1. Introduction

The International Labour Organization (ILO, with headquarters in Geneva, Switzerland) convened an international working group for the revision of ICSE-93, which was based on the Resolution concerning statistics of work, employment, and labour underutilization adopted by the 19th International Conference of Labour Statisticians (ICLS, October 2013). Participants in the international working group included statisticians and users of statistics from seventeen countries (including Argentina, Mexico, and Chile), representatives of workers and employers organizations, observers from intergovernmental and nongovernmental organizations, and representatives of the ILO. In the framework of discussions developed by the international working group from the third to the most recent meeting, the topics of discussion included a proposed conceptual framework, a preliminary draft of the classification of status in employment and status of the worker, guidelines for the collection of data of status in employment, and various additional elements proposed for inclusion in the standard for labour statistics. This standard will be presented in preliminary form for adoption at the 20th International Conference of Labour Statisticians in October 2018.

The Working Group of the Labour Market (WGLM), led by Chile and consisting of fourteen countries of the region, was developed under the supervision of Statistical Conference of the Americas-Economic Commission for Latin America (SCA-ECLA), whose principal objective is to “Institutionalize a space for technical discussion oriented towards the exchange of national experiences that contribute to the development and strengthening of systems of labour statistics of countries of the region by means of methodological harmonization and the development of new indicators of the labour market”. The WGLA has defined objective number three of its agenda for the period 2016-2017, “To discuss the relevance and current status of the categories of the International Classification of Status in Employment (ICSE-93), based on the changes observed in labour markets in the region.” This objective has involved approaching the issues, which are currently being addressed by the international working group for the revision of ICSE-93, through presentations and technical discussions in various face-to-face meetings of the WGLM and

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1 The present document was produced by the National Statistics Institute of Chile in its capacity as leader of the WGLM (August 2017). The authors of this text are Verónica Huaracán Riveros (veronica.huaracan@ine.cl) and Daniel Pérez Klein (daniel.perezk@ine.cl) of the Department of Labour Studies. The preliminary draft of the text was read by David Niculcar (david.niculcar@ine.cl).


3 Appendix 1 contains the list of participants in the third meeting of the international working group for the revision of ICSE-93.


5 Appendix 2 contains a list of the member countries of the WGLM.
through the dissemination of documents summarizing the state of the discussions at each meeting.

In addition, in the year 2017 two inquiries were made to the member countries of the WGLM for the purpose of establishing, in the first inquiry, a regional assessment of the use of the classification of employment. The second inquiry sought to identify the position of each country on three issues considered to be of vital importance for the region, which were widely discussed in the meetings of the international working group:

1. Classification of Status of Worker
2. Dependent Contractors
3. Domestic Workers

This document briefly presents an introduction and analysis of the use of the employment classification of the WGLM countries and summarizes the position of the international working group for the revision of ICSE-93 in regard to the three issues mentioned above. Lastly, the document systematizes the problems and forms a proposal based on the second inquiry of the member countries of the WGLM. The objective of the present document is to identify the regional perspectives and opinions of these issues and to contribute to the discussions of the next meeting of the international working group in September 2017.

2. Analysis of the use of classification of employment in member countries of the WGLM

Since the year 2015, in each face-to-face meeting of the WGLM, presentations have been given related to the status of revision of the ICSE-93 for the purpose of both disseminating information about the revision and generating commentary on the modifications being considered by the international group of experts.

In 2017, an inquiry was sent to the countries of the WGLM that included the analysis and comments of David Hunter, representative of the ILO in charge of the modernization of the classification, and David Glejberman, regional consultant of the ILO in Latin America. The objective of the inquiry was to establish an assessment of the use, adaptation, and applicability of the employment classification at a national level, including possible areas of improvement.

The inquiry included a questionnaire of approximately fifteen questions to which each country was asked to respond so that the group could analyze and systematize the data.

The principal results were the following:

Of all the countries belonging to the WGLM, twelve responded to the inquiry. All of the respondents indicated that they undertake some measurement of occupational category in their

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6 The 5th meeting in Lima, Peru included the participation of David Hunter, who gave a presentation to the countries of the region in regard to the discussion of the international working group. The presentation can be viewed at https://www.youtube.com/watch?v=pSmF1CmNJIM
7 The countries belonging to the WGLM that responded to the first inquiry of March 2017: Argentina, Bolivia, Colombia, Costa Rica, Ecuador, Mexico, Dominican Republic, Brazil, Paraguay, Venezuela, Peru, and Chile.
surveys of households. Of these, 66.7% stated that they conduct a labour force survey and 91.7% stated that they use the previous week as a reference period, with the exception of Paraguay, which uses the previous seven days. Upon investigating how occupational category was measured, 91.7% indicated that they used a national adaptation, either complete or partial, of the International Classification of Status in Employment (ICSE-93). Only Brazil stated that it uses the measurement of ICSE-93 according to the proposal of ILO in 1993.

