

# Underemployment in Scotland

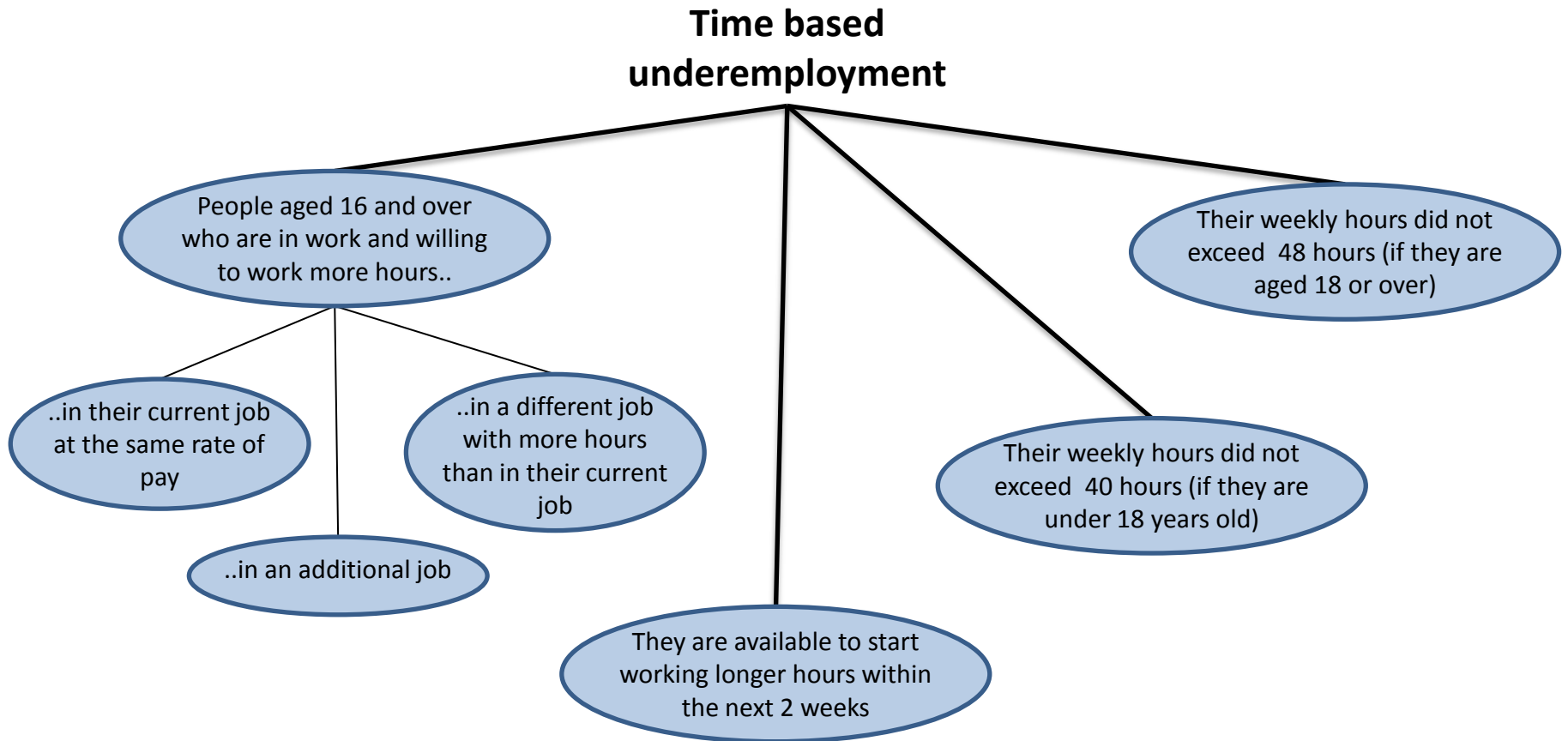
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Employability, Skills and Lifelong Learning Analysis

Scottish Government

January 2013

# ILO<sup>1</sup> Definitions of Underemployment



<sup>1</sup> – International Labour Organisation

# ILO<sup>1</sup> Definitions of Underemployment

## Inadequate situations underemployment (including skills based)

People aged 16 and over  
who wish to change their  
work situation or transform  
their current activities or the  
way they are carried out..

They are actively looking  
to change their work  
situation or transform  
their current activities.

