

# Global Conference on Measuring New Forms of Employment

Brussels, 4 - 5 July 2024



#MeasuringEmployment

# The Implementation of the International Classification of Status in Employment (ICSE-18) in the National Employment Survey

## Session n°2

Verónica Huaracán Riveros

National Statistics Institute (INE) - Chile



# Table of contents

- 1 Characteristics and milestones
- 2 Impact of the 20<sup>th</sup> ICLS
- 3 Estimated of dependent contractors
- 4 Characterization of dependent contractors
- 5 Impact of the 21<sup>st</sup> ICLS
- 6 Next steps



# 1. Characteristics and milestones



# Objectives and milestones of the ENE

- The National Employment Survey (ENE).
- The ENE is a household survey whose objective is to characterize and quantify **the population aged 15 and over**, according to their **relationship with the labour market**.
- The survey's sample design uses **the unemployment rate as a target variable**.

## Milestones:

- In 2010, the ENE incorporated **the recommendations of the 19th ICLS (2013)**.
- In 2017, an analysis of **labour informality** has been included.
- Before 2020, the ENE began a **strengthening process** in several areas, and it incorporated the guidelines set up in the 20th and the 21st ICLS.



# 2. Impact of the 20<sup>th</sup> ICLS



# Guidelines of the 20<sup>th</sup> ICLS

What does the implementation of ICSE-18 mean for the National Employment Survey?

- ✓ The Incorporation of a new category called **dependent contractors**.
- ✓ The revision of the current ENE and the incorporation of new questions.
- ✓ The measurement, processing, and analysis of dependent contractors.
- ✓ The creation of an expert group to study the proposal for the adoption of the ICSE-18 and the identification of dependent contractors. The members included are well-known national academics, an representatives of the Ministry of Labour and ILO.



## Implementation of the ICSE-18 in the ENE

The starting point for determining the ICSE-18 is the current question used to measure the ICSE-93. The question is based on the self-reported status of the employed person.

The results of these two questions have been used to identify the following groups:

- Independent workers: employers or own-account workers (b2=1 / b3=2 or 3)
- Dependent workers: employees (wage earners) or domestic workers (b2=2 / b3=1)
- Unpaid family workers (b2=3 & b3=4)

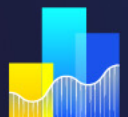
## Key questions for initiating identification

### b2 Did you do this work...

- 1 ...for your business, company, or own-account activity? **→ Go to b4**
- 2 ...as an employer or worker for a patron, company, or institution, or as an employee in a private household? **→ Go to b5**
- 3 ...for the business, company, or own-account activity of a family member?

### b3 For this work...

- 1 ...did you receive a salary or wages? **→ Go to b5**
- 2 ...did you receive money?
- 3 ...did you receive goods only? **Go to d1**
- 4 ...did you receive neither money nor goods?





## Implementation of the ICSE-18 in the ENE

Inclusion of four questions related to decision-making or **organizational dependence**:

- Working hours
- The place, routes, or location where the activity is carried out
- The type of product or service for sale
- The price of the products or services offered

All independent workers (i.e., both employers and own-account workers) respond to the question.

**d10** In your work, who decides...

**d10\_1** ...the working hours?

- 1 [name of person] 88 Not sure
- 2 An associate of [name of person] 99 No response
- 3 A client
- 4 A supplier
- 5 Someone else. Who? \_\_\_\_\_

**d10\_2** ...the location, routes, or areas where you do your activity?

- 1 [name of person] 88 Not sure
- 2 An associate of [name of person] 99 No response
- 3 A client
- 4 A supplier
- 5 Someone else. Who? \_\_\_\_\_

**d10\_3** ...the type of product or service for sale?

- 1 [name of person] 88 Not sure
- 2 An associate of [name of person] 99 No response
- 3 A client
- 4 A supplier
- 5 Someone else. Who? \_\_\_\_\_

**d10\_4** ...the price of the products or services for sale?


- 1 [name of person] 88 Not sure
- 2 An associate of [name of person] 99 No response
- 3 A client
- 4 A supplier
- 5 Someone else. Who? \_\_\_\_\_

## Implementation of the ICSE-18 in the ENE

Inclusion of four questions on ownership of the means of production and **economic dependence**:

- Store, installation, or land used in work
- Machines used in work
- Tools used in work
- Transport vehicle used in work

All independent workers (i.e., both employers and own-account workers) respond to the question.