According to the criteria used to define the categories of the classification, of the multiple alternatives available, the most relevant were subordination or autonomy in the organization of work, the type of authority, and the existence of remuneration. In contrast, the type of economic risk was notable as one of the least predominant alternatives (see Figure 1).

**Figure 1**

![Diagram showing criteria for classification](source)

In regard to the manner in which the occupational category is being asked in the surveys, 58.3% responded that they ask a closed-ended question with alternatives for self-classification. A further 33.3% (including Colombia, Mexico, Chile, and Argentina) responded that they ask one or more questions about classification, while Bolivia responded that they ask more than one closed-ended question with alternatives for self-classification.

Upon investigating the various categories of classification used in the surveys, the alternatives mentioned were Employers, Own-account workers, Contributing family helpers, Domestic workers, Employees of the public sector, and Employees of the private sector (see Figure 2 below). The remaining categories of low prevalence have slight variations in their terminology but apply to the same general concept, for example, to refer to wage earners, some countries use the terms paid employment, worker and labourer.
Figure 2:

In addition, member countries of the WGLM were asked about the existence of any special treatment given for particular groups included in the ICSE-93. The inquiry affirmed that the majority of countries (more than 66.7%) responded that they never did so. The group of greatest prevalence that did receive special treatment in four countries of the region was subcontracted or supplied workers.

In regard to the question, "What is the predominant classification for the following cases in your survey? (Mark only one alternative)", as shown in Table 1 below, of the twelve countries that answered the question, and considering the cultural and labour conditions of each country, it is notable that 58.3% classify domestic workers who work in more than one household as own-account workers. At the same time, 58.3% consider baggers in supermarkets as employees, and 33.3% classify workers whose client and supplier are the same entity as own-account workers.

<table>
<thead>
<tr>
<th>Q8. What categories do you currently have and what is the definition used for each of them? (Select all applicable alternatives.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage-earners</td>
</tr>
<tr>
<td>Number of WGLM countries</td>
</tr>
</tbody>
</table>

Source: Regional Inquiry of the WGLM, March 2017
*Outsourced Worker/Labourer, Work or labourer in companies in duty-free zones
Table 1: Distribution (%) of cases to be classified according to CISE 93 (large groups)

<table>
<thead>
<tr>
<th>Cases to be classified according to ISCE-93 (large groups)</th>
<th>Employer</th>
<th>Own-account workers</th>
<th>Employees</th>
<th>Other</th>
<th>No answer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic workers who work in more than one household</td>
<td>0.0</td>
<td>58.3</td>
<td>41.7</td>
<td>0.0</td>
<td>0.0</td>
<td>100</td>
</tr>
<tr>
<td>Public sector workers with an open-ended contract for the provision of services (honoraria)</td>
<td>0.0</td>
<td>8.3</td>
<td>83.8</td>
<td>0.0</td>
<td>8.3</td>
<td>100</td>
</tr>
<tr>
<td>Managers and administrators (non-owners) of companies</td>
<td>0.0</td>
<td>0.0</td>
<td>100.0</td>
<td>0.0</td>
<td>0.0</td>
<td>100</td>
</tr>
<tr>
<td>Supermarket baggers</td>
<td>0.0</td>
<td>33.3</td>
<td>58.3</td>
<td>8.3</td>
<td>0.0</td>
<td>100</td>
</tr>
<tr>
<td>Workers whose client and provider are the same entity</td>
<td>0.0</td>
<td>33.3</td>
<td>33.3</td>
<td>0.0</td>
<td>33.3</td>
<td>100</td>
</tr>
<tr>
<td>Teleworkers</td>
<td>0.0</td>
<td>33.3</td>
<td>58.3</td>
<td>0.0</td>
<td>8.3</td>
<td>100</td>
</tr>
<tr>
<td>Catalogue sales workers</td>
<td>0.0</td>
<td>83.3</td>
<td>8.3</td>
<td>8.3</td>
<td>0.0</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Regional Inquiry of the WGLM, March 2017

When asked the question, “What other kind of workers are difficult to classify in the survey?” (open-ended question), among the eight countries that responded, the following were the most notable cases: paid assistants, construction workers, drivers in large companies with their own activities, Uber drivers, catalogue sales workers, teleworkers, sports figures (not including high performers), owner-managers of unincorporated businesses, household workers who work in several households at fixed hours, trainees, apprentices, and interns, among others.

Regarding the revision of ICSE-93, the countries were asked, “What additional categories should be included in the ICSE in order to classify all statuses in employment?” To guide the response, a list was selected of cases, so that each country could indicate YES or NO (see Table 2). One of the most notable results without regard to national context was that 50.0% were not interested in including employees in a flexible employment situation in the ICSE. In contrast, the countries indicated that the incorporation of the following workers was desirable: subordinate independent workers (41.7%), subcontracted employees (50.0%), dependent contractors (58.3%), and domestic workers (66.7%).