..because they feel  
inadequate or  
insufficient use is  
made of their  
occupational skills

.. because they feel  
they get do not get  
an adequate income  
in the current job(s)

..because they feel  
they work excessive  
hours in their  
current job(s)

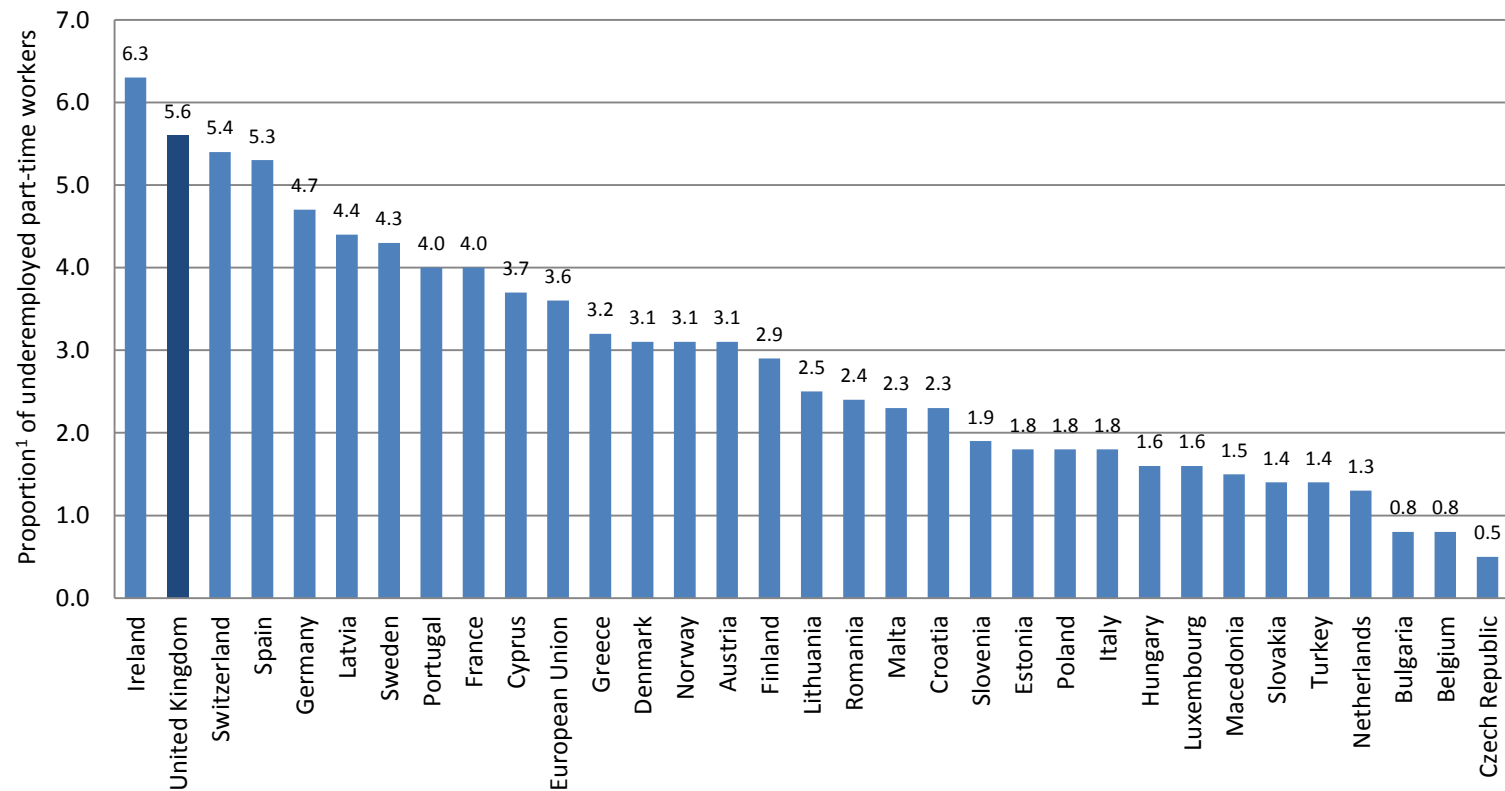
This mode is harder to quantify as the required questions are not currently asked in the Labour Force Survey.

# Other relevant measures

- Discouraged Workers
- Inactivity
- Temporary / Permanent employment
- Self employment
- Labour hoarding

