



# Measures of labour underutilization: Time-related underemployment

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## Contents

- Time-related underemployment
- Inadequate employment situations



## Relevant international statistical standards

- **Working time**
  - Resolution concerning measurement of working time (18<sup>th</sup> ICLS, 2008)
    - Concepts, definitions, operational guidelines, indicators
- **Time-related underemployment**
  - Resolution concerning statistics of work, employment and labour underutilization (19<sup>th</sup> ICLS, 2013)
- **Inadequate employment situations**
  - Resolution concerning measurement of underemployment and inadequate employment situations (16<sup>th</sup> ICLS, 1998)



## Working time

Scope and components

Concepts for measurement in household surveys

Measurement issues



## Working time Scope and components

- **Working time** comprises
  - Time associated with different forms of work
    - Working time in employment, in own-use production work, ...

AND

- Arrangement of working time
  - Organization and scheduling of working time

Measured over a given reference period,  
in respect to a specific job/work activity



## Working time 7 concepts & measures

- **Hours actually worked**
- Hours paid for
- Normal hours of work
- Contractual hours of work
- **Hours usually worked**
- Overtime hours of work
- Absence from work hours

-Not all are relevant to all jobs or work activities



## Main working time concepts measured in household surveys

- **Hours actually worked**

- Basis for computation of estimates of labour input into production
- Used in computation of labour productivity indicators

Requires measurement using continuous LFS (every week)  
Else, need adjustments for possible working-time variations in the year

- **Hours usually worked**

- Relevant for assessments of working conditions
  - Excessive working time (persons working 48+ hours per week)
  - Structural situations of time-related underemployment



## Hours actually worked Definition

Time spent in a job (or work activity) in the  
**performance** of activities that **contribute to  
the production** of goods and services  
during a specified reference period

*Para. 11, Resol. I (18<sup>th</sup> ICLS, 2008)*

**Includes:**

- Direct hours, related hours, down time, resting time

**Excludes:**

- Annual leave, public holidays, sick leave, any other leave paid or unpaid
- Commuting time between work-home if no productive activity performed
- Time spent in educational activities



# Time-related underemployment

Scope and components  
Concepts for measurement in household surveys  
Highlighted indicators  
Implementation issues



## Time-related underemployment (TRU) Scope & relevance

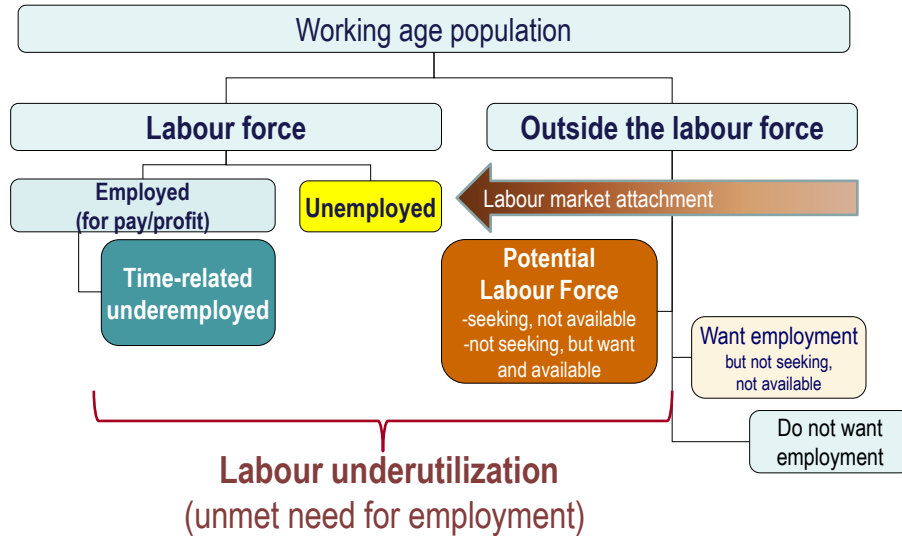
Reflects a situation when  
the working time of persons in employment  
is insufficient in relation to alternative employment situations  
they are willing and available to engage

*Para 40. Resol. 1, (19<sup>th</sup> ICLS, 2013)*

- Focuses on insufficient working time
- To be disseminated together with unemployment rate
- Does not capture other dimensions of underemployment  
(e.g. due to skills mismatches or low remuneration)



