

FRANCESCA DELLA RATTA RINALDI

**THE HYBRID FIGURES OF SELF-EMPLOYMENT: THE
NEW ILO CLASSIFICATION ON LABOUR STATUS
(ICSE18)**

8th INTERNATIONAL ASTRIL CONFERENCE

Rome, 24 January 2025



CONTENTS

BOUNDARY BETWEEN SELF-EMPLOYED AND EMPLOYEES

OFFICIAL STATISTICS AND NEW CLASSIFICATION

ITALIAN DATA

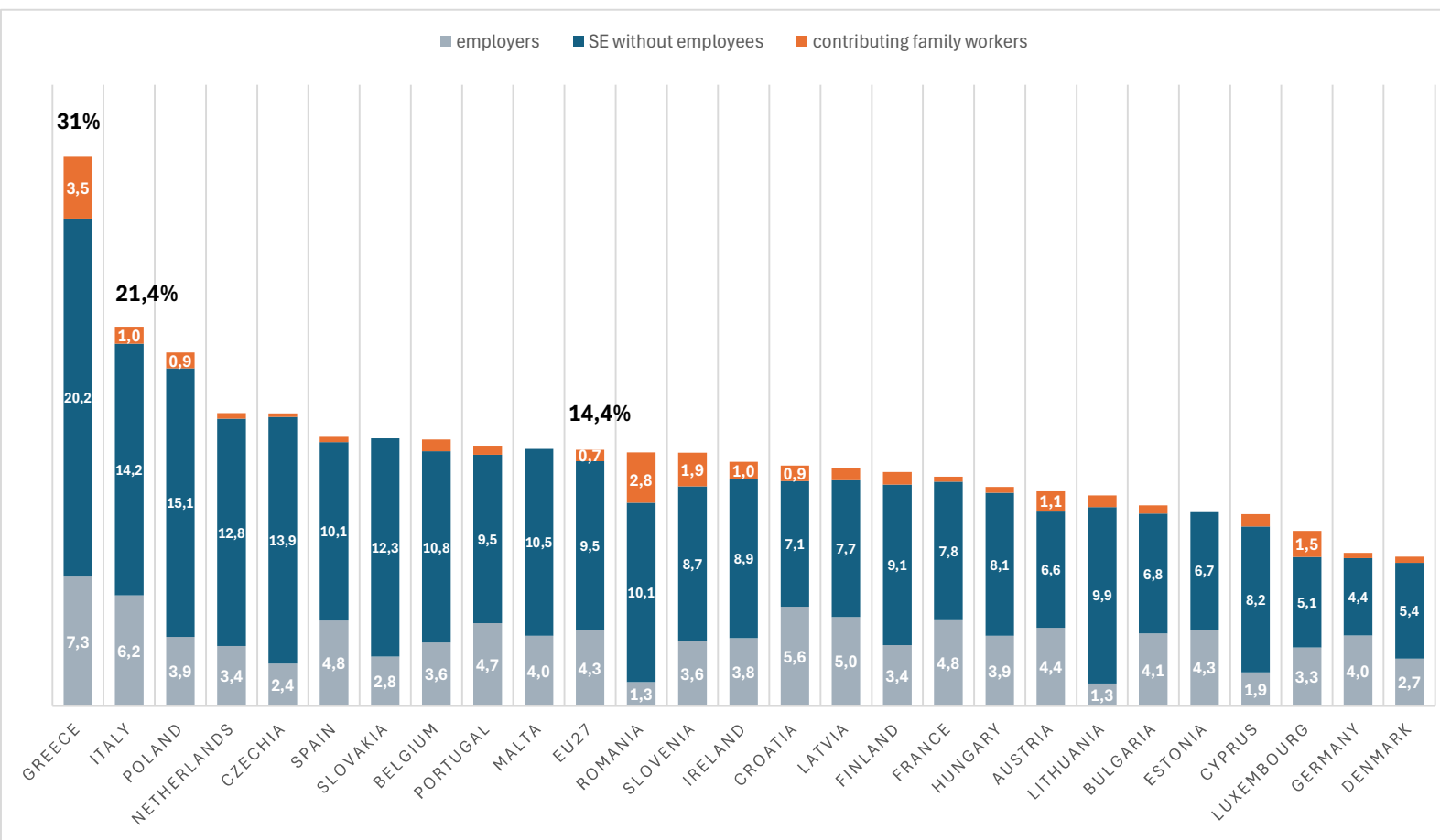
CONCLUSIONS



- The term self-employment is often used as **opposed** to employment (not-employees)
- Self-employed workers constitute a heterogeneous group that is characterised by the coexistence of **very different figures**: from the more traditional self-employed, often with employees, to more hybrid figures with several points in common with employees
- The discussion about classification of **platform workers** is actually much broader
- Also due to outsourcing processes, it is increasingly easy to come across **grey areas** where **formally self-employed** workers experience conditions of economic or organisational dependence by their clients
- In recent years, international official statistics have been discussing a more adequate definition of the boundary between the self-employed and employees because hybrid, borderline figures with some points in common with employees (but **less social protection**) are increasing