<p><b>d6_1</b> Does the work of [name of person] require a store, establishment, or land?</p> <p><input type="checkbox"/> 1 Yes</p> <p><input type="checkbox"/> 2 No</p> <p><input type="checkbox"/> 88 Not sure</p> <p><input type="checkbox"/> 99 No response</p> <p>Go to d7_1</p>	<p><b>d8_1</b> In the work of [name of person], are any tools used?</p> <p><input type="checkbox"/> 1 Yes</p> <p><input type="checkbox"/> 2 No</p> <p><input type="checkbox"/> 88 Not sure</p> <p><input type="checkbox"/> 99 No response</p> <p>Go to d9_1</p>
<p><b>d6_2</b> Who is the owner or renter of the store, establishment, or land where [name of person] works?</p> <p><input type="checkbox"/> 1 [name of person]</p> <p><input type="checkbox"/> 2 An associate of [name of person]</p> <p><input type="checkbox"/> 3 Another person who is not an associate</p> <p><input type="checkbox"/> 4 Another company</p> <p><input type="checkbox"/> 88 Not sure</p> <p><input type="checkbox"/> 99 No response</p>	<p><b>d8_2</b> Who is the owner or renter of the tools that [name of person] uses?</p> <p><input type="checkbox"/> 1 [name of person]</p> <p><input type="checkbox"/> 2 An associate of [name of person]</p> <p><input type="checkbox"/> 3 Another person who is not an associate</p> <p><input type="checkbox"/> 4 Another company</p> <p><input type="checkbox"/> 88 Not sure</p> <p><input type="checkbox"/> 99 No response</p>
<p><b>d7_1</b> In the work of [name of person], is machinery used?</p> <p><input type="checkbox"/> 1 Yes</p> <p><input type="checkbox"/> 2 No</p> <p><input type="checkbox"/> 88 Not sure</p> <p><input type="checkbox"/> 99 No response</p> <p>Go to d8_1</p>	<p><b>d9_1</b> In the work of [name of person], is a transport vehicle used?</p> <p> Include all vehicles, whether or not they have a motor</p> <p><input type="checkbox"/> 1 Yes</p> <p><input type="checkbox"/> 2 No</p> <p><input type="checkbox"/> 88 Not sure</p> <p><input type="checkbox"/> 99 No response</p> <p>Go to d10</p>
<p><b>d7_2</b> Who is the owner or renter of the machinery that [name of person] uses for work?</p> <p><input type="checkbox"/> 1 [name of person]</p> <p><input type="checkbox"/> 2 An associate of [name of person]</p> <p><input type="checkbox"/> 3 Another person who is not an associate</p> <p><input type="checkbox"/> 4 Another company</p> <p><input type="checkbox"/> 88 Not sure</p> <p><input type="checkbox"/> 99 No response</p>	<p><b>d9_2</b> Who is the owner or renter of the vehicle that [name of person] uses for work?</p> <p><input type="checkbox"/> 1 [name of person]</p> <p><input type="checkbox"/> 2 An associate of [name of person]</p> <p><input type="checkbox"/> 3 Another person who is not an associate</p> <p><input type="checkbox"/> 4 Another company</p> <p><input type="checkbox"/> 88 Not sure</p> <p><input type="checkbox"/> 99 No response</p>

## Implementation of the ICSE-18 in the ENE

Incorporation of six questions related to the **form of payment or source of income or profit**.


A question on the **issuance of a fee slip (honoraria)**. This question makes it possible to identify whether the worker has a commercial contract for the provision of a service.

All employed persons respond (except unpaid family workers).

