

Status in Employment: A Brief on Statistical Concepts from the United Nations Publication, *The World's Women 2010: Trends and Statistics*.*

Status in employment

To understand women's and men's situation and position in the labour market, it is essential to identify their status in employment. This entails classifying jobs on the basis of the type of explicit or implicit contract of employment an individual has with her or his employer or other persons (see box 4.3). A worker's type of contract, or status in employment, often determines the job's level of security, protection and rights.

Wage employment is the most common form of employment, but own-account work and contributing family work are more prevalent in parts of Africa and Asia. Wage and salaried employees

constitute the majority of employed women and men in most parts of the world. In the more developed regions, Eastern Asia, Western Asia and the Caribbean, at least 80 per cent of employed women are wage and salaried workers; furthermore, in these regions or sub-regions employed women are more likely than employed men to be in wage employment. Wage employment is also prevalent in Southern Africa for both women and men. However, wage and salaried workers are uncommon in Eastern and Western Africa and in Southern Asia, where they constitute a minority (less than 50 per cent) among both women and men who are employed. In these sub-regions, women

and men are more likely to be own-account or contributing family workers (table 4.6)

Persons working on their own account contribute income to the family when secure paid jobs are not available, generating employment not just for themselves but also for their family members, who are often not paid but work as "contributing family workers". Own-account employment allows more flexibility for women, who often have to combine family responsibilities with income-earning activities. However, unlike wage and salaried workers, own-account workers face high economic risks.

Box 4.3

Status in employment

Employment, as defined by the 13th Conference of Labour Statisticians (Geneva, 1992), is comprised of two broad categories: "paid employment" and "self-employment".

Persons in paid employment include those who during the reference period were either (a) "at work" – i.e., performed some work for wage or salary, in cash or in kind, or (b) "with a job but did not work" – i.e., were temporarily not at work but had a formal attachment to their job, having already worked in their present job.

Persons in self-employment include those who during the reference period were: (a) "at work" – i.e., performed some work for profit or family gain, in cash or in kind, or (b) had an enterprise, such as a business or commercial enterprise, a farm or a service undertaking, but were temporarily not at work for any specific reason.

The International Classification of Status in Employment (ICSE), adopted in 1993, provides guidelines for classifying jobs in the labour market on the basis of the type of explicit or implicit contract of employment an individual has with his or her employer or other persons. Five major groups and a residual category are presented in ICSE-93: employees, employers, own-account workers, members of producer cooperatives and contributing family workers.

Employees hold paid employment jobs and are typically remunerated by wages and salaries, but may also be paid by commission from sales, or by piece-rates, bonuses or in-kind payments, such as food, housing or training.

Employers, working on their own account or with one or several partners, hold self-employment jobs and have engaged on a continuous basis one or more persons to work for them in their businesses as employees.

Own-account workers, working on their own account or with one or several partners, hold self-employment jobs and have not engaged any employees on a continuous basis.

Members of producers' cooperatives hold self-employment jobs in a cooperative producing goods and services, in which each member takes part on an equal footing with other members in all decisions relating to production, sales, investments and distribution of proceeds.

Contributing family workers (referred to in previous classifications as unpaid family workers) hold a self-employment job in a market-oriented establishment (i.e., business or farm) operated by a relative living in the same household, who cannot be regarded as a partner because their degree of commitment to the operation of the establishment is not at a level comparable to that of the head of the establishment.

For analytical purposes, employers and own-account workers are sometimes combined and referred to as "self-employed". Workers in paid employment are referred to as "wage and salaried workers". Contributing family workers, although considered part of the group "self-employed", are usually analysed separately since their jobs, unlike other self-employment jobs, are unpaid.

Source: ILO, 2003a; see also ILO, 1993a.

