



► Room document*: 9

Work related income – amendment of existing standards and guidance, and future directions



21st International Conference of Labour Statisticians
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► Contents

	Page
Contents	3
Need for amendment	5
Possible current and future steps	6
Amendment of the 16th and 17th ICLS resolutions	6
Improvement of concepts and measurement guidance	9
Adoption of a new ICLS resolution	10
Next steps	10
Points for reflection by the 21st ICLS	11
Annex 1 – Drafts of amended resolutions	12
Annex 2 – Consultations agenda and participants	13

► Need for amendment

1. Existing international statistical standards on the measurement of employment-related income were adopted 25 years ago, at the 16th International Conferences of Labour Statisticians (ICLS) in October 1998, through the *Resolution concerning the measurement of employment-related income*¹. Concepts and definitions introduced by it are based on standards established earlier, mainly through resolutions of the 10th, 13th, and 15th ICLS, and on guidance provided in the ILO publication “An integrated system of wages statistics. A manual on methods” (ILO, 1979).
2. Five years later, in 2003, the 17th ICLS adopted the *Resolution concerning household income and expenditure statistics*. It included definitions of *income from employment* (which is a component of employment-related income as defined in the 16th ICLS resolution), and income generated by engagement in *household production of services for own consumption* as components of household income.
3. However, since 1998, the ICLS has adopted a series of resolutions updating different areas of international work statistics standards. These changed the concepts and definitions on which employment-related income standards rely and, among other things, introduced additional forms of work not referenced in the 16th or 17th ICLS resolutions.
4. Additionally, since the publication of measurement guidance in the ILO manual in 1979, work relationships, as well as methods through which employed persons are remunerated, for their work have evolved significantly. Also, statistical production methods and tools have evolved substantially, and national statistical offices (NSOs) may now use sources or methodologies not referenced within the guidance because they were either not relevant or not possible to implement 45 years ago.
5. Finally, the demand for statistics on employment-related income has also evolved. They are now used for a wider range of analyses of diverse complexity. This evolution is driven by the increasing demand to support efficient decision-making by a diversity of stakeholders aiming to achieve many development objectives. The current guidance was developed in a different context and cannot be used to satisfy all demands now existing.
6. All these developments in statistical standards and tools, labour market mechanisms and data use require an update to standards and guidance on the measurement of employment-related income. Countries and organizations from all regions have been requesting such an update for some time. To answer this request, the ILO Statistics department has implemented several activities and developed proposals on how to proceed with an update.
7. The details of these activities and possible follow up areas of work are described in this document and will be discussed during the 21st ICLS.

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¹ ICLS resolutions can be viewed on this page <https://ilostat.ilo.org/about/standards/icls/icls-documents/>

