



HELLENIC REPUBLIC



HELLENIC STATISTICAL AUTHORITY

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## PRESS RELEASE

### Labour Force Survey: Indicators on Underemployment and Potential Additional Labour Force

The classical description of employment status is implemented by classifying the population in 3 distinct categories: employed, unemployed and inactive.

The unemployment rate is the most widely used labour market indicator, reflecting a wide range of economic and social aspects (e.g. labour underutilization, risk of poverty and social exclusion, etc.)

However, with an increasingly fragmented and diversified labour market and the strongly varying degrees of attachment to it, it is becoming more difficult to describe all these aspects using the unemployment rate alone.

For this reason, Eurostat decided to produce 3 new indicators, to supplement the unemployment rate, which are covering persons that do not fulfill all the criteria of the unemployment definition of the International Labour Organization but they share some characteristics with the unemployed.

These three indicators refer to **underemployed part-time workers**, the persons who are **seeking work but are not immediately available** and the persons who are **available to work but are not seeking work**. Each indicator is defined as the percentage of the relevant category over the total labour force.<sup>1</sup>

The first indicator (underemployed part-time workers) covers persons who, although employed, have insufficient volume of work, and are in this respect similar to unemployed persons. The next two indicators, which are called collectively the **potential additional labour force**, are covering persons that are not part of the standard labour force, but have a stronger attachment to the labour market than other economically inactive persons.

Contact person: Stelios Zachariou

Phone number : 213 135 2173

Fax: 213 135 2948

E-mail: zacharis@statistics.gr

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<sup>1</sup> Complete definitions are provided in the explanatory notes at the end of the press release

## Underemployment indicator: Underemployed part-time workers

Underemployed part-time workers are a subset of the persons that are considered as employed according to the International Labour Organization definition and include persons that are working part-time, wish to work more hours and are readily available to work more. Table 1 presents the evolution of the number of underemployed part-time workers during the period 2010 – 2013 (2nd Quarter) and the corresponding percentage over the labour force.

**Table 1. Underemployed part-time workers**

	2010				2011				2012				2013	
	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
<b>Underemployed part-time workers (thousands)</b>	130.0	132.6	135.1	142.7	153.0	152.8	159.9	169.9	171.7	177.8	194.9	216.7	222.2	213.9
<i>Percentage over the labour force</i>	2.6	2.6	2.7	2.8	3.1	3.1	3.2	3.4	3.5	3.6	3.9	4.4	4.5	4.3

## Indicators of the potential additional labour force: Persons that are looking for work but are not available and persons available but are not looking for work.

Potential additional labour force comprised of two groups of persons: The first group includes persons that are looking for a work but are not readily available to start working (in case they find a job) and the second group includes persons that are not looking for a job but they wish to work and they would be available to work if they had the chance.

According to the standard definition of unemployment, these persons are classified as inactive, and although they are not so strongly attached to the labour market as the unemployed, they are closer to the labour market compared to other inactive persons. Table 2 presents the evolution of the volume of the potential additional labour force during the period 2010 – 2013 (2nd Quarter) and the corresponding percentage over the labour force.

**Table 2. Potential additional labour force**

	2010				2011				2012				2013	
	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
<b>Persons looking for work but not available to work (thousands)</b>	19.4	15.0	14.8	19.3	19.7	14.7	19.1	34.3	36.6	29.5	32.6	44.6	48.7	38.3
<i>Percentage over the labour force</i>	0.4	0.3	0.3	0.4	0.4	0.3	0.4	0.7	0.7	0.6	0.7	0.9	1.0	0.8
<b>Persons available but not looking for work (thousands)</b>	55.2	54.9	54.1	57.7	60.7	65.9	61.0	68.9	84.7	85.7	98.9	95.7	106.2	96.7
<i>Percentage over the labour force</i>	1.1	1.1	1.1	1.2	1.2	1.3	1.2	1.4	1.7	1.7	2.0	1.9	2.1	1.9

During the period 2010 – 2013 (2nd Quarter), all three indicators – that is, Underemployed part-time workers, Persons looking for work but not available and Persons available but not looking, show an increase that is comparable to the increase of unemployment rate: the increase in the corresponding percentage over the labour force ranges for 64.5% to 96.4% (Graph 1).