Self employed (15 years and more) in Europe – Year 2023 (percentage values of the total number of employed people)



An important aspect for the Italian labour market due to the high incidence of self-employment



Source: Eurostat, Labor force Survey

Some step

2015-
2017

- European LFS ad hoc module (2017) on self-employed, finalised to detect the *dependent self-employed* (DSE), as self-employed with less autonomy and dependency from a main client. DSE are self-employed without employees that in the previous 12 months had a **main client** (almost 75% of earnings) who can **decide working times** (the start and the end of the working day) (In Italy 218 thousand, the 6% of self-employed without employees)

2018

- The ILO, during the 20th ICLS (International Conference of Labour Statisticians), after a long preparatory work, adopted a resolution for a new classification of employment status (ICSE18, replacing ICSE93) that recognised the need to remove **dependent contractors** from the self-employed, to be placed **among subordinate** figures (alongside employees and family workers)

- Istat introduced ILO questions to detect dependent contractors

2021

- Eurostat launches the work of a task force finalised to translate the new ICSE18 into the new Labour Force Survey in the future

2023

- ILO better defines criteria for detecting DCs and introduces the new classification in all 2023 ICLS analyses

2022-
2024

- Inapp inserted as well the questions useful to detect the number of DC, in the PLUS survey (2022 and 2024) and in the forthcoming QdL (2025)



ICLS 2018

ICSE93

1. **Employers**
self-employed with employees
2. **Own-account workers**
self-employed without employees
- 3 **Employees**
4. **Members of producers' cooperatives**
5. **Contributing family workers**

Two criteria to define independent/dependent difference:
type of authority/control over one's work and level of economic risk (salary or profit)

How translate it in Italian?

ICSE18

Independent workers

- A Employers
- B Independent workers without employees

Dependent workers

- C Dependent contractors
- D Employees
 - 41 Permanent employees
 - 42 Fixed-term employees
 - 43 Short-term and casual employees
 - 44 Paid apprentices, trainees and interns
- E Contributing family workers

Dependent contractors: workers who **depend** on another **organisational unit** to **perform** their work or to **access** the market

ICSE-18 dichotomy between Independent workers and Dependent workers based on type of authority

<i>Independent workers</i>	<i>Dependent workers</i>
<ul style="list-style-type: none">• Own the economic units in which they work, and control its activities• Make the most important decisions about the activities of the economic unit and the organization of their work• Are not supervised by other workers• Are not dependent on a single other economic unit or person for access to the market, raw materials or capital items• May work on their own account or in partnership with other independent workers and may or may not provide work for	<ul style="list-style-type: none">• Do not have complete authority or control over the economic unit in which or for which they work• If employed for profit they have no employees• Do not make the most important decisions about the activities of the economic unit for which they work,• They include:<ul style="list-style-type: none">- Dependent contractors- Employees- Contributing Family Workers

ILO: dichotomies based on type of authority and type of economic risk



Two forms of dependency

Economic

All or most of the self-employed worker's income is derived by a main client/client/intermediary

or

there is no full freedom of access to the market (e.g. impossibility to determine independently the prices of the goods or services produced)

Higher economic risk linked to possible fluctuations in demand

Organisational

the worker is strongly integrated into the organisation of the client/customer, who decides how, where and when the work is to be done (definition of times and places, but also ownership of tools)

The intensity of these two forms of dependency is decisive in determining the degree of autonomy of the worker



Measurement

2018

Price control approach

DC= self-employed workers without employees who have no autonomy in pricing their work

Organisational dependence elements, e.g. number of customers, time and location constraints, ownership of work tools and payment of social security contributions, are also useful