# International comparisons of underemployment, 2011

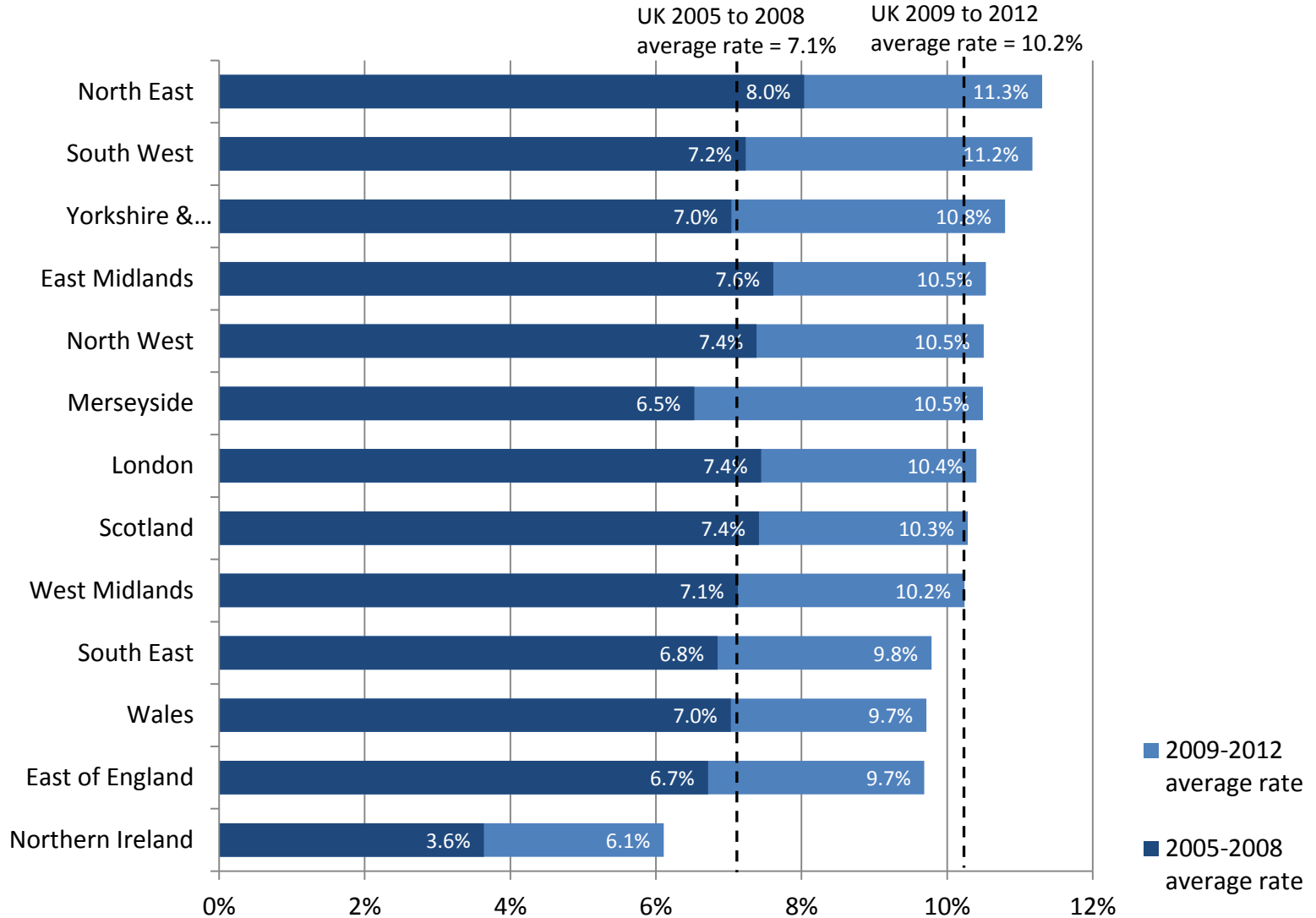
- Lack of consistent international data for the full time-based ILO underemployment definition.
- Other alternative measures are available , but incomplete.



Source: Eurostat

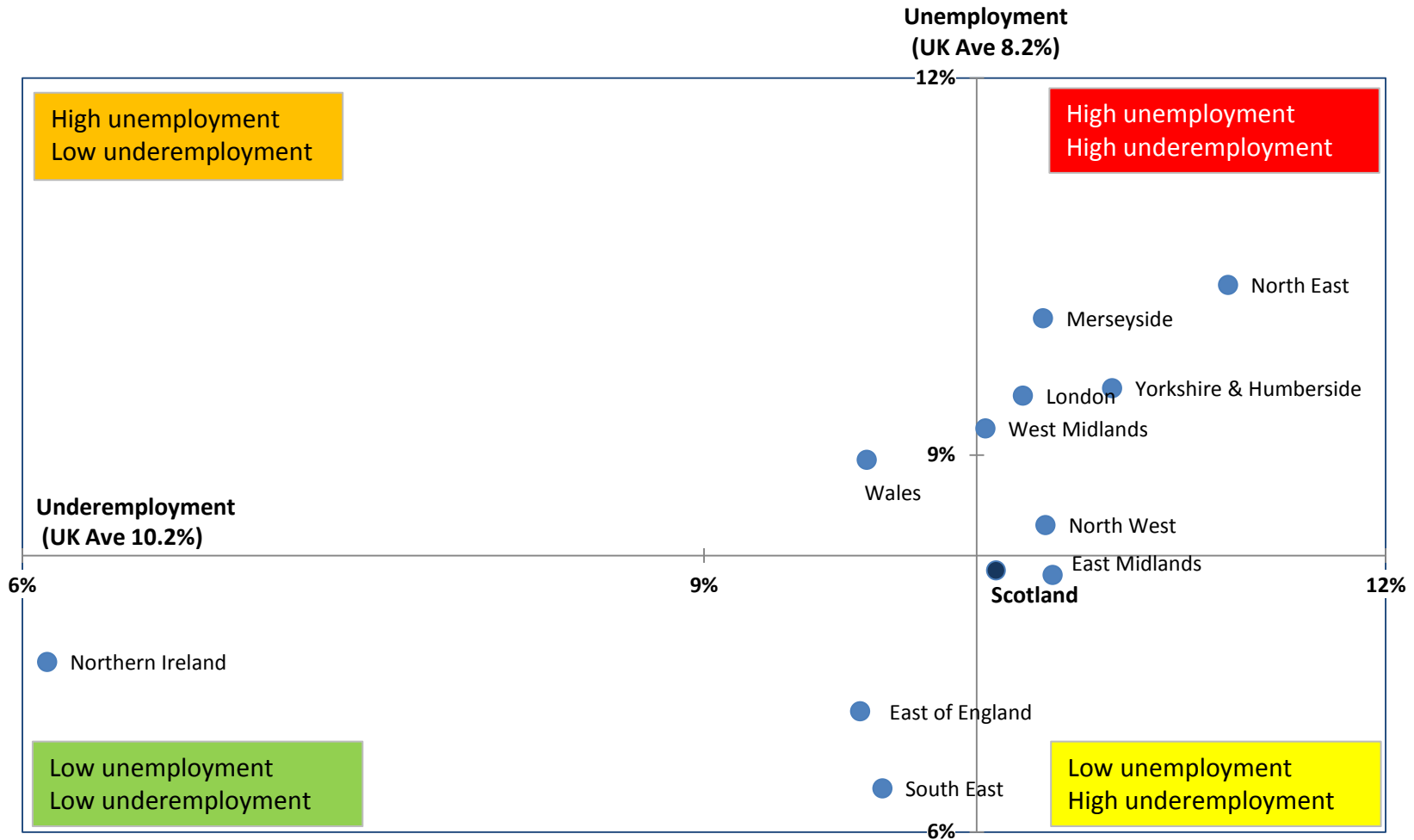
1 – Proportion of economically active population (employed + unemployed)

