national classification by status in employment with the type of organization with which they are employed, in particular whether 'employees' are employed in the private or the public sector, or whether the employing organization is partly owned by foreign individuals or organizations (a "joint venture") or fully owned by foreigners.

V. Classification of persons

15. Employed persons can be classified by status in employment according to the following rules:
 - (a) a person with only one classifiable job during the reference period should be classified to the status in employment group of that job;
 - (b) a person with two or more jobs during the reference period should be classified to the status in employment group of that set of equally classified jobs at which he/she has worked the longest hours, or which has provided the highest income from employment during that period (or which can be expected to provide the highest income from work carried out in that period, if payment can only be expected in the future).
16. The ICSE-93 may be applicable, according to national practices and circumstances, to persons who have held a job, or who are seeking a job, regardless of their labour force status in the reference period. For the employed, it should apply to the job (or jobs) held in the reference period. For the unemployed, it may apply to either a job previously held, if any, or, according to national practices and circumstances, to the type of job which they are seeking.

VI. Data collection and international reporting

17. The data necessary to classify jobs or persons according to nationally significant status in employment groups should be collected in ways corresponding to the descriptive and analytical needs which the individual statistical programme serves, both with respect to precision of

measurement and with respect to the number and type of groups separately identified. Using questionnaires with one question and a small set of pre-coded groups to be selected by the respondents, or by interviewers on the basis of the information provided by the respondents, may be less expensive but will normally result in less precise measurement of distribution of jobs or persons over relevant status in employment groups than the use of several questions with response alternatives designed to allow classification to the relevant groups at the processing stage. The Conference notes that the ILO Bureau of Statistics will provide guidelines on how to collect and process information about status in employment in statistical surveys and censuses.

18. It is recommended that countries, as far as possible, design their data collection and processing procedures so that they will be able to give estimates for those of the following categories which are nationally significant:
 1. employees;
 2. employers;
 3. own-account workers;
 4. members of producers' cooperatives;
 5. contributing family workers;
 6. workers not classifiable by status.
19. The ICSE-93 group into which "owner-managers of incorporated enterprises" (cf. paragraph 14, item (a)) are classified should be indicated and separate information should be provided about them, whenever possible, to facilitate both labour market analysis and international comparisons. The countries are also asked to identify, for the users of their statistics, which of the separate groups reported contain the data for persons in any of the groups not separately reported.