Status in Employment (cont'd).*

Table 4.6

Distribution of employed persons by status in employment, by region and sex, 2004–2007 (latest available)

	Women				Men			
	Wage and salaried workers (%)	Employers (%)	Own-account workers (%)	Contributing family workers (%)	Wage and salaried workers (%)	Employers (%)	Own-account workers (%)	Contributing family workers (%)
Africa								
Northern Africa (3)	46	2	19	34	58	8	22	11
Southern Africa (3)	76	3	17	4	82	7	9	2
Eastern and Western Africa (6)	20	1	47	32	24	1	56	18
Asia								
Eastern Asia (3)	86	2	7	5	80	7	13	<1
South-Eastern Asia (6)	52	2	23	23	52	4	34	9
Southern Asia (5)	30	1	22	46	44	3	40	12
Western Asia (6)	80	1	6	12	79	5	13	2
CIS in Asia (4)	45	1	39	15	50	3	39	7
Latin America and the Caribbean								
Caribbean (5)	80	2	16	2	67	3	27	1
Central America (6)	64	3	25	7	64	6	24	6
South America (9)	62	3	28	6	62	6	28	3
More developed regions								
Eastern Europe (8)	84	2	10	4	78	4	16	1
Northern Europe (5)	93	2	4	1	84	5	10	<1
Southern Europe (9)	81	3	10	6	74	6	17	2
Western Europe (4)	89	3	6	3	84	7	8	1
Other more developed regions (4)	88	2	7	2	83	5	11	1

Source: Computed by the United Nations Statistics Division based on data from ILO, Key Indicators of the Labour Market, 5th edition, table 3 (accessed in July 2009).

Note: Unweighted averages; the numbers in brackets indicate the number of countries averaged. Due to rounding, the sum of categories might not equal 100. The average for Eastern Asia does not include China. Western Asia excludes Armenia, Azerbaijan and Georgia; CIS in Asia includes the aforementioned countries plus Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

In Eastern and Western Africa, own-account workers make up 47 per cent of female employment and 56 per cent of male employment. Other sub-regions where own-account workers exceed 20 per cent of the female employed are South-Eastern Asia, Southern Asia, the CIS in Asia, Central America and South America. In the last three of these sub-regions, women are as likely as men to be own-account workers, but in virtually all other sub-regions of the world, the likelihood to be own-account workers is higher for men than women.

All over the world, women are more likely than men to be contributing family workers – more than twice as likely in most regions. In certain subregions, contributing family workers account for a third or more of all female workers – for example, in Southern Asia (46 per cent), Northern Africa (34 per cent) and Eastern and Western Africa (32 per cent) (table 4.6).

The distribution of workers by status in employment is closely related to the distribution of workers by economic sector of employment. Where labour is concentrated in the industry and services sectors, as in the more developed regions and the relatively more advanced economies within the less developed regions, wage employment is the prevalent form of employment. However, in regions where large numbers of workers are engaged in agriculture, own-account work and contributing family work are the prevalent forms of employment for women.

An indicator for monitoring progress in achieving the new MDG target of full and productive employment and decent work for all looks at the proportion of own-account and contributing family workers in total employment (see box 4.4).⁵ Workers in these two categories are also referred to as being in “vulnerable employment” because, unlike most

employees, they are subject to a high level of job insecurity and do not have safety nets to cover them during periods when they are out of work or unable to work (due to sickness, for example). For own-account workers the returns from work are often very low and their work situation is generally more sensitive to economic fluctuations and cycles, while for contributing family workers there are no cash returns. Informality of work characterizes these types of employment (see the discussion below on the informal sector and informal employment).⁶

Employment in the two categories considered as vulnerable employment is most prevalent among women and men in Eastern and Western Africa (figure 4.5). In Northern Africa and certain

⁵ See official list of MDG Indicators, available at <http://unstats.un.org/unsd/mdg/Host.aspx?Content=Indicators/OfficialList.htm>

⁶ See also United Nations, 2009c.

Status in Employment (cont'd).*

Box 4.4

The importance of the status in employment classification

The key dimensions underlying the International Classification of Status in Employment (ICSE) are: (1) the economic risk involved in the job and (2) the type of authority over establishments and other workers. Reflecting these dimensions, the classification provides an important basis for understanding the structure of labour markets and the effects of this structure on poverty and gender equality. Two recent developments underscore the importance of ICSE.