# Underemployment across the UK



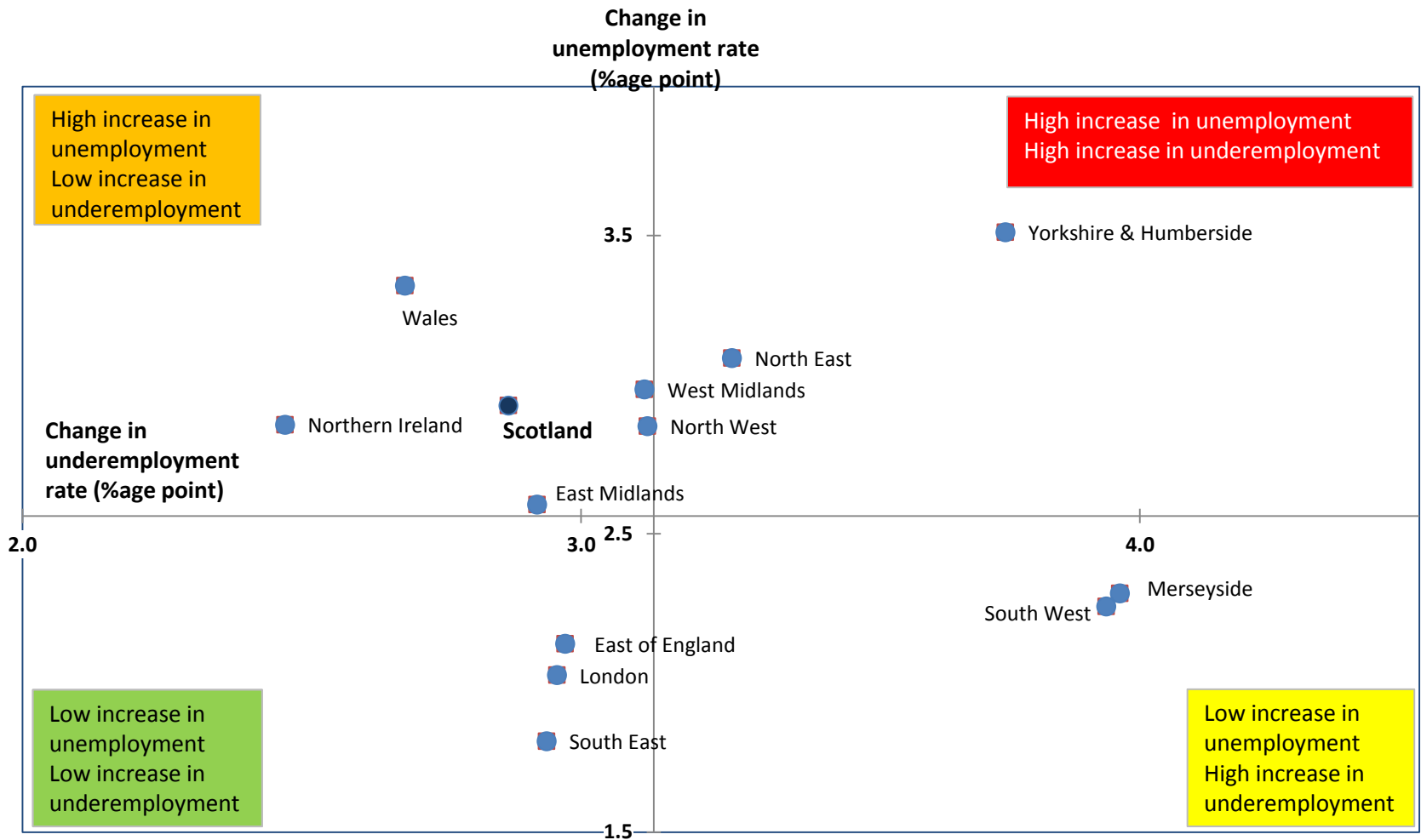
Source: Labour Force Survey Jul-Sep datasets