Table 2: Distribution (%) of the categories to be considered for incorporation in ICSE-93

<table>
<thead>
<tr>
<th>Which categories should be included in ICSE-93?</th>
<th>Yes</th>
<th>No</th>
<th>No answer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees in a flexible work relationship</td>
<td>33.3</td>
<td>50.0</td>
<td>16.7</td>
<td>100</td>
</tr>
<tr>
<td>Subordinate independent workers</td>
<td>41.7</td>
<td>33.3</td>
<td>25.0</td>
<td>100</td>
</tr>
<tr>
<td>Subcontracted employees</td>
<td>50.0</td>
<td>25.0</td>
<td>25.0</td>
<td>100</td>
</tr>
<tr>
<td>Independent workers productively chained</td>
<td>25.0</td>
<td>33.3</td>
<td>41.7</td>
<td>100</td>
</tr>
<tr>
<td>Autonomous employees</td>
<td>25.0</td>
<td>41.7</td>
<td>33.3</td>
<td>100</td>
</tr>
<tr>
<td>Multi-party employment agreements</td>
<td>8.3</td>
<td>41.7</td>
<td>50.0</td>
<td>100</td>
</tr>
<tr>
<td>Domestic workers</td>
<td>66.7</td>
<td>33.3</td>
<td>0.0</td>
<td>100</td>
</tr>
<tr>
<td>On-call workers or zero-hour contracts</td>
<td>8.3</td>
<td>33.3</td>
<td>58.3</td>
<td>100</td>
</tr>
<tr>
<td>Dependent contractors</td>
<td>58.3</td>
<td>25.0</td>
<td>16.7</td>
<td>100</td>
</tr>
<tr>
<td>Others</td>
<td>16.7</td>
<td>33.3</td>
<td>50.0</td>
<td>100</td>
</tr>
<tr>
<td>Unnecessary to add new categories to the classification</td>
<td>0.0</td>
<td>8.3</td>
<td>91.7</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Regional Inquiry of the WGLM, March 2017
In regard to countries that expressed interest in the incorporation of domestic workers (66.7%), several countries stated that some measurement of these workers was being undertaken, but with slight variations. While some countries tried to distinguish domestic workers by a self-classification question for occupational category (Bolivia), other countries used a battery of open-ended questions to classify domestic workers (Chile). At the same time, countries used different definitions and conditions to identify domestic workers, which in some cases were contradictory (see Table 3).

Table 3: Summary of definitions of domestic workers used by selected WGLM countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>All persons contracted to perform multiples tasks related to a household. This group includes live-in domestic workers and those who reside elsewhere. The group includes household advisors, butlers, cooks, and launderers, among others.</td>
</tr>
<tr>
<td>Colombia</td>
<td>Persons who undertake domestic service activities are considered domestic workers when they meet any of the following conditions: They sleep and share food in the household where they work (live-in domestic workers); They spend the majority of their time in the household where they perform their work; They work for only one household but return daily to their own household</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Those persons who work in private or third-party households in return for remuneration in money or in kind</td>
</tr>
<tr>
<td>Peru</td>
<td>Those who work for a single household or two households, have a oral work agreement, and have a fixed working schedule. Also included in the category of household worker are those nurses who work caring for a sick elderly person, sleep in the dwelling of the person from Monday to Friday, and have a weekly or monthly remuneration, in this case they are considered as household workers. Similarly, this category also includes caretakers who care for a single private dwelling inhabited by a household, whose remuneration is paid by the household; in this case, these workers are considered household workers. Excluded from this category are those who, despite doing domestic work, do it for several homes and have no fixed work schedule; the schedule is established by the worker according to their availability.</td>
</tr>
</tbody>
</table>

Source: Regional inquiry of the WGLM, March 2017

3. Position of the international working group for the revision of the ICSE-93

So far, three meetings of the international working group for the revision of ICSE-93 have taken place. At the last meeting, clear support was given for the conceptual framework for statistics on the relationship to work and for the maintenance of the classifications of the status of worker and the status in employment.

On the three issues selected by the WGLM for internal discussion, the working group of experts for the revision of the ICSE-93 has established the following positions:

I. Classification of Status of Worker

This classification is an extension of the Status in Employment that covers all forms of work proposed in the Resolution concerning statistics of work, employment and labour underutilization, by the 19th ICLS (2013). The extension includes all jobs and work activities, including own-use production work, employment work, unpaid trainee work, volunteer work, and other work activities.
A proposal for the classification is being discussed at three levels. The disaggregated level includes mutually exclusive categories. The first level consists of two large groups, independent workers and dependent workers, based on the criterion of the type of authority:

- The type of authority that the worker can exercise in relation to the work done

The following is the criterion of the second and third level:

- The type of economic risk to which the worker is exposed

Below is a proposal for categories of the international working group

**Independent Workers**

1. Independent workers with employees (Employers)
   - 11 Owner-managers of companies with employees
   - 12 Employers in household market enterprises
   - 13 Employers in own-use production of services
   - 14 Employers in own-use production of goods
   - 15 Volunteers employing others