► Possible current and future steps

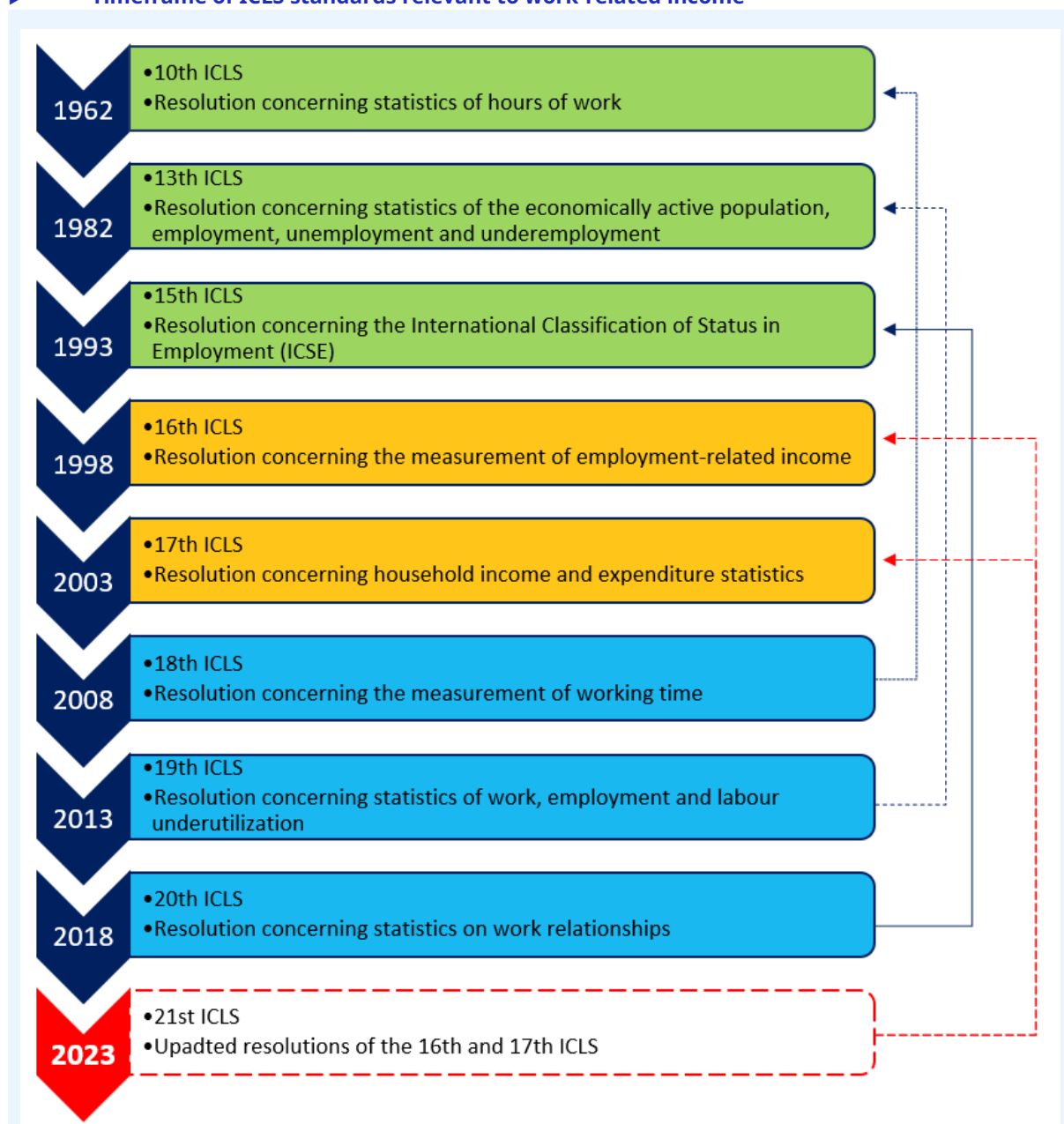
8. Subject to the views of delegates to the 21st ICLS, the ILO Statistics department could foresee undertaking a process to amend the standards and guidance on the measurement of employment-related income in three stages:
 1. Amendment, at the 21st ICLS, of the 16th and 17th ICLS resolutions mentioned on the previous page to reflect the changes in standards introduced at the previous three ICLSs.
 2. Improvement/Development of concepts and measurement guidance/tools.
 3. Adoption of a resolution to set new standards on work-related income.

More details on each of the three stages are provided below.

Amendment of the 16th and 17th ICLS resolutions

9. The two resolutions are based on reference standards established several decades ago. The 18th, 19th and 20th ICLS adopted resolutions which introduced important changes to those reference standards by refining key concepts and definitions, eliminating some of them and introducing new ones:
 - *Resolution concerning the measurement of working time* (18th ICLS, 2008) updated standards set at the 10th ICLS (1962) in the *Resolution concerning statistics of hours of work*.
 - *Resolution concerning statistics of work, employment and labour underutilization* (19th ICLS, 2013) updated standards set at the 13th ICLS (1982) in the *Resolution concerning statistics of the economically active population, employment, unemployment and underemployment* – crucially introducing a wide definition of work, comprising various forms of work, within which employment is one form of work.
 - *Resolution concerning statistics on work relationships* (20th ICLS, 2018) updated standards set at the 15th ICLS (1993) in the *Resolution concerning the International Classification of Status in Employment (ICSE)*
10. The updated definitions of the newer standards must now be reflected in the 16th and 17th ICLS resolutions as well, to ensure coherence between different components of the international standards on work statistics. The updated resolutions will serve as foundation for the possible future development of standards and guidance on the topic of work-related income.
11. The chronological timeline of the standards referred to above is shown visually in Figure 1 below, up to the point of the 21st ICLS where the amended resolutions will be discussed.