# Underemployment across UK



Source: Labour Force Survey, Average from 2009 to 2012, July-September datasets

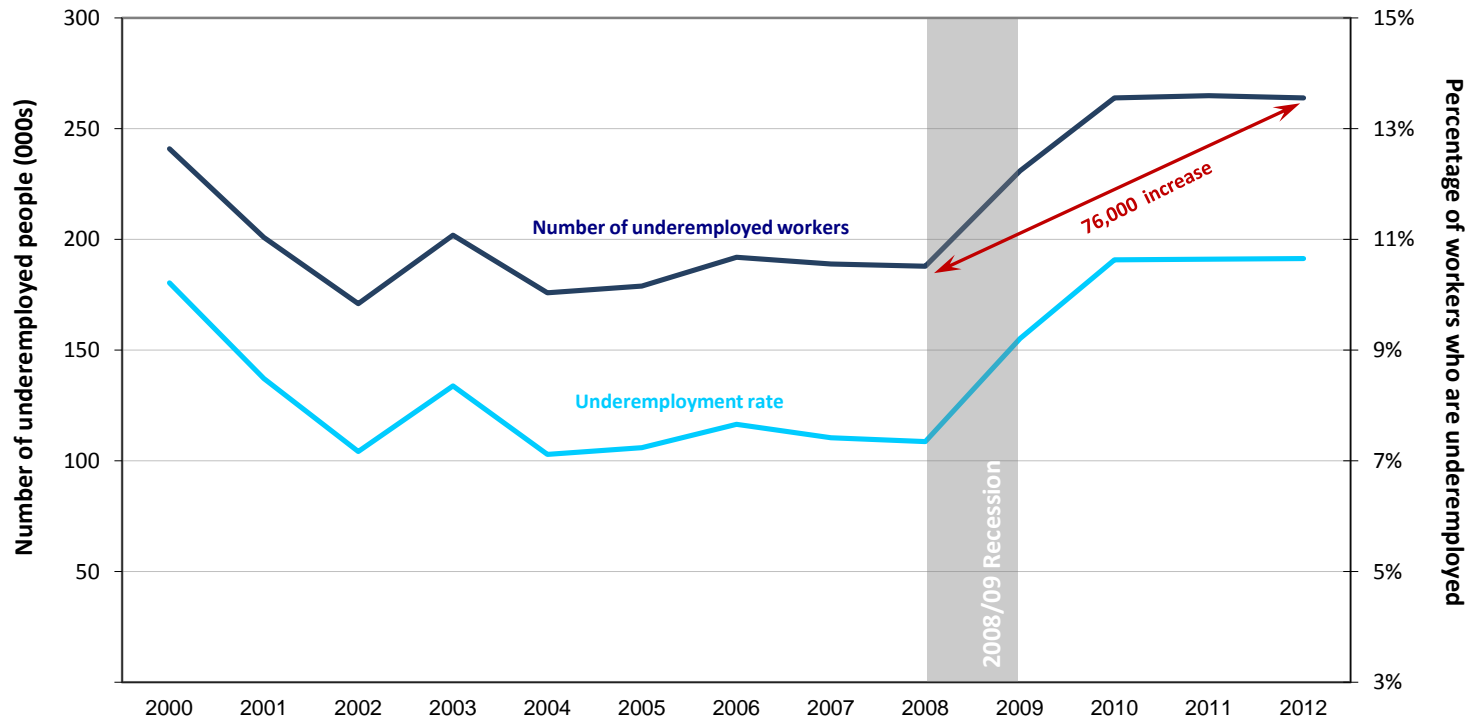
# Change in underemployment across UK



Source: Labour Force Survey, Averaged change (2005 to 2008) to (2009 to 2012), July-September datasets