**f1 For your main activity, was the payment you received...**

	Yes	No	NS	NR
<b>f1a</b> ...a salary or wages?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>f1b</b> ...based on the number of units sold?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>f1c</b> ...a commission?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>f1d</b> ...by means of a fee for service rendered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>f1e</b> ...through tips?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>f1f</b> ...obtained through the profits of the activity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**e1 Did you issue a fee slip (honoraria) for the work completed?**

 This question refers to the issuance of a fee slip (honoraria) of the main activity only. If the fee slip was for a secondary occupation, it should not be included.

1 Yes      **→ Go to e4**

2 No

88 Not sure

99 No response

# Dependent Contractors into the self declared employees

Dependent contractors who are employees (wage earners) of the public or private sectors or who are domestic workers

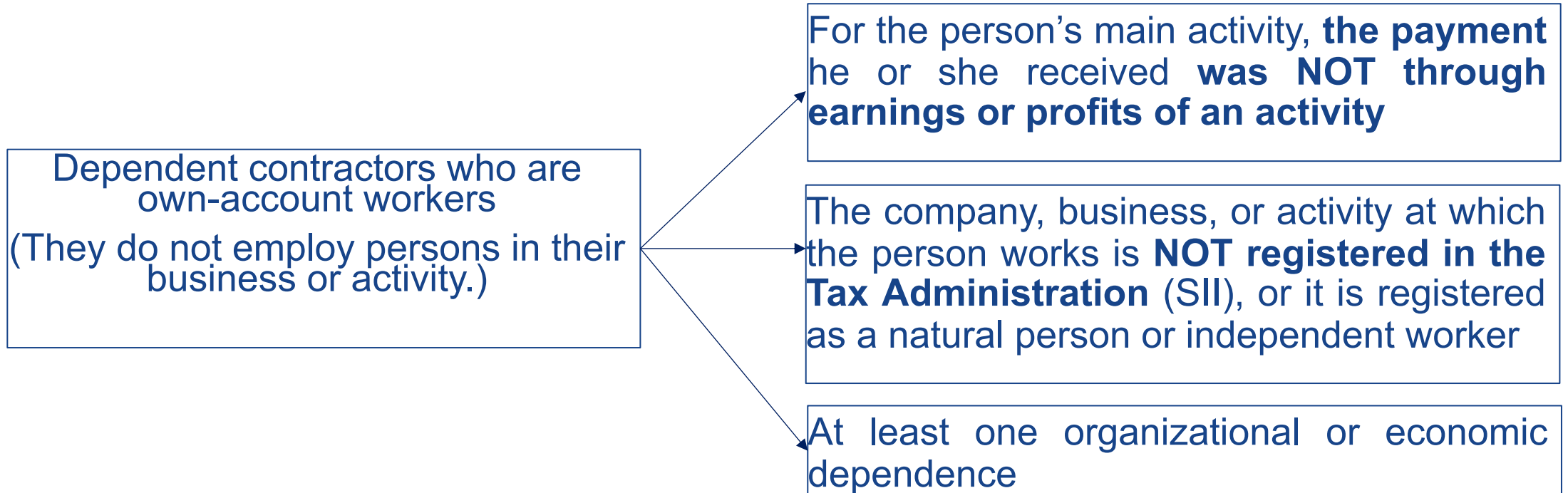
## Existence of a commercial contract

- Issuance of a fee slip (honoraria)

## Economic risk assumed by the worker

- Employer does not contribute to the pension or healthcare system for the person
- For the person's main activity, his or her payment was NOT through salary or wages
- The person does not have a written contract.

