**UNDEREMPLOYMENT**

Concepts and definitions
Survey questions and flow charts
Implementation issues
Derived variables and indicators

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**WHY DO WE NEED STATISTICS ON UNDEREMPLOYMENT?**

- **Unemployment statistics are insufficient to explain the labour market**
  - Lack of unemployment relief programmes
  - Persons in self-employment jobs
  - Traditional work arrangements
  - Structural adjustments
  - Reduction in demand for labour

- **Need for sub-classification of employed persons**
  - Persons in partial lack of work
  - Persons in inadequate forms of work
THE POLICY BASIS

Employment policy Convention (n. 122) and recommendations (n. 122, 169):
- promotion of “full, productive and freely chosen employment”
  - Work for all who are available for and seeking work
  - Work which is as productive as possible
  - Work freely chosen by workers in accordance with skills and endowments for a job which is well suited
  - Need for statistics on employment, unemployment and underemployment

WHAT IS UNDEREMPLOYMENT?

- Reflects the underutilisation of the productive capacity of persons in employment
- Is part of and consistent with the labour force framework
  - Uses “labour supply” approach: based on actual capacities and desires of workers, as expressed by workers
  - Not based on theoretical models about the potential capacities and desires of workers
- Can take several forms
  - Time-related
  - Skill-related
  - Income-related
UNDEREMPLOYMENT IN THE INTERNATIONAL CONFERENCE OF LABOUR STATISTICIANS

- Together with employment and unemployment
  - 6th ICLS (1947)
  - 8th ICLS (1954)
  - 13th ICLS (1982)
  - 19th ICLS (2013) *

- As a subject of its own
  - 9th ICLS (1957)
  - 11th ICLS (1966)
  - 16th ICLS (1998)
  - 18th ICLS (2008) - labour underutilization

CURRENT INTERNATIONAL STANDARDS (16TH ICLS)

- General definitions
  - Underemployment
  - Time-related underemployment
  - Inadequate employment (skills, income, etc.)

- Operational definition of time-related underemployment

- Analytical groups

- Indicators

- Cross-classifications
GENERAL DEFINITION OF UNDEREMPLOYMENT

- Underemployment reflects...
  Underutilisation of the productive capacity of the employed population
  In relation to an alternative employment situation
  In which persons are willing and able to engage

GENERAL DEFINITION OF TIME RELATED UNDEREMPLOYMENT

- Time-related underemployment exists
  When the hours of work of an employed person are insufficient
  in relation to an alternative employment situation
  in which the person is willing and available to engage
GENERAL DEFINITION OF INADEQUATE EMPLOYMENT SITUATIONS

- Inadequate employment exists when capacities and well being of workers are affected in relation to an alternative employment situation. In areas such as: mismatch of occupational skills, income, excessive hours, precarious job, etc.

UNDEREMPLOYMENT IN THE LABOUR FORCE FRAMEWORK

<table>
<thead>
<tr>
<th></th>
<th>willing and Able</th>
<th>not willing or not able</th>
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</thead>
<tbody>
<tr>
<td>Working</td>
<td>UNDEREMPLOYED</td>
<td>Other employed</td>
</tr>
<tr>
<td>not working</td>
<td>Unemployed</td>
<td>Inactive</td>
</tr>
</tbody>
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OPERATIONAL DEFINITION OF TIME-RELATED UNDEREMPLOYMENT

Persons in time-related underemployment comprise all persons in employment who, during the reference period used to define employment,

1. were willing to work additional hours,
2. available to work additional hours,
3. and whose hours actually worked in all jobs during the reference period were below a threshold to be chosen according to national circumstances.

WILLINGNESS TO WORK ADDITIONAL HOURS

★ When a person wants ...
   Another job (or jobs) in addition to the current job(s) to increase the total hours of work
   To replace any of the current jobs with another job (or jobs) with increased hours of work
   To increase the hours of work in any of the current jobs
   Or a combination of these

★ Persons who actively sought to work additional hours should be separately identified