**Graph 1. Rate of increase (%) for Underemployed part-time workers, Potential additional labour force and Unemployed: 2010 – 2013, 2<sup>nd</sup> quarter.**

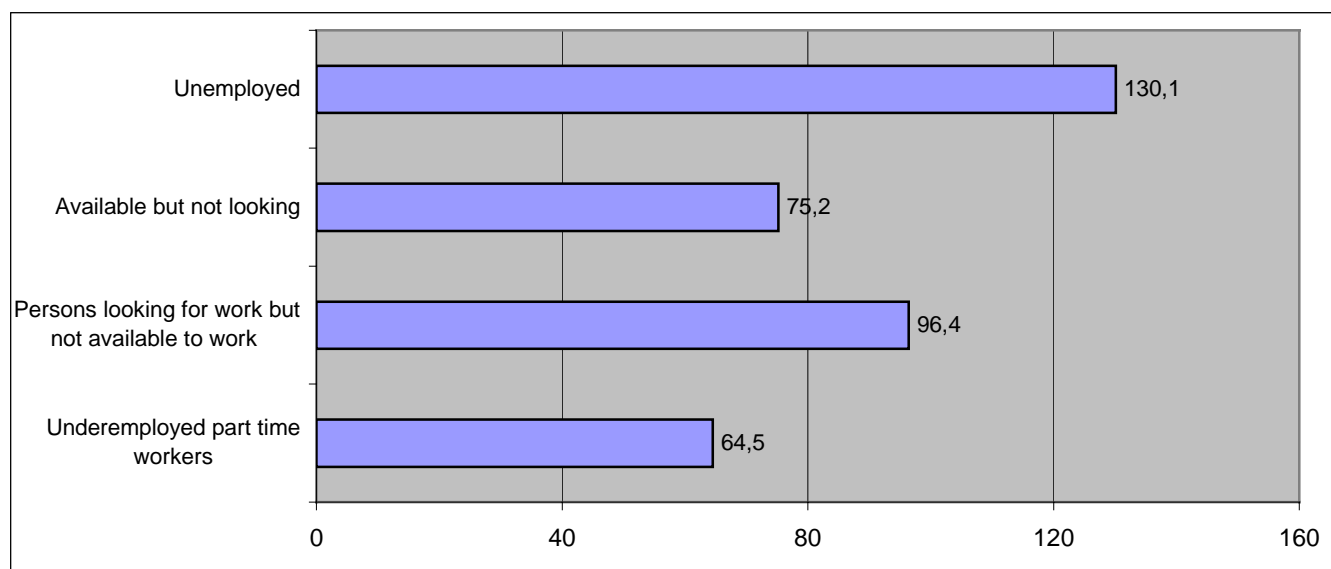


Table 3 presents the relation between the new indicators and the standard employment status. Underemployed part-time workers are a subset of employed, while the potential additional labour force is a subset of inactive persons.

**Table 3. New indicators and employment status according to ILO definitions . (2<sup>nd</sup> quarter 2013)**

Employed, not underemployed	3,418.3	EMPLOYED
Underemployed part-time workers,	213.9	
Unemployed	1,350.4	UNEMPLOYED
Persons looking for work but not available	38.3	INACTIVE
Persons available but not looking	96.7	
Other inactive	4,280.2	

The indicators of underemployed part-time workers and of the potential additional labour force are strongly correlated with gender as higher values are systematically recorded for women. With regard to age, we see that the indicators of underemployed part-time workers and of the persons that are looking for work but are not available both decrease with age, while the indicator of persons that are available but not looking for work is higher for younger persons, decreases after the age of 25 and increases again after the age of 45 (Table 4).