# Dependent Contractors into the self declared self employed



## 3. Estimated of dependent contractors\*

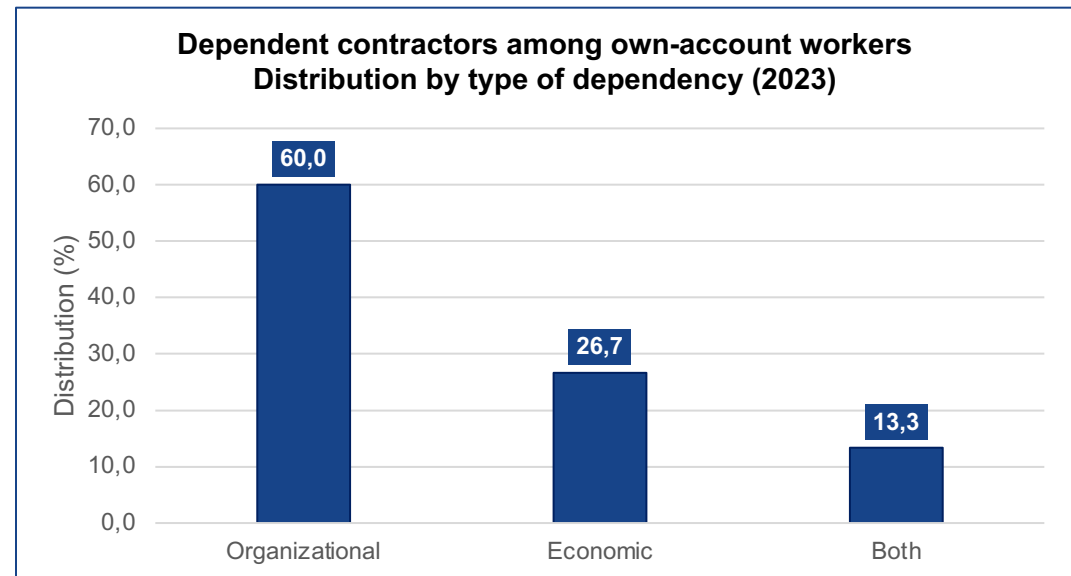
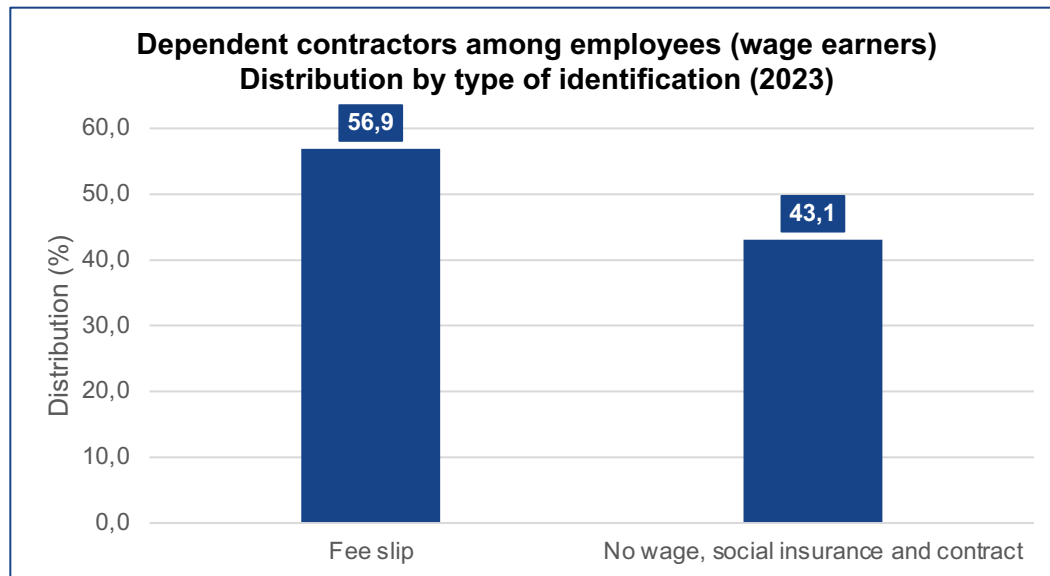
**\*Note: This information is preliminary; it has not yet been published. And all the information in this presentation comes from the annual estimate.**



# Dependent contractors among own-account workers and employees. Distribution by type of dependency and identification (2023)

Throughout the period, dependent contractors are mainly workers who provide a fee slip (commercial contract).