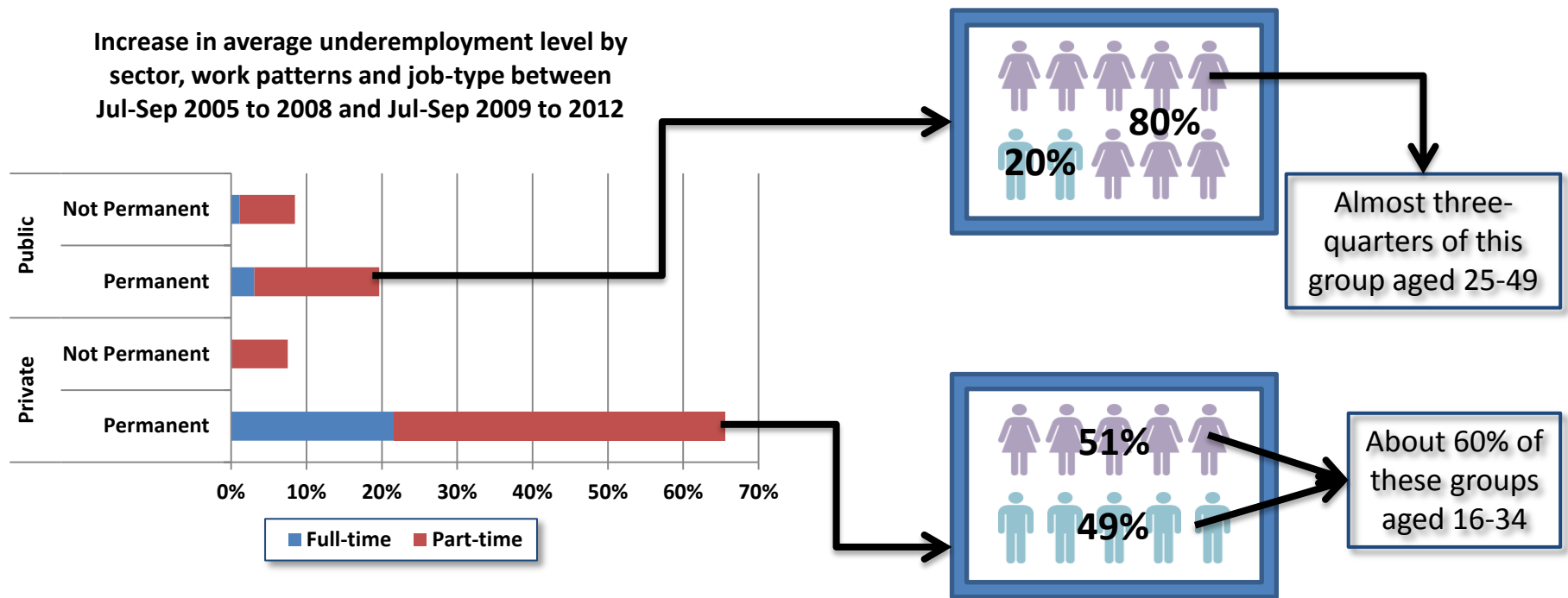


# Underemployment in Scotland



<p><b>Underemployed workers</b> Scotland in 2012</p>	<p><b>264,000</b> The number of underemployed workers in Scotland</p>	<p><b>10.7%</b> The proportion of the 2.48 million workers that are underemployed</p>	<p><b>76,000</b> The number of extra underemployed workers in Scotland since 2008</p>
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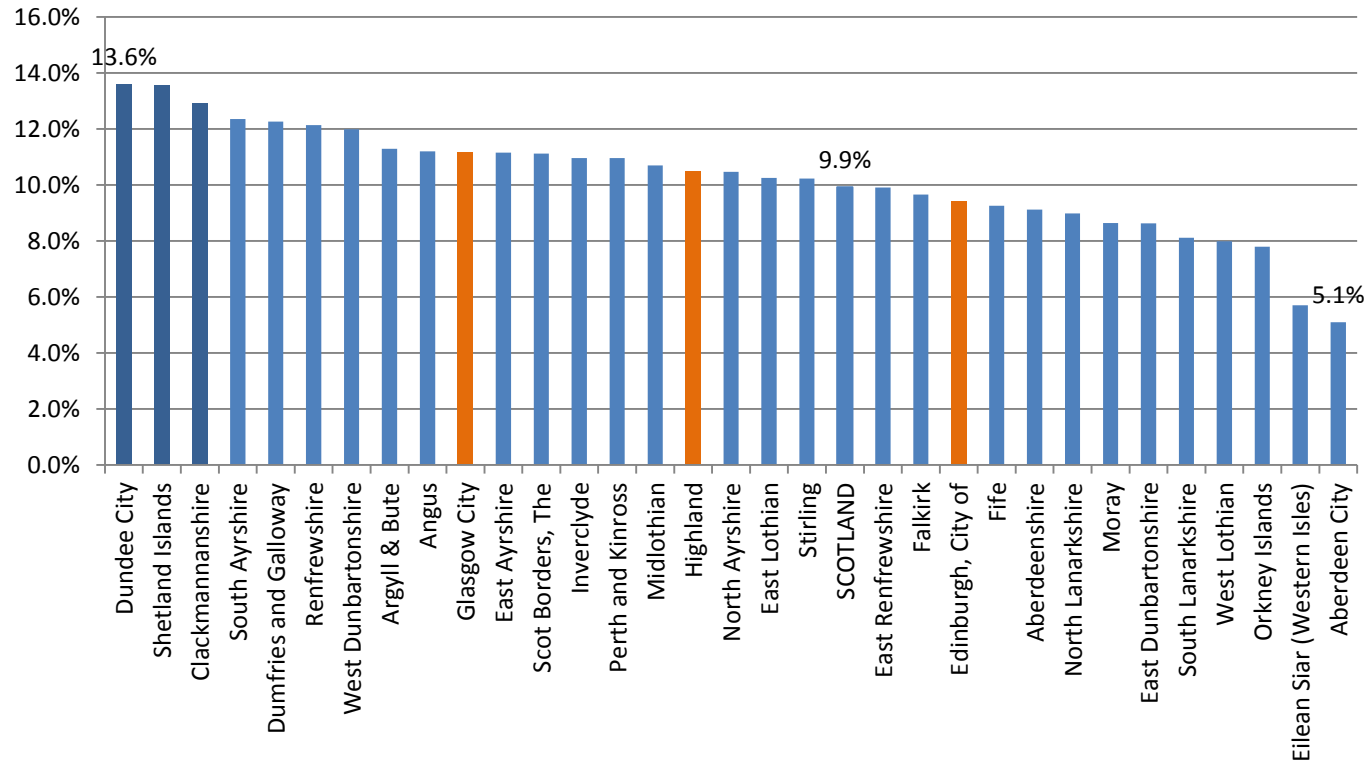
# Which groups are driving the increase?