2. Independent workers without employees (Own-account workers)
   - 21 Operators of corporations without employees
   - 22 Own-account workers in household market enterprises
   - 23 Own-account workers in own-use production of services
   - 24 Own-account workers in own-use production of goods
   - 25 Own-account volunteers

**Dependent Workers**

3. Dependent Contractors
   - 30 Dependent Contractors

4. Employees
   - 41 Employees with regular hours and formal open-ended arrangements
   - 42 Employees with regular hours and informal open-ended arrangements
   - 43 Fixed-term employees with regular (or specified minimum number of) hours
   - 44 Employees with non-regular hours or short-term arrangements

5. Family Helpers
   - 51 Contributing Family Workers
   - 52 Family helpers of employees
   - 53 Family helpers of dependent contractors
   - 54 Family helpers in own-use production of services
   - 55 Family helpers in own-use production of goods
6. Unpaid apprentices, trainees and interns
   60 Unpaid apprentices, trainees and interns

7. Dependent volunteers
   70 Dependent volunteers

9. Other workers
   90 Other workers

II. Dependent Contractors

Considering the limitations of the ICSE-93 that are currently reported around the world and the complexities of its modalities of employment for use in classification in labour force surveys, there are gray areas for the group Dependent Contractors that require further study, analysis, and statistical research. Steps need to be taken to address the following factors:

- The transfer of economic risk from the employers to dependent workers
- The growth of the nonstandard forms of work

For this reason, the international working group has studied Dependent Contractors and has proposed the following definition:

A dependent contractor is an employed person with no employees whose access to the market depends on resources provided by an entity that directly benefits from the work performed by the contractor. Dependent contractors are workers employed for profit but are dependent on another economic unit for access to raw materials, capital items, or clients. Their work may be organized or supervised by another economic unit as a client or as mediator of access to clients.

Given the above definition, two examples of dependent contractors or dependent autonomous workers can be defined:

- Workers who provide their labour to others but have contractual arrangements that are akin to self-employment
- Workers who own and operate their own business but do not have full control or authority over their work

For the measurement of dependent contractors, there are as many methods of measurement as there are differing national realities. Nevertheless, two methods of measurement have been proposed corresponding to the two flows of questions about employment from which the information can be operationally gathered.
1. In cases where the respondent self-identifies as an employee or as working for someone else, if the form of remuneration is not a wage or salary (for time worked) and the “employer” is not responsible for taxation or social insurance, the worker should be classified as a dependent contractor. In contexts where social insurance is not normally paid by employers, however, it may not be appropriate to ask whether the employer is responsible for paying social insurance or deducting taxes. Therefore, in these cases, if the form of remuneration is not a wage or salary, the employer does not actually deduct taxes or pay for social insurance, and it would be appropriate to classify the worker as a dependent contractor if the place of work is not the client’s or employer’s business premises or residence (for example, if the place of work is the worker’s own home or vehicle). In these cases, the fact that the worker is employed at the employer’s premises would tend to suggest that the employer has certain legal responsibilities for the worker, as an employee.

2. In cases where the respondent reports being self-employed or working in his or her own unincorporated business without hired employees, two possible criteria for operational measurement of control over access to the market are considered to be useful in identifying the group of interest and to be potentially feasible: (1) if the client or an intermediary determines the price of the goods or services produced, or (2) if the client or intermediary provides the material inputs (raw materials, capital items, or clients). An alternative criterion is the exercise of operational authority over the work by a single separate entity.

III. Domestic Workers

i. Background

The ILO defines domestic work and domestic workers in the Domestic Workers Convention, 2011, No. 189:

(a) the term domestic work means work performed in or for a household or households;

(b) the term domestic worker means any person engaged in domestic work within an employment relationship;

(c) a person who performs domestic work only occasionally or sporadically and not on an occupational basis is not a domestic worker.

Currently, there are four commonly used approaches to measure domestic workers:

a) Industry-based approach
- This approach refers to a characteristic common to all domestic workers, namely, being in a labour relationship with a private household.
- The approach includes typical activities of households as employers of domestic personnel that work exclusively for one household, where they complete all working hours.
- This approach excludes those who provide services to households when the households are indistinguishable from unincorporated businesses, such as in family farms. The approach also excludes domestic workers who have a work contract with a third party (a service agent).

**b) Occupation-based approach**
- This approach is based on the International Standard Classification of Occupations (ISCO-88 and ISCO-08).
- The approach does not include workers who engage in occupations that are not specific to households (for example, gardeners, cooks, and drivers).
- This approach requires more specific data, which is not normally gathered in surveys of the labour force or households.

**c) Status-in-employment-based approach**
- The inclusion of domestic workers as a specific category in the status in employment is used in some Latin American countries. Although this approach is very useful for many countries, it produces numbers similar to the industry-based approach.

**d) Approach based on the relationship to the head of the household**
- This approach is used to identify domestic workers who live in the home of the employer. Some countries use a question about the relationship of the worker to the head of household.
- Nevertheless, this approach does not include domestic workers who do not live in the house of the employer.