Throughout the period, dependent contractors with organizational dependency are more predominant than those dependent on economic variables.

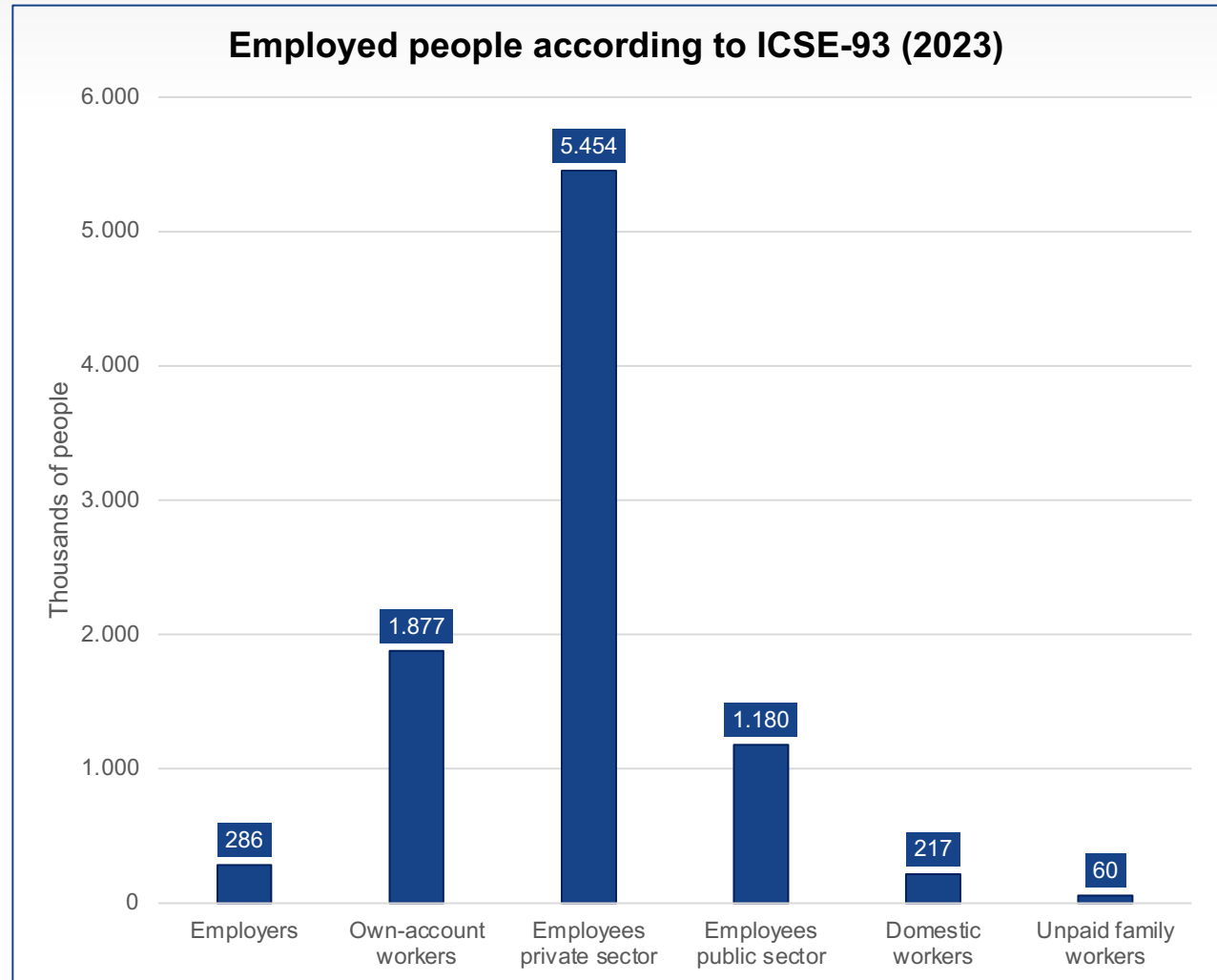


## Total number and distribution of employed persons 2023

The total number of employed people are 9.074.389.