<b>Average increase in underemployed workers in Scotland</b>	<b>66%</b> Permanent private sector workers accounted for most of the increase in underemployment	<b>Females aged 25-49</b> This group is driving the increase in public sector underemployment	<b>16-34 year olds</b> This group is driving the increase in private sector underemployment
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Source: Labour Force Survey, Average increase between (2005 to 2008) and (2009 to 2012), Jul-Sep datasets

# Underemployment across Scotland



## Underemployed workers

across Scotland's local authority areas during Oct'11-Sep'12

**13.6%**

The proportion of workers in Dundee City and Shetland Islands that are underemployed

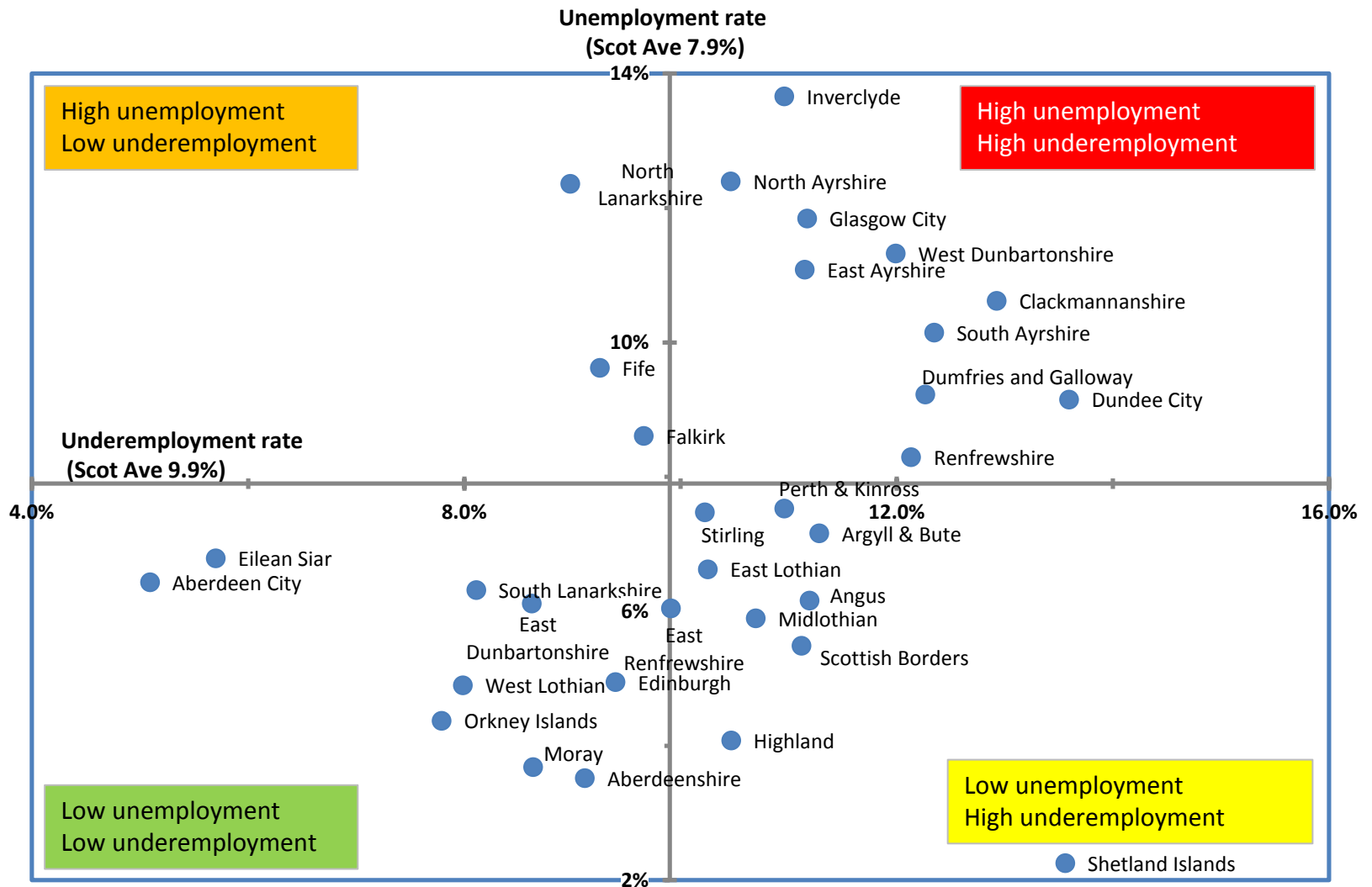
**30%**

The proportion of all underemployed workers who live in Glasgow, Edinburgh and Highland