2023

Two step approach

1. Identification of **dependency relationship** (main customer, sole supplier, customer intermediary)

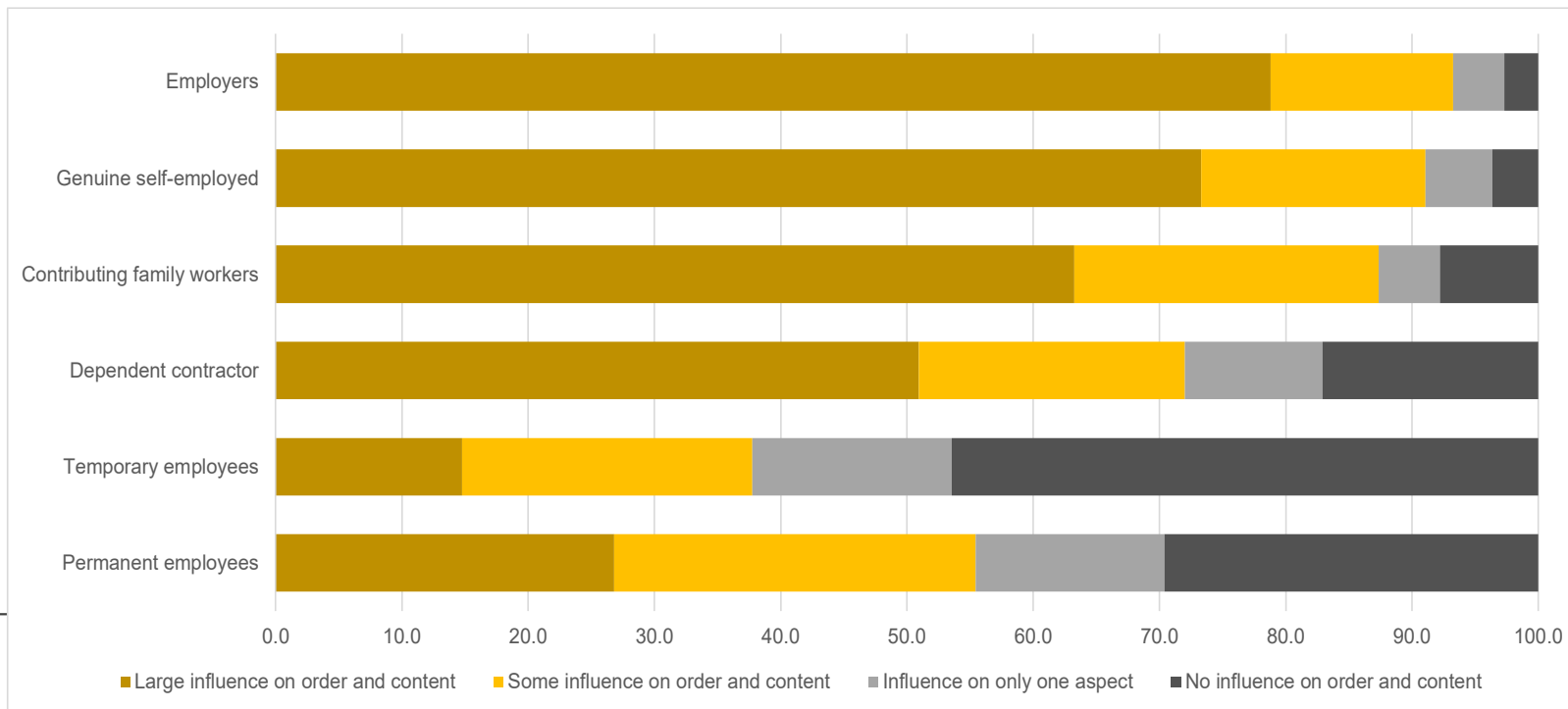
2. presence of elements of **operational or economic dependency** (whether the client decides where, when or how the work is to be done and/or whether it defines the prices of the products or services offered)

DC= self-employed without employees who are dependent on a main client (or an intermediary) and have at least one element of dependency



Istat LFS

- 2019-2022 ISTAT tested the first ILO questions using price control approach to detect **dependent contractors**
- Are you free to price your work? And if no, who decides?
If **clients or third part** => dependent contractors
- 461 thousand in 2019, the 12% of self-employed without employees
- In 2022 457 thousand (the 14%), decreasing on 2021. More women, young people 15-34, medium or high educational qualifications (technical professions, trade and business services)



In the 2019 data, the LFS autonomy indicators show DCs in an intermediate position between the genuine self-employed and employees



Source: Istat, LFS 2Q2019

Two step approach 2023

Test Istat dati
2022

Dependent contractors using different criteria proposed by ILO–2022 (Source Istat, RCFL)

Characteristics	V.A. (thousand)
Self-employed without employees who have earned more than 50 per cent of their income from a main client in the last 12 months	788 thousand (23,7% of self-employed without employees)
Of which with at least one limitation:	537 thousand (15,2%)
Working place	396 thousand
Working hours	291 thousand
Not pricing the work	237 thousand
Tool ownership	194 thousand