► **Timeframe of ICLS standards relevant to work-related income**



12. The ILO Statistics department has prepared amended versions of the 16th and 17th ICLS resolutions (see Annex 1) and invites the 21st ICLS to discuss and adopt them.
13. The proposed amendments, which are highlighted in track changes and accompanied by detailed comments, were discussed with countries and organizations during regional and interregional online consultations with ILO constituents conducted in May-June 2023². All consultation

² See Annex 2 for details on consultations agenda and participants.

participants confirmed the need to amend the resolutions, to reflect the evolution of work statistics standards, and agreed on the type of amendments to make.

14. In the case of the 16th ICLS *Resolution concerning the measurement of employment-related income*, consultation participants concluded that the text must be amended to:
 - Replace the concepts of “paid employment” and “self-employment” as defined in the International Classification of Status in Employment adopted in 1993 (ICSE-93), with the concepts of “employment for pay” and “employment for profit” as defined in ICSE-18 as adopted by the 20th ICLS.
 - Reflect the fact that under ICSE-18 owner-operators of corporations are considered to be remunerated by wage/salary (i.e., in employment for pay) and not by profit as it was the case under ICSE-93.
 - Apply the concepts defined by the 19th ICLS *Resolution concerning statistics of work, employment and labour underutilization*. Specifically, this includes the new definition of employment as work performed in return for pay or profit.
 - Reflect, in the Spanish version, the change in terminology used to refer to employment and to jobs introduced by the 19th ICLS Resolution I.
 - Replace the concept of *volume of work* (expressed in hours, days, weeks worked) used in the resolution, with the concept of *working time* defined in the 18th ICLS *Resolution concerning the measurement of working time*.
 - Add details, where needed, to make the text clearer and avoid ambiguity.
 - Update the language, where necessary.
 - Exclude parts contradicting definitions of concepts set by the current standards, or parts no longer considered relevant.
15. Consultation participants agreed that similar amendments must also be applied to the 17th ICLS resolution. Additionally, amendments are needed to recognize income generated by engagement in all forms of work, and not just from employment and own-use provision of services – as was originally the case.
16. One particular issue raised during the consultations was the difference between the key concepts set by the two resolutions: *employment-related income* (16th ICLS) and *income from employment* (17th ICLS). While their names sound similar, these concepts are not identical, and the detailed explanations of definitions provided in the resolutions help understand the difference. More specifically, *income from employment* at a point in time is a component of *employment-related income*, which may also include income received as a result of past employment such as an occupational pension. This distinction, however, is not mentioned explicitly and specific amendments are proposed to do so. It is important to note that, by design, the proposed amendments **do not introduce substantive changes to concepts and definitions of employment-related income or household income and expenditure established at the 16th and 17th ICLS. Rather they are designed to achieve consistency with subsequently adopted standards and introduce further minimal changes required to achieve clarity.**
17. Several more substantive amendments were suggested during consultations. Their implementation, however, would require more extensive discussions and necessitate a wider and more in-depth development process with greater consultation. While all involved in the consultations recognized the potential value in such a process, it was also recognized that it should be done carefully and to a high standard given the importance of a topic, thereby inferring possible further rounds of work as discussed below.