**ii. The position of the international working group for the revision of ICSE-93**

*The use of a special category for domestic employees in the classification of status in employment is not compatible with the current proposal for the subcategories of employees.*

However, a possible solution has been proposed for its measurement:
- Measure domestic employees using an industry-based approach that can be derived from questions about both institutional sector and the economic activity
- Identify own-account workers according to occupation and place of work
- Domestic workers employed by agencies could be identified by the combination of approaches based on industry, place of work, and occupation.

*The classification of domestic workers should be based on a statistical definition of domestic work and domestic workers. The following are possible categories:*

- Live-in domestic employee
- Domestic employee of a household residing elsewhere
- Domestic worker employed by an agency
- Self-employed domestic service provider
Considering the issues raised in this section, the WGLM decided to consult with countries that were unable to participate in the meeting of the working group of experts for the revision of ICSE-93 in order to know the position of these countries and to consolidate a regional position before the next meeting of the working group of experts in September 2017.

4. Systemization of the problems and a proposal of the WGLM on the Revision of ICSE-93

In the following section, based on the data collected in the second inquiry of the countries of the WGLM in July 2017, a systemization of the problems was developed that arose from the issues studied. Currently, the working group for the revision of the ICSE has continued to develop this systemization of the problems, focusing on three issues:

1. Classification of Status of Worker
2. Dependent Contractors
3. Domestic Workers

In addition, the position of the countries of the WGLM is summarized below in order to establish a regional proposal on the issues under analysis. The proposal can serve as input for the international discussion by making visible different labour relationships that exist in regional markets, just as the revision of the ICSE can contribute to internal discussions in each country.

4.1 Classification of Status of Worker

In regard to the new classification of Status of Worker, although countries of the WGLM consider the new classification is an important advance, the categories of the ICSE are not completely adequate for describing the existing status within each form of work. The new classification is not considered to be completely adequate because the characteristics from one subgroup are being extrapolated to a larger group. This issue is outlined below.

In the first place, since the ICSE is a system of classification that refers to employment relationships, it is therefore circumscribed by the logic of work in the occupation. Transferring the categories of work in the occupation to other forms of work could make it difficult to identify the specific circumstances to each these categories.

At the same time, it is important to recognize that incorporating of categories of the ICSE within each of the distinct forms of work contradicts the guidelines established by the first resolution of the 19th ICLS. For example, it was established by resolution that a mechanism to define own-use production work results from the absence of hired workers in exchange for remuneration or benefits in the production process (paragraph 25). This would make unviable the existence of a category such as employers of production for own use.

Lastly, the relationships produced in the forms of work that are not part of work in the occupation respond to other dynamics unrelated to the labour market. They are instead related to other
factors such as cultural patterns and systems of family, subsistence, and patrimony, among others. These aspects would remain hidden if the same categories of work in the occupation were used to characterize relationships within other forms of work.

For the WGLM countries is important that the international working group continue researching the classifications for each form of work. However is necessary to understand the different features of every form of work, assuming that the standard of employment work cannot be applied to them.

4.2 Dependent Contractors

The process of labour market flexibilization, in addition to the processes of fragmentation and delocalization of production, has generated new labour relationships and forms of production, which have questioned the validity of the categories previously used to characterize the world of work. For this reason, it is possible to see the gray areas within both dependent and independent work where each acquires characteristics of its counterpart. This suggests levels of flexibilization and instability of employment relationships for paid workers on the one hand, while mechanisms of enchainment and loss of autonomy for the self-employed on the other. Although both are dimensions of the same historical process in the world of work, categories are needed for the analysis and measurement of these two types of work that allow for their clear distinction and for the observation of their differences.

With regard to the category of dependent contractors, two problematic (or at least potentially problematic) elements have been observed, which need to be resolved.

In the first place, the category of dependent contractor seems to encompass the status of dependence and independence in the same concept, joining the gray areas of both categories into a new category. However, the limits and analytic specificity of this category are not entirely clear.

Although the process of reflecting on and redefining the ICSE is part of an effort to adjust the classifications of employment to the dynamic reality of the world of work, it is also necessary that the new classifications allow for the discernment of different realities and aspects within the same phenomenon. Simply recognizing and assigning a statistical designation is not sufficient. Currently, for the countries of the WGLM, the proposal subsumes all of these phenomena in only one category, which is believed to be a great oversimplification of the phenomenon to be measured.

As the international working group has defined this category, it is possible to find dependent contractors in two groups, depending on how they enter the flow of the questionnaire, whether they identify themselves as dependent or independent:

- **Workers who provide their labour to others but have contractual arrangements that are akin to self-employment**
- **Workers who own and operate their own business but do not have full control or authority over their work**
According to the first criterion, we can fully observe dependent workers as they sell their labour to an employer or “client” rather than selling a finished product or service. Nevertheless, it is by virtue of their working relationship, and its flexible, precarious, and informal nature, which is largely unrecognized, that the group acquires some characteristics of independent workers.