**Table 4. Percentage over the labour force of underemployed part time workers and potential labour force. (Mean yearly values for 2012.)**

Age	Underemployed part-time workers (% over labour force)			Persons looking for work but not available (% over labour force)			Persons available but not looking (% over labour force)		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
15-19	4.4	5.3	4.8	3.6	3.2	3.4	12.6	12.2	12.4
20-24	5.4	6.9	6.1	2.0	1.8	1.9	3.3	4.6	3.9
25-29	4.1	8.0	5.8	0.6	0.9	0.7	0.8	1.9	1.3
30-44	2.7	4.9	3.6	0.3	1.1	0.6	0.5	2.5	1.4
45-64	2.2	4.5	3.1	0.4	0.8	0.6	1.0	3.2	1.9
65+	1.3	0.9	1.3	0.1	1.3	0.4	5.5	9.2	6.6
<b>Total</b>	2.8	5.3	3.8	0.5	1.0	0.7	1.0	2.9	1.8

The attachment to the labour market is strongly correlated to work experience. Underemployed part-time workers are much more likely to have been working up to 12 months, compared with the rest of the employed persons. The unemployed and the persons that are looking for work (but are not available to work immediately) are much more likely to have worked in the past compared with those inactive persons that are not looking for work and the other inactive.

**Table 5. Attachment to the labour market and work experience. (Mean yearly values for 2012.)**

	<i>Working more than 12 months (thousands)</i>	<i>%</i>	<i>Working up to 12 months (thousands)</i>	<i>%</i>
<i>Persons working, not underemployed</i>	3,345.0	93.6	266.9	6.4
<i>Underemployed part-time workers</i>	118.4	80.3	40.5	19.7
	<i>Have worked in the past (thousands)</i>	<i>%</i>	<i>Have not worked in the past (thousands)</i>	<i>%</i>
<i>Unemployed</i>	915.4	76.0	288.4	24.0
<i>Looking for work but not available</i>	27.6	76.9	8.3	23.1
<i>Available to work but not looking</i>	50.9	55.8	40.4	44.2
<i>Other inactive</i>	2,424.9	56.7	1,854.6	43.3

**Table 6. Underemployed part-time workers and potential additional labour force. Mean yearly values for 2012 for all EU-countries, EFTA and candidate countries. (Source: Eurostat)<sup>2</sup>**

	Underemployed part-time workers		Looking for work but are not available to work		Available to work but not looking	
	Number of persons (thousands)	% over labour force	Number of persons (thousands)	% over labour force	Number of persons (thousands)	% over labour force
EUROPEAN UNION	9,185.2	3.8	2,279.1	0.9	8,752.0	3.6
AUSTRIA	145.6	3.3	38.5	0.9	144.4	3.3
BELGIUM	158.3	3.2	59.6	1.2	99.6	2.0
BULGARIA	27.5	0.8	26.0	0.8	270.2	8.1
FRANCE	1,143.6	4.0	444.0	1.6	285.4	1.0
GERMANY	1,809.6	4.3	507.9	1.2	561.7	1.3
DENMARK	87.8	3.0	24.1	0.8	68.7	2.4
GREECE	190.3	3.8	35.8	0.7	91.3	1.8
ESTONIA	10.4	1.5	2.6	0.4	40.5	5.8
UNITED KINGDOM	1,906.3	6.0	333.2	1.0	773.6	2.4
IRELAND	147.2	6.9	12.5	0.6	43.7	2.0
SPAIN	1,384.7	6.0	234.6	1.0	1,071.4	4.7
ITALY	604.9	2.4	111.1	0.4	2,975.2	11.6
CYPRUS	20.4	4.7	3.4	0.8	15.3	3.5
LATVIA	44.2	4.2	6.2	0.6	67.0	6.4
LITHUANIA	36.6	2.5	7.6	0.5	16.3	1.1
LUXEMBOURG	5.2	2.1	1.5	0.6	12.8	5.1
MALTA	5.1	2.8	0.5	0.3	4.7	2.6
NETHERLANDS	138.0	1.6	84.8	1.0	307.7	3.5
HUNGARY	86.1	2.0	11.0	0.3	214.6	4.9
POLAND	344.3	2.0	102.1	0.6	632.4	3.7
PORTUGAL	256.2	4.7	29.4	0.5	232.1	4.3
ROMANIA	239.1	2.4	:	:	457.8	4.6
SLOVAKIA	36.7	1.4	13.1	0.5	41.4	1.5
SLOVENIA	18.1	1.8	3.6	0.4	17.9	1.8
SWEDEN	237.1	4.7	100.7	2.0	133.8	2.6
CZECH REPUBLIC	26.6	0.5	17.4	0.3	61.6	1.2
FINLAND	75.3	2.8	62.9	2.3	110.9	4.1
Other countries						
SWITZERLAND	264.2	5.8	52.3	1.1	160.2	3.5
ICELAND	:	:	2.0	1.1	6.8	3.8
NORWAY	80.6	3.0	22.4	0.8	67.2	2.5
TURKEY	340.2	1.3	91.6	0.3	1,636.1	6.1