## Time-related underemployment: Main component of labour underutilization



## Illustration: Time-related underemployment Namibia, 2013 Labour Force Survey

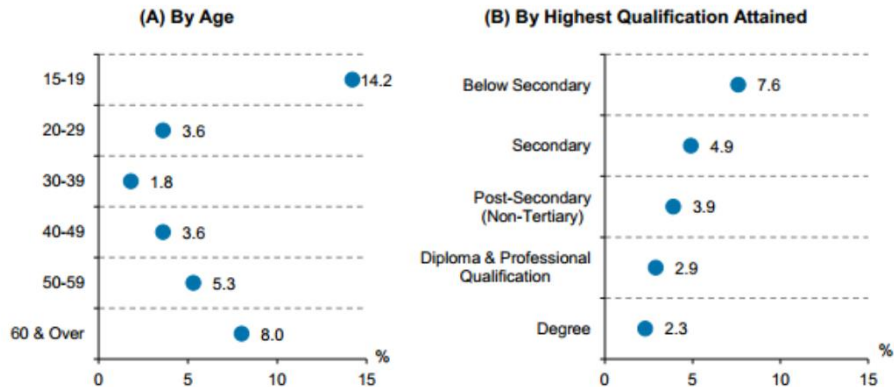
Table 4.13. Time-related underemployment rate by status in employment and sex

| Status in employment       | Female         |                |            | Male           |                |            | Both Sexes     |                |            |
|----------------------------|----------------|----------------|------------|----------------|----------------|------------|----------------|----------------|------------|
|                            | Employed       | Under employed | %          | Employed       | Under employed | %          | Employed       | Under employed | %          |
| Subsistence With Employees | 2 349          | *              | *          | 3 198          | 163            | 5.1        | 5 547          | 357            | 6.4        |
| Subsistence No Employees   | 81 654         | 3 090          | 3.8        | 42 078         | 2 126          | 5.1        | 123 732        | 5 216          | 4.2        |
| Other Employer             | 5 431          | *              | *          | 10 794         | 132            | 1.2        | 16 225         | 231            | 1.4        |
| Other Own Account          | 46 115         | 3 394          | 7.4        | 24 843         | 1 491          | 6.0        | 70 958         | 4 885          | 6.9        |
| Domestic Worker            | 27 052         | 2 624          | 9.7        | 11 034         | 951            | 8.6        | 38 086         | 3 575          | 9.4        |
| Other Employee             | 161 680        | 3 087          | 1.9        | 238 749        | 3 945          | 1.7        | 400 429        | 7 033          | 1.8        |
| Unpaid Family Subsistence  | 14 667         | 1 428          | 9.7        | 10 180         | 1 063          | 10.4       | 24 847         | 2 491          | 10.0       |
| Unpaid Family Other        | 4 154          | *              | *          | 2 802          | 319            | 11.4       | 6 955          | 552            | 7.9        |
| Other                      | *              | *              | *          | *              | *              | *          | *              | *              | *          |
| DontKnow                   | *              | *              | *          | *              | *              | *          | 1 522          | *              | *          |
| <b>Total</b>               | <b>344 396</b> | <b>13 624</b>  | <b>4.0</b> | <b>344 889</b> | <b>10 191</b>  | <b>3.0</b> | <b>689 285</b> | <b>24 339</b>  | <b>3.5</b> |



## Illustration: Time-related underemployment Singapore, 2013 Labour Force Survey

Chart 22: Time-Related Underemployment Rate Among Employed Residents, June 2013



Source: Singapore LFS Report 2013



## Time-related underemployment Definition

- Employed persons who in the reference period:
  1. **Wanted to work additional hours**
    - In same, other or additional jobs
  2. **Working time in all jobs < threshold**
    - Hours **actually or usually** worked in all jobs, depending on objective
    - Threshold(s): full/part-time boundary OR median/modal value of **hours usually** worked by all/specified persons in employment
  3. **Available to work additional hours in subsequent period**
    - **Short** as per national circumstances
    - To take account of time required to **change jobs**



## Relevant sub-groups

1. **Persons in TRU who usually work less than N hours' threshold**
  - Based on hours usually worked
  - Focuses on structural (long-term) situations of TRU
2. **Persons in TRU, who in reference period were**
  - **Not at work** or **had reduced working time** (i.e. < hours' threshold)
  - Due to **reduced economic activity**
    - Temporary layoff or slack work, disorganization / suspension of work due to mechanical, electrical breakdown, shortage of raw materials, clients
  - Based on hours actually worked, requires also knowing the reasons.
3. **Persons in TRU who sought to work additional hours in last 4 weeks**
  - Reflects sub-group putting pressure on labour market