First, the statistical definition of informal employment was approved by the 17th International Conference of Labour Statisticians (ICLS) in 2003.^a Informal employment as defined is a job-based concept, and an important criterion for identifying workers in informal employment is their status in employment.^c

Second, at least two indicators for monitoring the Millennium Development Goals (MDGs) rely on the status of employment classification. In Goal 1 (eradicate extreme poverty and hunger), a specific indicator is the proportion of own-account and contributing family workers in total employment; and in Goal 3 (promote gender equality and empower women), a new supplementary indicator was recommended that would cover all status in employment categories cross-classified by formal/informal and agricultural/non-agricultural employment.^c

The importance of an up-to-date classification of status in employment can not be over-emphasized. As conditions of employment are changing globally, there is increasing recognition that the current classification, ICSE-93, is no longer adequate. Many employment arrangements in both developed and developing countries do not fit easily into one or the other of the current status in employment categories. Thus, in 2008, the 18th ICLS recommended that the ILO Bureau of Statistics undertake methodological work for a revision of the ICSE that would better reflect contemporary realities of the labour market and the associated economic and social concerns.^d

^a ILO, 2003b.

^b This indicator was recommended by the Sub-Group on Gender Indicators of the Inter-Agency and Expert Group (IAEG) on MDG Indicators to address problems with the current indicator, namely the share of women in non-agricultural wage employment, which reflects only one aspect of women's situation in the labour market.

^c also refer to Box 4.5 Defining informal sector and informal employment in the accompanying brief, The informal sector and informal employment.

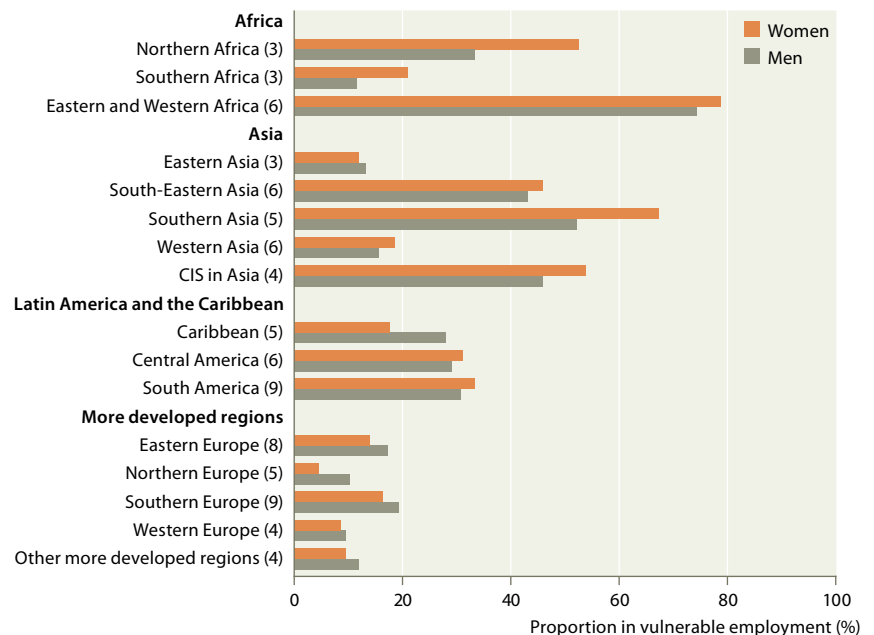
^d ILO, 2008c.

sub-regions of Asia, namely South-Eastern Asia, Southern Asia and the CIS in Asia, vulnerable employment is also prevalent among employed women, exceeding 40 per cent. In these sub-regions, higher proportions of women are in vulnerable employment compared to men, mainly due to large numbers of contributing family workers among the former. Vulnerable employment is not as common (less than 20 per cent) for both women and men in the more developed regions, Eastern Asia, Western Asia and Southern Africa. As noted earlier, wage employment is the dominant form of work in those regions.

Compared to employees, own-account workers and contributing family workers, employers constitute a very small proportion of those employed. In no region in the world did employers constitute more than 3 per cent of employed women in 2007. From the available data, only three countries topped 5 per cent in the proportion of employers among the female employed: Finland, Germany and Sweden. The regional figures for men are typically twice as high as for women and range from 1 per cent to 8 per cent (table 4.6).

Figure 4.5

Employed persons in vulnerable employment by region and sex, 2004-2007 (latest available)



Source: Computed by the United Nations Statistics Division based on data from ILO, Key Indicators of the Labour Market, 5th edition, table 3 (accessed in July 2009).

Note: Unweighted averages; the numbers in brackets indicate the number of countries averaged. The average for Eastern Asia does not include China. Western Asia excludes Armenia, Azerbaijan and Georgia; CIS in Asia includes the aforementioned countries plus Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.