Improvement of concepts and measurement guidance

18. While the value of making amendments to the resolutions from the 16th and 17th ICLS was recognized, participants in the consultations strongly indicated a need to undertake a more comprehensive revision of employment-related income concepts, as well as related measurement guidance.
19. One area of potential focused raised by constituents has been an update of the ILO Manual on wages — the ILO guidance, published in 1979, on the implementation of standards set by the 12th ICLS (1973) in the *Resolution concerning an integrated system of wages statistics*. Over time efforts have been initiated by the ILO to undertake an update of the manual, but this could not be completed due to a combination of limited resources and the scale and complexity of the task.
20. Based on the discussions during the consultation, it is now considered that a more useful, and manageable, approach could be to split a more comprehensive update process into two streams of work. One of these could target improvement of concepts and definitions as currently spread across the two resolutions and the 1979 manual. A second related stream would be the development of measurement guidance. Also, the consultations indicated a preference for a series of guidance and content (covering methodologies, learning materials, data collection tools, guides, etc.) on different topics related to work-related income, as opposed to one single comprehensive manual that would require a long lead in time before publication.
21. This approach should facilitate the implementation of the updating process by allowing for a more efficient use of resources — issues could be addressed one by one based on a priority order established through consultations with constituents. Additionally, relevant (priority) products focused on specific areas will become available faster than a manual covering all areas of interest. The ILO Statistics department has been applying this development approach for different topics in recent years and has found it to be a more efficient and flexible way to address guidance needs.
22. As suggested by constituents during consultations, the ILO in cooperation with countries should aim at developing a comprehensive statistical framework for the measurement of work-related income, similar to the one on informality statistics being discussed at the 21st ICLS. Such a framework should cover both existing and newly proposed concepts of income related to all forms of work, description of their relevance and of their use in different other frameworks, the key indicators for economic and social analyses, etc. Its development should be based on a careful review of work-related income data needs across countries and organizations, considering other relevant frameworks such as the system of national accounts which is being updated in 2025.
23. As for the measurement guidance, constituents raised several problems faced by countries when applying current standards that can be grouped in two big categories:
 - In many countries, the implementation of guidance is problematic because of limited capacities and resources to develop the necessary statistical tools and infrastructure.
 - In countries with high shares of employment in the informal sector current guidance, which is based mainly on the use of data generated by administrative sources and establishment surveys, does not allow comprehensive coverage of employment.
24. Therefore, the amendment of the measurement guidance on employment-related income should be based on a comprehensive assessment of existing national practices, circumstances, capacities and needs. The objective should be the improvement of existing tools and development of new ones that in combination (depending on the national context) can generate relevant statistics for reference populations at reasonable costs.

25. The ILO Statistics department has already engaged in activities aiming at reaching this objective. For example, as part of the Engendering Informality Statistics project, LFS modules to collect data on earnings were developed and tested applying qualitative and quantitative methods. The modules and preliminary test results were presented during consultations. Participants from developing countries relying mostly on household surveys for data collection appreciated the work done by the ILO and expressed the hope that these tools will facilitate production of earnings statistics. While much was learned from the testing process it is clearly the case that the measurement of earnings through household surveys is complex and sensitive.
26. The ILO Statistics department proposes to continue working on the improvement/development of tools and guidance in collaboration with interested countries.
27. Additionally, consultation participants, expressed the opinion that the ILO needs to increase its own capacities to satisfy the current and future demand for technical support on the topic.

Adoption of a new ICLS resolution

28. Following the approach used to update the statistical standards on informality, consultation participants suggested that a new ICLS resolution should be adopted in the future to establish a new conceptual framework on work-related income.
29. The option to run a second round of amendments to the 16th and 17th ICLS resolutions was discussed, however, it was considered less efficient and useful than a more comprehensive update. The type and number of additional amendments expected by constituents will lead to significant changes to resolutions' structure and content, which will only add unnecessary complexity to the process. It was therefore considered to be more beneficial to undertake a more comprehensive process to review concepts and definitions, and from that develop a new framework including an updated resolution, which would among other things clarify the relationship between different concepts.
30. Evidently there would be a very strong overlap between the process to develop new concepts and definitions and the development of new statistical standards. However, as envisaged through the consultations, and as can be discussed at the ICLS these activities can be seen as a sequence of events culminating in new standards but with interim outputs in the form of guidance and tools.

Next steps

31. To advance the work in the manner outlined above requires both conceptual and methodological development work to advance in parallel. The overlaps between the two will require these processes to be coordinated.
32. On the methodological/measurement side the ILO has already been working to identify countries wherein further methodological testing could take place but additional partners in this process would be welcome if not essential. The ILO is conscious that for all the experience gained in recent years the majority of experience of earnings measurement is in fact held by national statistical offices or others regularly engaged in measurement. The ILO is therefore seeking expressions of interest through the ICLS for participation in a collaborative methodological development process with the objective to generate updated questionnaire content and related guidance over the coming years. In the first instance this will cover household surveys, but interest is also welcome from countries who could contribute experience of working with administrative data and establishment surveys — areas where the ILO currently holds less expertise. Depending on the scale of interest the modality of work, for example formation of a technical advisory group or other type of group to guide and review the work.