On the other hand, if we analyze the second criterion, we can observe that employed persons who state they are independent, could be dependent contractors if they meet some conditions that compromise their independence (in regard to access to the market) or autonomy (in regard to the organization of their work), thus acquiring some characteristics of dependent workers.

It is possible that by establishing a new category, although the category would recognize a phenomenon that occurs in the world of work, it would also conceal some of its components. Thus, the new category would prevent the identification of the very different processes that make it possible for paid work to appear as independent work on one side, and make own-account work appear as dependent work on the other.

In the second place, it is possible to find important similarities between the definition of dependent contractor and the definitions of the informal economy.

This is because the criteria of operationalization for employed persons who are identified as employees are similar to those used to define employees with informal jobs, with respect to the contribution of social insurance by their employer. On the other hand, one of the ways to define self-employed person who have identified themselves as dependent contractors is that their economic unit is unincorporated, meaning that it is an economic unit of the household, and thus it joins with the unit of analysis in the definition of the Informal Sector.

Given these definitions, it is likely that a large proportion of employed persons in the informal economy will be considered dependent contractors (except employers of informal economic units, since they are outside this classification), which could lead to overlap between the two categories. This situation is troubling because behind it is not only one category of classification but also conceptual frameworks that are not easily assimilated by their users. While these issues should be studied by analyzing the relevant data, it is likely that large proportion of dependent contractors will be employed in the informal economy, so we might be introducing a category of status in employment very similar to informal employment.

The countries of the WGLM consider that this is problematic for the following reasons:

- First, understanding informal employment as the lack of adherence of employment relationships to the current regulatory framework, it is possible to characterize informal employment as a situation of infringement of rights and reproduction of inequality. It is therefore considered inappropriate to create a specific category of employment status that brings together the majority of the population of informal workers since it tends to normalize a situation by considering informality as part of a possible range of employment


relationships. What informality really indicates, however, is an employment relationship of dependency that is unrecognized by the employer, and thus it shares some conditions of independent work (at least for employees with informal jobs).

- Second, with the categories of employment and informal sectors already in existence and with all the statistical development of the last decade in terms of conceptualization, operationalization, estimation, and harmonization, it seems unnecessary to create a new category that overlaps in such an important way with the already existing categories and terms of the informal economy.

It is for these reasons necessary to create subcategories within the category of dependent contractor that can identify the particularities of the phenomenon that the category of dependent contractor encompasses. These subcategories require the use of criteria that are different from those used to identify the dimensions of the informal economy.

For workers who enter the flow of the survey as dependent, it is proposed that they be separated in two categories: Employees in a normal relationship and Employees with a flexible relationship.

These categories could be constructed with some of the following variables and criteria:

- Relationship with employer: Direct or indirect
- Type of contract: Labour or commercial
- Duration of contract: Open ended or fixed term
- Type of functions: Permanent or occasional
- Type of income: Fixed or variable
- Type of working time: Normal or variable

With these considerations, the workers could be identified as employees whose type of work is similar to independent work, without contemplating other variables that would identify the formality of the worker, but not his status in employment (which would continue to be dependent).

For those workers, on the other hand, who enter the flow of the survey as independent workers, it is proposed to also separate them into two categories: Autonomous own-account workers and Subordinate own-account workers.

These categories could be constituted of some of the following variables and criteria:

- Number of clients: one principal client or more
- Number of providers: one principal or more
- Access to the means of production: Own or third party
- Organization of work: Autonomous or subordinate
In this way, the category dependent contractors would be composed for employees in a flexible relationship and subordinate own-account workers. This would create a more complex category, but would allow the identification of heterogeneity and particularities of each emerging group within the labour market.

4.3 Domestic Workers

Regarding domestic workers at the regional level, the proposal of the international working group is based on the statistical definition of domestic work and domestic workers. Given the diversity of definitions that exist today, this definition would facilitate the statistical comparison of this occupational category in our region. In addition, it addresses an issue of growing importance that has been debated in Latin America. The issue is related to the diversification of domestic work and its employment relationship with the private household. The definition states that domestic work can be done in “one or more households”. Such a criterion would dispel doubts about this aspect of domestic work and would strengthen data related to this category of worker.

Nevertheless, this definition of domestic work imposes certain limitations because it includes employees paid by households and employees paid by domestic service agencies. The reference to “within one labour relationship or employment relationship” results in the exclusion of own-account workers who perform domestic work. This gives rise to a problem, in the face of a phenomenon that has recently become evident, that breaks with the “classic definition” of domestic workers (those who exclusively work exclusively for one household and perform the same tasks under similar conditions (full time, remuneration, etc.)). Domestic workers are transitioning towards becoming own-account domestic workers, who do not necessarily perform the same tasks nor have the same working conditions in which they carry out their work.

The WGLM countries agree with the guidelines emanating from the international working group, considering that this new modality of own-account domestic work must be captured and measured. The measurement of this new modality would show the changes mentioned above, which are observed in increasing frequency in different labour markets of the region, and would facilitate the generation of data and investigation of the characteristics of this kind of domestic work, as already happens with the other modalities of domestic work. However, this approach does not meet the criterion of “being in an employment relationship.”