Among **2.5 million** self-employed without employees, **13.5%** declared a main client in the last 12 months (from whom they derive at least 75% of their income)

Of these:

320,000 present a sign of dependency too (6.5% independents without emp)

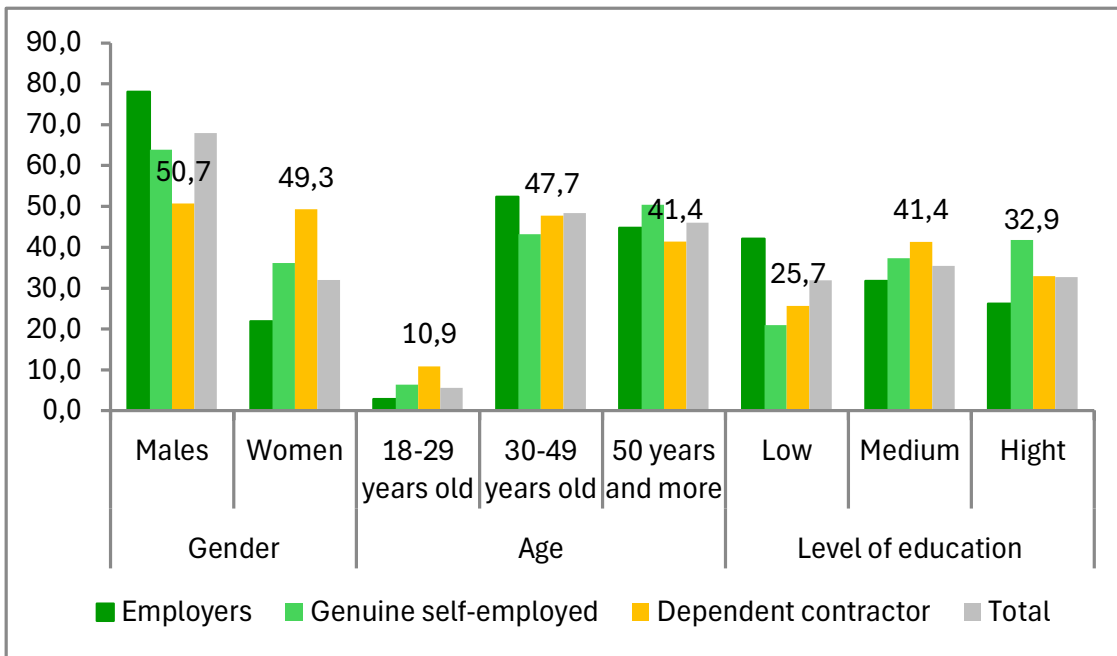
Dependent contractors in the strict sense

It was decided to include also 643 thousand collaborators who, even without having declared a main client, present at least one sign of dependency (7 out of 10 more than 1)

Extended dependent contractor: 964 thousand workers (19.6% self-employed without employees)



Self-employed by status in employment and characteristics (%)