33. On the conceptual side the work is more similar to other processes that have been undertaken such as the work to develop informality standards. However, in the case of earnings the set of existing reference concepts and definitions is perhaps even wider than those that existed for informality. An early part of any update process must be a comprehensive review and discussion of those concepts and how they serve current/future needs. This can establish which concepts are fit for purpose, which require update, which are no longer needed and what gaps may exist to meet identified needs. Such a discussion can only take place collaboratively. The traditional method to advance this would be the establishment of a working group. It can be noted that in recent years more consultative discussions have been undertaken online. Clearly this brings important benefits such as inclusiveness and relative flexibility. However, as became evident in the process to develop the standards on informality face-to-face meetings still perform an important function. It could therefore be envisaged that a process to develop standards on earnings could adopt a hybrid approach with intermittent face-to-face meetings, supplemented by more regular online consultation. However, other suggestions for ways to advance this work innovatively and efficiently would be welcome.
34. Considering the overlaps between the measurement and conceptual work one option to ensure coordination is that both streams of work are ultimately reviewed and discussed by the same working group, even if sub-groups could be formed to advance different areas of development.

Points for reflection by the 21st ICLS

35. Participants in the Conference will be asked to express their views on:
- the proposed amendments to the 16th ICLS resolution I and the 17th ICLS resolution I;
 - the priorities for future work, referring to the areas identified in this room document on the amendment of existing standards and guidance on work-related income; and
 - whether there is a need to develop new statistical standards for presentation to the 22nd ICLS, necessitating the establishment of a working group of experts or, if not, how else this work could be advanced.

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► Annex 1 – Drafts of amended resolutions

Below are the links to access the drafts of the amended resolutions in English, French and Spanish.

Proposed amendments are highlighted and explained in comments. A change of the same type, that appears multiple times, is explained only once — the first time it appears in the resolution text.

The 16th ICLS *Resolution concerning the measurement of employment-related income*:

- [English](#)
- [Français](#)
- [Español](#)

The 17th ICLS *Resolution concerning household income and expenditure statistics*:

- [English](#)
- [Français](#)
- [Español](#)

► Annex 2 – Consultations agenda and participants

Four online regional meetings were conducted between the 30th of May and the 8th of June 2023. Each of them consisted of three sessions (two hours each), run on three consecutive days. All regional meetings had the same agenda. The exact dates and hours of sessions, as well as lists of invited participants are provided below.

Date	Topic
Session 1	Presentation and discussion of proposed amendments
Session 2	Discussions on priority areas related to earnings that the ILO Statistics department should work on in the coming years
Session 3	Presentation of work on the development of new Labour Force Survey modules to collect data on income from employment

Africa	Invited participants
Session 1: 30 May, 10:00-12:00 CEST ³	<ul style="list-style-type: none"> • Governments: Algeria, Botswana, Cameroon, Eswatini (Kingdom of), Ethiopia, Ghana, Madagascar, Mauritius, Namibia, Nigeria, Senegal, South Africa, Uganda • Employers • Workers
Session 2: 31 May, 10:00-12:00 CEST	
Session 3: 1 June, 10:00-12:00 CEST	

Asia and the Pacific	Invited participants
Session 1: 6 June, 08:00-10:00 CEST	<ul style="list-style-type: none"> • Governments: Australia, Bangladesh, China, Fiji, India, Indonesia, Lao PDR, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand, Viet Nam • Employers • Workers
Session 2: 7 June, 08:00-10:00 CEST	
Session 3: 8 June, 08:00-10:00 CEST	

Europe, Arab States and North America	Invited participants
Session 1: 6 June, 14:00-16:00 CEST	<ul style="list-style-type: none"> • Governments: Jordan, Qatar, Saudi Arabia (Kingdom of), Oman, Albania, Armenia, Azerbaijan, France, Georgia, Germany, Iceland, Ireland, Italy, Luxembourg, Moldova (Republic of), Montenegro, Poland, Spain, Switzerland, Türkiye, Ukraine, United Kingdom, Canada, United States of America • Employers • Workers
Session 2: 7 June, 14:00-16:00 CEST	
Session 3: 8 June, 14:00-16:00 CEST	

³ CEST – Central European Summer Time

Africa	Invited participants
Session 1: 30 May, 15:00-17:00 CEST	<ul style="list-style-type: none">• Governments: Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Mexico, Paraguay, Peru, Uruguay• Employers• Workers
Session 2: 31 May, 15:00-17:00 CEST	
Session 3: 1 June, 15:00-17:00 CEST	