The current distribution of employed people is:

- 60,1% are private sector employees
- 20,7% are own-account workers
- 13,0% are public sector employees
- 2,7% are domestic workers
- 3,2% are employers
- 0,7% are Unpaid family workers



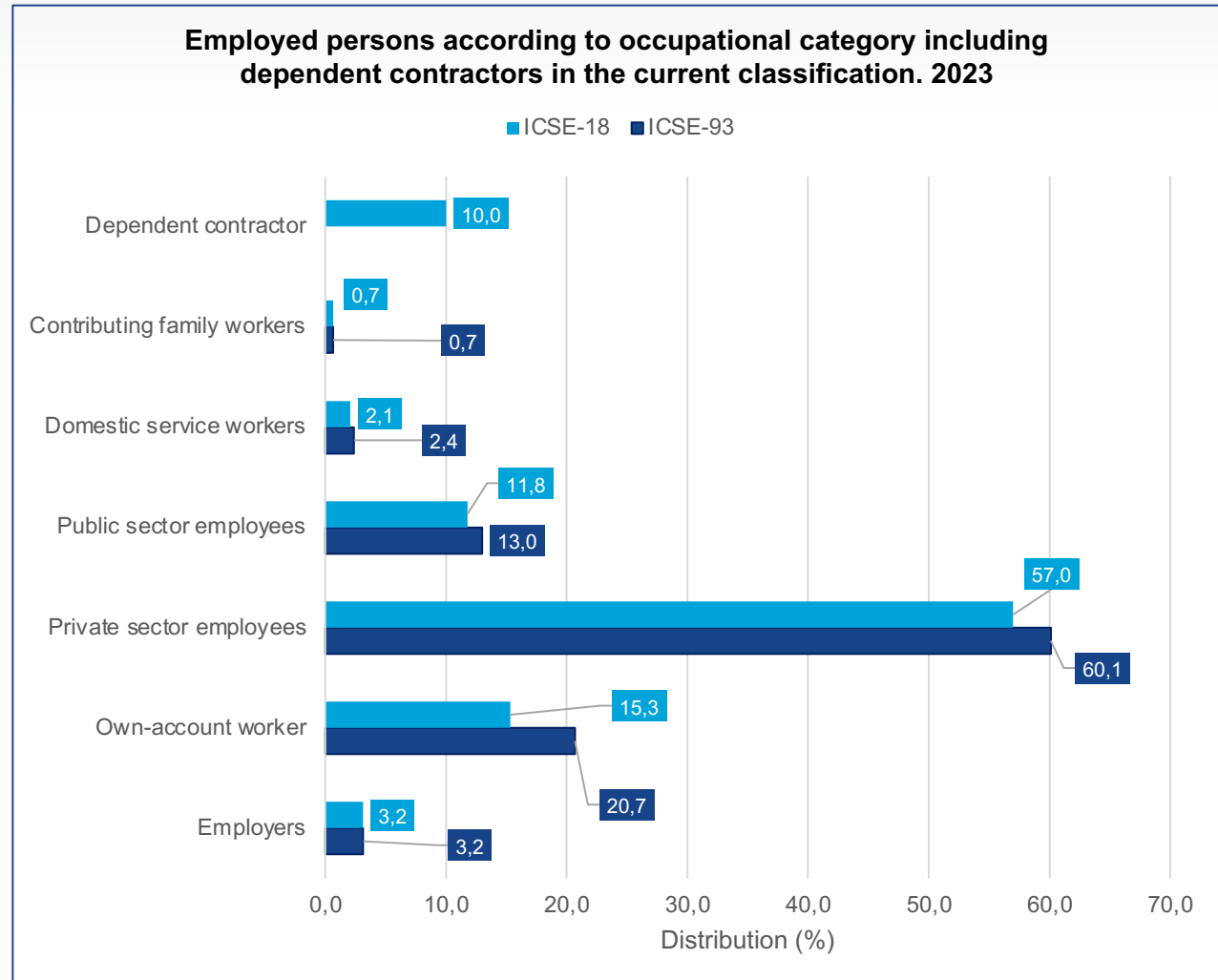


## ICSE-18 in the ENE: Dependent Contractors

After the adoption of ICSE-18, a change in structure and a restructuring of the levels of employed persons will be observed after the creation of the new category of dependent contractors.