At the regional level, there is concern about the position of the international working group that states “the use of a special category for domestic employees in the classification of status in

8 Definition of Employment Relationship: “The employment relationship is the legal link between employers and employees. It exists when a person performs work or services under certain conditions in return for remuneration.” See http://ilo.org/ifpdial/areas-of-work/labour-law/WCMS_CON_TXT_IFPDIAL_EMPREL_EN/lang--en/index.htm
employment is not compatible with the current proposal for employee subcategories." As noted earlier, 66.7% of the countries that responded to the WGLC inquiry expressed the desire to incorporate domestic workers into the ICSE revision.

Another problem relates to the proposal for measurement using the industry-based approach, since some countries would not have a specific code to classify domestic workers. In turn, own-account domestic workers and workers in domestic service agencies might be classified in other branches of economic activity, resulting in an inaccurate measure of this group of workers. On the other hand, the occupation-based approach requires increasingly detailed data that is not normally collected in household surveys because of high costs. For its part, the workplace-based approach should not be limited to the home or facility of the employer nor to the number of households to which the service is provided because it has been shown that domestic work can be performed in the home of the worker providing services for one or more households.

Regarding the categories proposed by the international working group for domestic workers, the WGLM countries agree that the following groups should be identified: those who are employees of the household sector, those employed by agencies, and self-employed workers who provide domestic services in one or more households. In the first two cases, according to the basic criteria of the ICSE (the type of economic risk and the type of authority), these workers are classified as dependent employees, clearly within the group of paid employment. However, domestic workers who are classified as self-employed or own-account workers may or may not have autonomy in the performance of their work, while their dependence is affected by the number of clients or employers they have and whether they live in their workplace. Therefore, in the last case, we need to identify those gray areas that generate ambiguity of criteria and to gather more information about their classification in order to complement the definition proposed by ILO.

Another issue of concern within the WGLM is related to the categorization of jobs as formal or informal. Particularly for domestic workers, who in many countries tend to be cheap, low-skilled labour, the nature of the employer and the employment relationship (relative to tenure or lack of social insurance) may indicate whether this type of work should be categorized as informal employment. For the purposes of measuring informal employment, dependent and independent workers have different criteria. For dependent workers the criterion is the access to social insurance from employment, and for the independent workers the criterion is whether their company is of the formal (formal employment) or informal (informal employment) sector. Domestic workers are treated as dependent workers because households are excluded from the analysis of the formal or informal sector. Therefore we can distinguish between domestic workers with formal (dependent) or informal (autonomous) employment. If in the latter group we consider that the phenomenon of self-employed or own-account domestic work is increasing, the number

of workers in informal employment could increase, further aggravating their status in employment and the social structure of the countries where they are employed.

The member countries of the WGLM have agreed with several of the guidelines of the international working group, though some differences remain on a regional level. Considering the recommendations that the ILO provides for the definition of domestic work and domestic workers, a proposal emerged that endeavors to make the relevance of this category visible in the status in employment in Latin America. At the same time, it seeks to contribute from its regional perspective to the discussions within the group of experts on the regional level.

Considering as antecedents the exposition by the international working group in its final report, summarizing the discussions of the third face-to-face meeting, we have the following contextual information:

According to its definition, *Employees are workers employed for pay who do not hold controlling ownership of the economic unit in which they are employed. They are paid in cash or in kind for the volume of work performed or for the volume of goods produced or services provided.*

Employees are divided into three subcategories, without a division by informality, to differentiate between standard and non-standard forms of employment:

- a) Employees with regular (or specified) schedules and an open-ended work agreement
- b) Fixed-term employees with regular (or specified minimum number of) hours
- c) Employees with non-regular hours or short-term arrangements

The importance given to complementing the subcategories with information on the hours worked and on the duration of the employment relationship strives to demonstrate the informality and nonofficial forms of employment and thus specifies three additional analytical variables as components of the measurement of informal employees (coverage by social insurance under the employment relationship, the right to paid leave, and the right to paid sick leave).

We believe that the above, in addition to the definition of domestic work and domestic workers provided by the ILO, should include own-account workers who carry out this work so that surveys can capture all types of domestic workers. Although it is not currently in the plans of the international working group of the ICSE to create a special category for domestic employees, we believe that these valuable data contribute to the labour statistics of each country and should not be lost. The data would be an important source of analysis in the countries where domestic workers, both dependent and autonomous, make up a substantial proportion of workers. Domestic workers are generally at a disadvantage compared to other workers for being a cheap,

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11 In regard to the limits between fixed-term agreements and short-term agreements, a period of four weeks or a month for a fixed term agreement and less than four weeks or a month in the short-term agreement should be considered.
unskilled workforce and for belonging to the sector of households, especially when their employment is informal. The information gathered by this means would be of use when decisions needed to be taken in public policy regarding this issue.