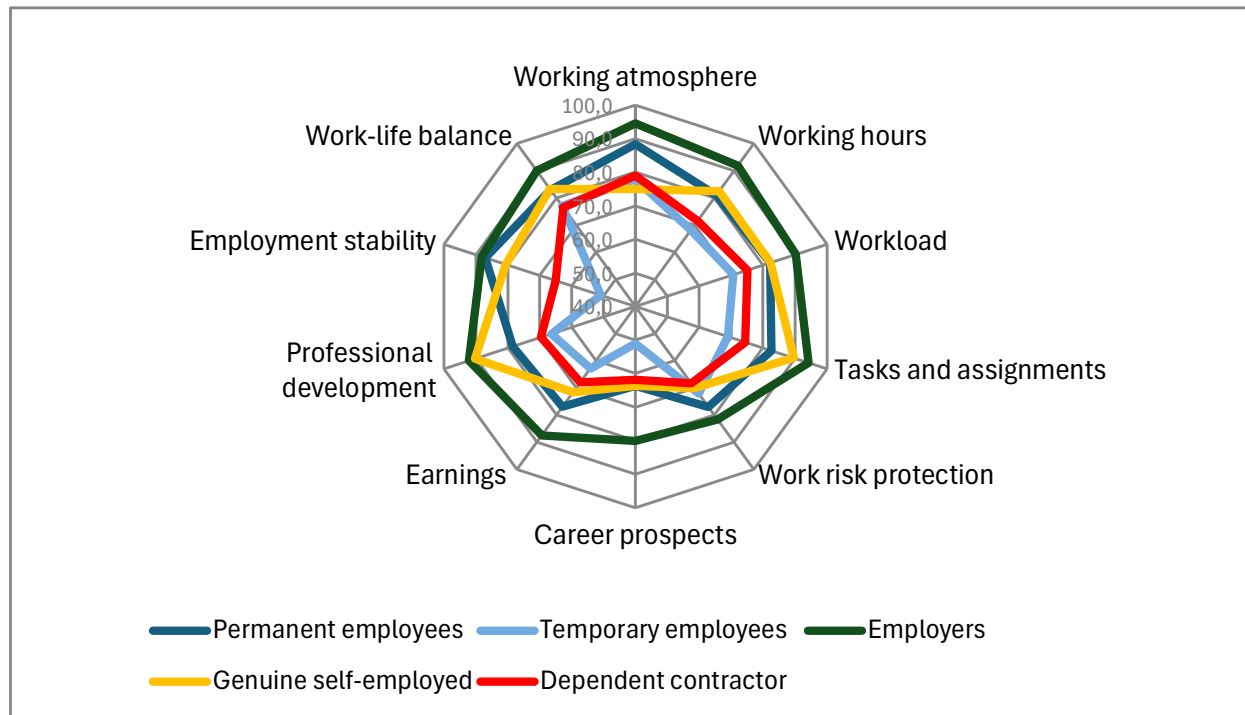


Source: Inapp-Plus Survey 2022

- More women, 18-29 year olds, graduates
- Sectors: high incidences business services, communications, transport, health and education
- They also work in the public sector (7.2% compared to 1.6% total)
- Most common professions: call center workers, information processing technicians, interpreters and translators, porters, delivery workers and non-competitive sports instructors
- 37% forced into this form of contract by their client
- Shorter hours than genuine self-employed
- Lower incomes: more than half up to 15 thousand euros per year (41% average self-employed) and 23% between 15 thousand and 25 thousand (average 17.5%)



Employed declaring high and medium-high on several aspects



Job satisfaction data shows a more critical situation amongst dependent contractors (in red)

Worse situation only among fixed-term employees

Similar aspects with genuine self employed only about income and job security protection



Economic and organisational dependency by type of SE (%)

	Total SE	Employers	Genuine self-employed	Dependent contractor		
				Total	collab.	<i>of which</i> in the narrow sense
Carries out his/her tasks independently without using the work of others	71,1	71,8	73,4	67,6	71,6	59,6
Has agreed a daily work schedule with the client/customer	34,3	28,1	17,4	60,7	54,1	73,9
Performs repetitive tasks	48,4	51,4	39,8	55,0	52,0	61,0
Has to ensure presence at his client's/customer's premises	46,0	52,1	32,8	54,3	53,0	56,8
Uses tools or facilities of the client/customer	35,7	40,0	21,2	47,4	46,0	50,2
Performs similar duties to fellow employees	40,6	52,3	27,6	42,2	38,0	50,6
Can define the remuneration for his work independently of the client/customer	50,4	57,6	57,1	34,6	40,9	22,1

Source: Inapp-Plus Survey 2022



Conclusions

- Boundary between self-employed and employees are not easy to define (there are also hybrid workers who experience both conditions)
- Shares of autonomy also among employees (remote work)
- In grey areas, where hybrid figures are found, there are greater risks of vulnerability: access to protection
- Employers' preference to use formally self-employed figures (platforms)
- Often workers mainly require access to social protection
- New universalist season in labour law and EU directives
- Need to fight false self-employment but also to extend protections



Conclusions

Official statistics: continue experiment

Difficult relation with administrative data

INAPP surveys continue to experiment: QdL survey will try to detect these figures too

[Inapp report Inapp](#): INAPP, della Ratta-Rinaldi F. (a cura di) (2024), *Riflessioni sulla qualità del lavoro autonomo, fra aspetti regolativi ed evidenze empiriche comparate*, Inapp Report n. 49, Roma Inapp



THANK YOU FOR YOUR ATTENTION

f.dellaratta@inapp.gov.it



www.inapp.gov.it

Occupations

- Dimostratori e professioni assimilate
- Addetti al recupero crediti
- Addetti all'informazione nei Call Center
- Venditori a domicilio o a distanza
- Professioni tecnico sanitarie
- Addetti alle consegne
- Professioni sanitarie infermieristiche ed ostetriche
- Rappresentanti di commercio
- Camerieri
- Agenti di commercio
- Istruttori di discipline sportive non agonistiche
- Agenti assicurativi
- Agenti immobiliari
- Conduuttori di mezzi pesanti e camion
- Professioni sanitarie riabilitative
- Traduttori

Sometimes there is false self-employment but not ever