## Zimbabwe, 2013 LFS

Table 7. 1: Percent Distribution of Population Aged 15 Years and Above Working Less Than 40 Hours a Week and Wanting to Work More Hours by Reason For Not Working More Hours, Zimbabwe 2011

| Reasons                                       | Sex          |              |               | Total         |                |
|---|--------------|--------------|---------------|---------------|----------------|
|   | Male         | Female       | Percent       | Percent       | Number         |
| <b>Involuntary</b>                            |              |              |               |               |                |
| Cannot find more work, lack of business       | 50.48        | 49.52        | 100.00        | 46.50         | 443 465        |
| Lack of finance, raw materials                | 41.38        | 58.62        | 100.00        | 5.83          | 55 582         |
| Breakdown of machinery, electrical fault, etc | 69.70        | 30.30        | 100.00        | 0.53          | 5 086          |
| Off-season, inactivity                        | 49.94        | 50.06        | 100.00        | 10.32         | 98 386         |
| Industrial disputes, strike, laid-off         | 43.06        | 56.94        | 100.00        | 0.21          | 1 981          |
| Transport constraints                         | 23.37        | 76.75        | 100.00        | 0.09          | 843            |
| Illness, injury                               | 33.01        | 66.99        | 100.00        | 6.95          | 66 300         |
| Other involuntary reason                      | 36.06        | 63.94        | 100.00        | 3.04          | 28 979         |
| <b>Total</b>                                  | <b>47.52</b> | <b>52.48</b> | <b>100.00</b> | <b>73.47</b>  | <b>700 622</b> |
| <b>Voluntary</b>                              |              |              |               |               |                |
| Household duties                              | 19.06        | 80.94        | 100.00        | 16.42         | 156 566        |
| Student, unpaid training                      | 61.32        | 38.68        | 100.00        | 3.50          | 33 360         |
| Vacation, family reason                       | 49.64        | 50.36        | 100.00        | 3.87          | 36 878         |
| Other voluntary reason                        | 51.76        | 48.24        | 100.00        | 1.60          | 15 217         |
| Not Stated                                    | 51.69        | 48.31        | 100.00        | 1.15          | 10 986         |
| <b>Total</b>                                  | <b>32.47</b> | <b>67.53</b> | <b>100.00</b> | <b>26.53</b>  | <b>253 007</b> |
| <b>Grand Total</b>                            | <b>43.53</b> | <b>56.47</b> | <b>100.00</b> | <b>100.00</b> | <b>953 629</b> |

Persons in TRU, who in reference period ...