The idea has arisen in the region of introducing within the category of employees the distinction (as currently exists in several countries between employees of the public sector or the private sector) of a subcategory employed in the household sector. This new subcategory would bring together household workers who perform tasks according to the “classic definition” of domestic service (household advisors) and workers who provide more specialized service to households (for example, nurses who care for the elderly in their homes). At the same time, we believe that self-employed domestic workers should be considered as own-account workers and should be identified and characterized.

We further believe that it is important to define the approaches for their appropriate measurement, whether they are based on the industry, occupation, or workplace. Ideally, these approaches should not be limited by a lack of categories, resources of data collection and processing, or the number of households to which the service is provided.

On the other hand, it is essential that the basic criteria of the ICSE (economic risk and the type of authority) should be sufficiently clear to address the various dimensions of domestic workers, whether dependent or autonomous workers, thus avoid any gray areas that generate ambiguities.

**Final Comments**

Although the present document tries to clarify the problems arising from the discussion of the international working group for the revision of ICSE-93, a technical position of the member countries of the WGLM is provided that addresses these issues from a theoretical standpoint, while acknowledging that in the future new aspects of the proposal may be developed.

For this reason, rather than considering this document as the presentation of a finished proposal, we are committed to making it a contribution that enriches the international discussion about the dynamics of the labour market from the Latin American perspective and reality.
5. Appendices

Appendix 1: List of participants of the third meeting of the international working group for the revision of the ICSE-93

Members designated by country
Andrea Lorenzetti, INDEC Argentina
Nemat Khuduzade, State Statistical Committee of the Republic of Azerbaijan
Verónica Huarcán, National Statistics Institute of Chile
Yuhui Jia, National Bureau of Statistics China
Hanna Sutela, Statistics Finland
Claude Picard, INSEE France
Thomas Körner, Federal Statistical Office Germany
Merav Pasternak, ICBS Israel
Hideki Koizumi, Statistics Bureau Japan
Atsushi Oosawa, Ministry of Health, Labour and Welfare Japan
Thamer Mohamed Said Barakat, Department of Statistics Jordan
Rodrigo Negrete, INEGI Mexico
Peter Buwembo, Statistics South Africa
Mmatsholang Desiree Manamela, Statistics South Africa
Alain Vuille, Swiss Federal Statistical Office
Fadia Bougacha, Institut National de la Statistique, Tunisia
Michael Sijje Ogen, Uganda Bureau of Statistics (UBOS)
Mark Chandler, Labour Market Statistician UK
Anne Polivka, bureau of Labour Statistics

Members nominated by the employers’ group
Dick Grozier, Australian Chamber of Commerce and Industry
Holger Schäfer, Confederation of German Employers’ Association

Members nominated by the workers’ group
Grant Belchamber, Australian Council of Trade Unions
Sylvain Schetagne, Canadian Association of University Teachers

Observers
Greet Vermeylen, Eurofound
Christian Wingerter, Eurostat
Jairo Castano Galvez, FAO
Pascal Marianna, OECD
Francoise Carré, WIEGO
Joann Vanek, WIEGO

Secretariat of the Working Group
Monica Castillo, ILO Department of Statistics
David Hunter, ILO Department of Statistics
Elisa Benes, ILO Department of Statistics
Kieran Walsh, ILO Department of Statistics
### Appendix 2: List of member countries of the WGLM, year 2017

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>REPRESENTATIVES</th>
<th>INSTITUTION</th>
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<tbody>
<tr>
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<td>National Statistics and Censuses Institute</td>
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<tr>
<td>Bolivia</td>
<td>Julia Tarifa Delgado</td>
<td>National Statistics Institute of Bolivia</td>
</tr>
<tr>
<td>Brasil</td>
<td>Cimar Azeredo</td>
<td>The Brazilian Institute of Geography and Statistics</td>
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<tr>
<td>Chile</td>
<td>David Niculcar</td>
<td>National Institute of Statistics of Chile</td>
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<tr>
<td></td>
<td>Daniel Pérez</td>
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<td></td>
<td>Verónica Huaracán</td>
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<td>Costa Rica</td>
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<td>Ecuador</td>
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<td>México</td>
<td>Juan Trejo</td>
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<td></td>
<td>Tomás Ramírez</td>
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<tr>
<td>Paraguay</td>
<td>Norma Medina</td>
<td>General Directorate of Statistics, Surveys and Censuses</td>
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<td></td>
<td>Martha Benítez</td>
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<tr>
<td>Perú</td>
<td>Nancy Hidalgo</td>
<td>The National Institute of Statistics and Informatics</td>
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<tr>
<td>República Dominicana</td>
<td>Betty Bello</td>
<td>Central Bank of the Dominican Republic</td>
</tr>
<tr>
<td>Saint Lucia</td>
<td>Edwin St. Catherine</td>
<td>Central Statistics Office of Saint Lucia</td>
</tr>
<tr>
<td>Venezuela</td>
<td>José Francisco Farias</td>
<td>National Statistics Institute of Venezuela</td>
</tr>
</tbody>
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