Dependent contractors consist mainly of own-account workers, but they also consist of dependent workers (employees and domestic workers).

The number of employees and own-account workers will therefore be decreasing as a proportion (%) of the total number of employed persons.



# 4. Characterization of dependent contractors



# Dependent contractors in the Chilean labour market

- They are Chileans (86,8%), but there is a significant number of immigrants working as a dependent contractor (13,2%).
- Most of them are men (57,6%)
- They are young people between 25 and 49 years old (60%)
- According to the ISIC- Rev4, most of them work in transport, commerce and construction (36,4%).
- They work in the client's or employer's premises or offices, in the employer's or client's home and on the street or public highway (76,9%).
- According to the ISCO-08, Chilean dependent contractors work in elementary occupations, service and sales workers and professionals (56,6%).
- A significant number work with digital platforms (8,3%).
- And most of the dependent contractors are informal workers (85,6%).



# 5. Impact of the 21<sup>st</sup> ICLS



# Guidelines of the 21st ICLS: Impact on the ENE: *Definition of labour informality for dependent contractors*

## What does it involve?

To determine the formality of dependent contractors, we examine whether the dependent contractors have registered with the Tax Administration (SII) and whether this registration ensures access to the contributory system for social security.

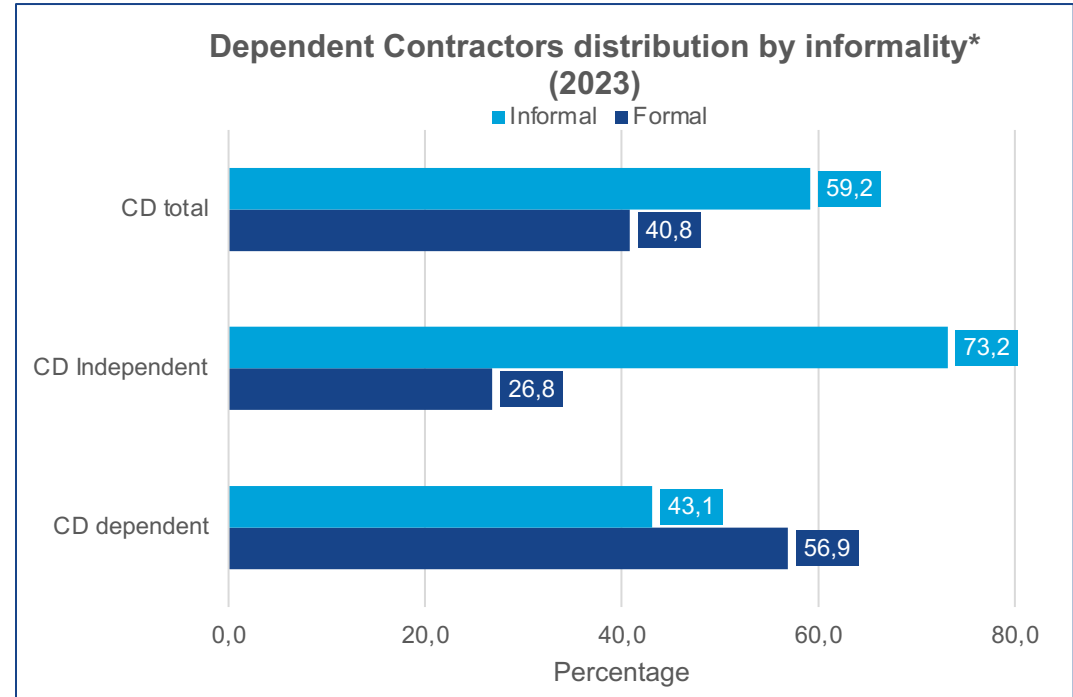
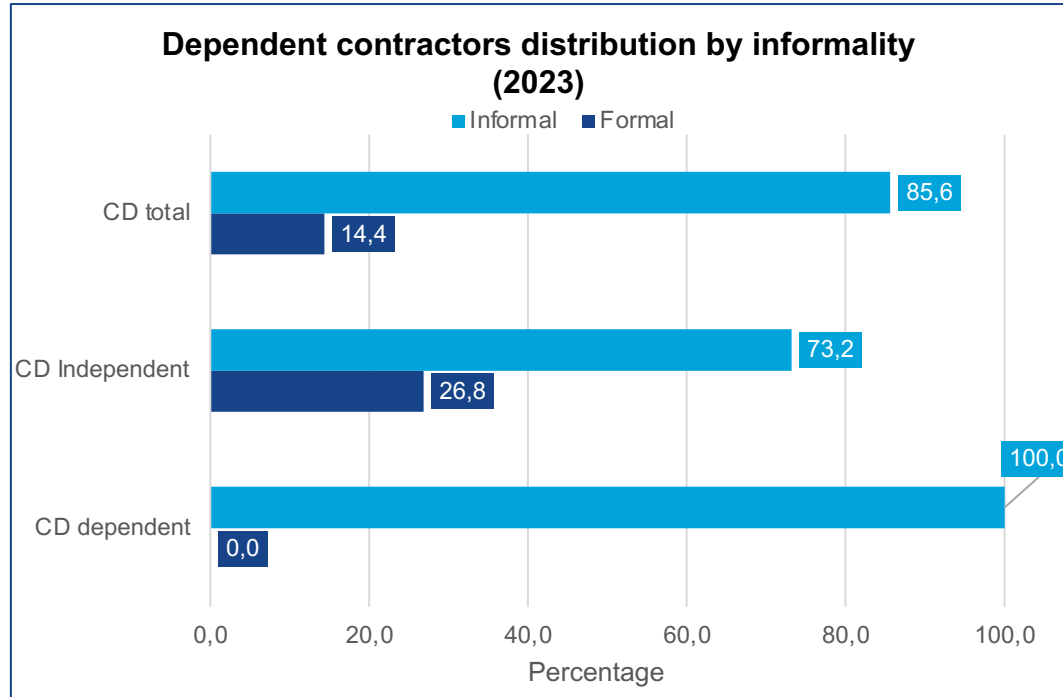