<sup>2</sup> Cells with(:) indicate missing or extremely unreliable data

	<b>EXPLANATORY NOTES</b>
<b>Labour Force Survey</b>	The Labour Force Survey produces estimates since 1981 (second quarter of the year). From 1998 onwards it is a continuous quarterly survey. The main statistical objectives of the Labour Force Survey is to divide the population of working age (15 years and over) into three mutually exclusive and exhaustive groups - persons in employment, unemployed persons and inactive persons. In addition, the Labour Force Survey collects information on demographic characteristics, on main job characteristics, on the existence and characteristics of a second job, on educational attainment, on participation in education, on previous working experience and on search of job.
<b>Reference Period</b>	The sample of the Labour Force Survey is equally allocated to the 4 (or 5) weeks of the month. Every selected household is assigned to a specific week, the reference week, running from Monday to Sunday.
<b>Definitions of employment status</b>	<p><b>Employed</b> are persons aged 15 years or older, who during the reference week worked, even for just one hour, for pay or profit or they were working in the family business, or they were not at work but had a job or business from which they were temporarily absent.</p> <p><b>Unemployed</b> are persons aged 15-74 who were without work during the reference week (they were not classified as employed), were currently available for work and were either actively seeking work in the past four weeks or had already found a job to start within the next three months.</p> <p><b>Inactive</b> are those persons who are neither classified as employed nor as unemployed.</p> <p><b>Economically active population (labour force)</b> are persons either employed or unemployed.</p> <p><b>Unemployment Rate:</b> Labour Force divided by unemployed.</p>
<b>Supplementary indicators</b>	<p><b>INDICATOR OF UNDEREMPLOYMENT</b></p> <p><b>Underemployed part-time workers:</b> persons aged 15-74, that were working during the reference week in a part time job, wished to work more hours and were available to work more.</p> <p><b>INDICATORS OF POTENTIAL ADDITIONAL LABOUR FORCE</b></p> <p><b>Persons looking for work but are readily available to work:</b> This group includes persons aged 15-74 that are not employed or unemployed and:</p> <ul style="list-style-type: none"> <li>- Were actively looking for work during the last 4 weeks, but were not available to start working in the next 2 weeks</li> <li>- Or, found already a job to start in less than 3 months but were not available to work in the next 2 weeks</li> <li>- Or, found a job to start in 3 months or more</li> <li>- Or were passively seeking work during the last 4 weeks and are available to work in the next 2 weeks (passive job search means that a person is just waiting for the results of previous actions – for example, waiting the results of a competition).</li> </ul> <p><b>Persons available to work but not seeking:</b> persons aged 15-74 that are not employed or unemployed and they are not seeking work, but they want to work and are available to work in the next 2 weeks.</p>
<b>Methodology</b>	The Labour Force Survey' s estimates are produced by a suitable unbiased estimator which takes in to account a) the probability of selection of every sampled household, b) the response rate in every primary sampling unit, c) the estimated population for June 2012, allocated by NUTS II areas, gender and age group).
<b>References</b>	Analytical description of the Labour Force Survey' s methodology and definitions can be found at <a href="http://www.statistics.gr">www.statistics.gr</a> . The data on complementary indicators are published together with the quarterly results in Table 10 of "TIMESERIES"