- (1) were not at work or had
- (2) reduced working time

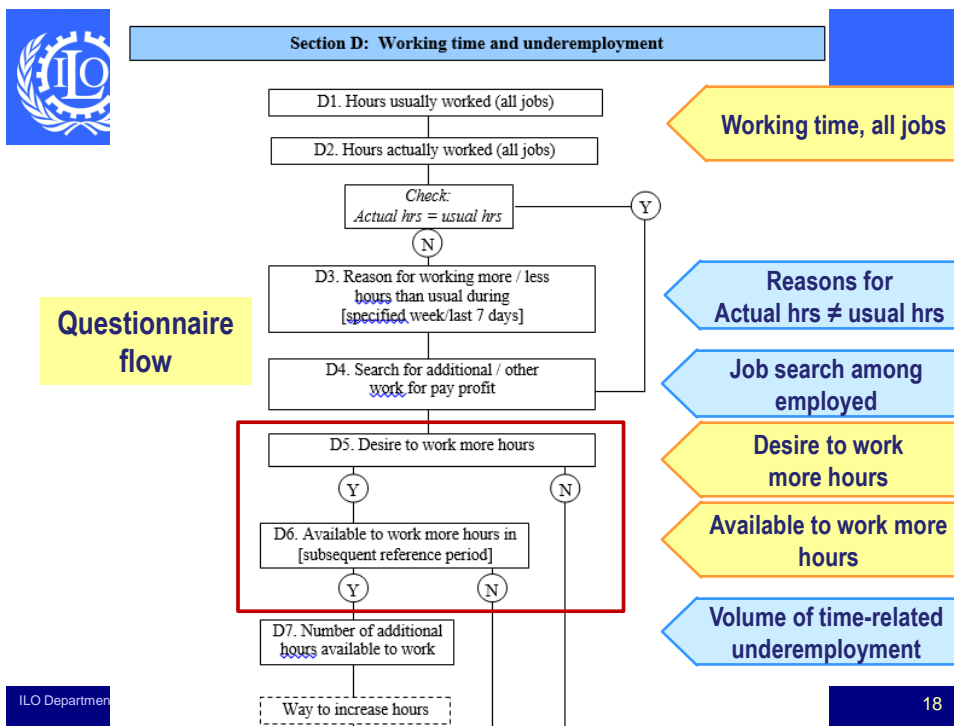
due to reduced economic activity





# Implementation issues

- Questions should be asked to ALL employed persons, after the questions on main job and secondary jobs, and working time
- Requires good recording of hours usually / actually worked in all jobs
  - Main job, second job & other jobs
  - Important to check total hours for ALL jobs
- Hours' threshold should be established based on analysis of working time patterns in different industries, by different worker groups, etc.
  - Eg. a different threshold may be used for workers in agriculture / Non-agriculture
- Hours' threshold should be applied only during data processing



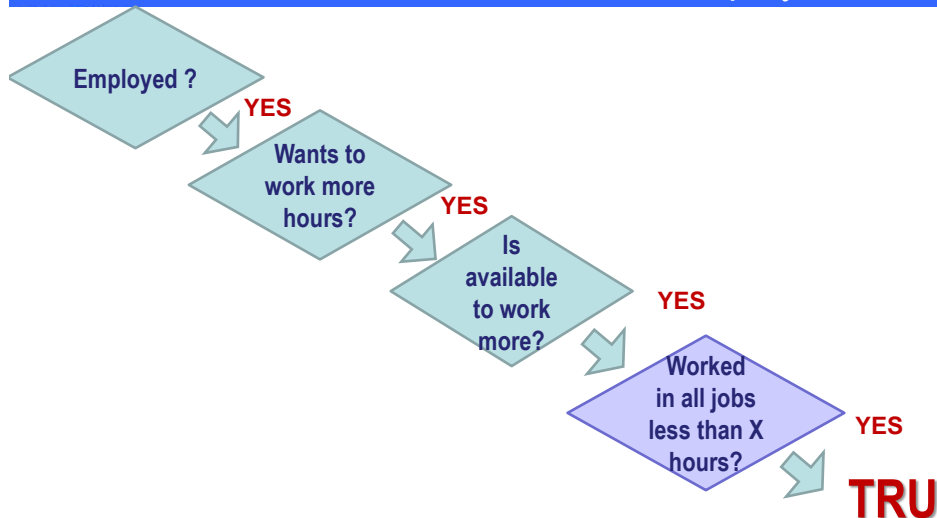


## Sample questions (2): Desire & availability to work more hours

- Does [NAME] want to work more hours than he/she usually works in all of his/her jobs, provided the extra hours are paid?  
01 Yes  
02 No
- If an opportunity for additional work became available, could [NAME] start working more hours within the next two weeks?  
01 Yes  
02 No



## Computation of derived variable: Persons in time-related underemployment





## Inadequate employment situations

Inadequate employment exists when capacities and well-being of workers are affected in relation to an alternative employment situation

In which persons are willing to engage

Areas may include: mismatch of occupational skills, income, excessive hours, variable/inconvenient work schedules, ...



## Sample questions: Inadequate employment situations

- Does (NAME) want to change his/her current employment situation?
  - Yes
  - No → Next section
- What is the main reason why (NAME) wants to change his/her current employment situation?
  - Present job is/are temporary
  - **To have a higher paying job**
  - To have more clients / business
  - To work more hours
  - To work fewer hours
  - **To better match/use skills**
  - To improve other working conditions
  - Other (specify)



## Group exercise: Working time & Time-related underemployment

- Review the relevant sections of the national LFS questionnaires
- Compare the questionnaires and reply to the following questions:
  1. **Is working time measured?**
    - Identify the relevant questions in each LFS
    - Are there any differences in measurement across countries? Explain
    - Identify a good practices and a common concern
  2. **Is time-related underemployment measured?**
    - Identify the relevant questions in each LFS
    - Are there any differences in measurement across countries? Explain
    - Identify a good practices and a common concern
  3. **Is this measure useful / relevant in your national context?**
    - Why? If yes, what for?



THANK YOU!  
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