## Example: fee slip workers

In Chile, registration as a service provider (fee slip) means that the worker is registered to pay taxes and at the same time is provided with access to social security through the contributory system.

So, fee slip workers go from informality (current criteria) to formality (new criteria), therefore the informal employment rate decreases.



# Dependent Contractors Distribution by informality 2023



\*With the implementation of the 21st ICLS, the dependent contractors will change the conceptual framework and the final classification about informality.



# 6. Next steps



# Next steps

- Definitive adoption of ICSE-18 in the ENE.
- Continue with the measure of formality/informality in the dependent contractors according with the recommendation from the 21st ICLS.
- Dissemination of results and methodological decisions during 2024 (The implementation of ICSE-18 will not disrupt the current ICSE-93).
- Continue the work with the group of experts and prepare a presentation of results at the National Technical Committee on Labour Statistics during 2024.





# Verónica Huaracán Riveros

National Statistics Institute (INE) - Chile

Head of the Subdepartment of Continuous  
Labour Statistics

[vihuaracanr@ine.gob.cl](mailto:vihuaracanr@ine.gob.cl)



**Global Conference on Measuring New Forms of Employment**

Brussels, 4 - 5 July 2024



# Thank you



**Global Conference on Measuring New Forms of Employment**

Brussels, 4 - 5 July 2024



# Global Conference on Measuring New Forms of Employment

Brussels, 4 - 5 July 2024



#MeasuringEmployment