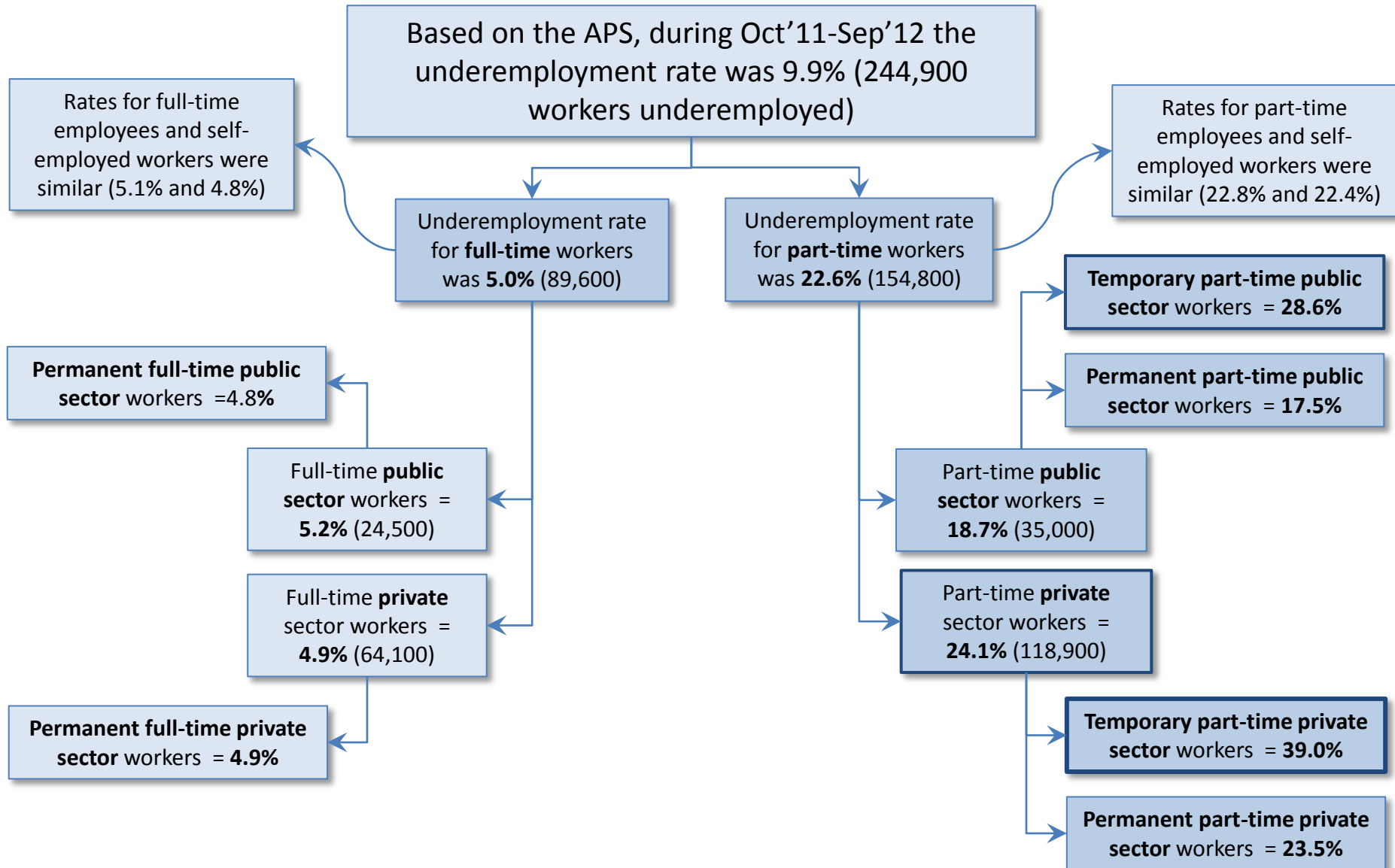
## Diverse Issues

Dundee City has one of lowest employment rates, while Shetland Island has one of the highest, **both have high underemployment rates**

# Underemployment across Scotland



# Breakdown of underemployment rates in Scotland # 1



# Breakdown of underemployment rates in Scotland #2

Based on the APS, during Oct'11-Sep'12 the underemployment rate was 9.9% (244,900 workers underemployed)

Underemployment rate for **male** workers was **8.7%** (111,900)

Underemployment rate for **female** workers was **11.3%** (133,000)

Male workers aged 16-24 = **22.0%** (35,900)

Male workers aged 25-34 = **9.3%** (27,000)

Male workers aged 35-49 = **6.5%** (29,000)

Male workers aged 50-64 = **5.2%** (18,100)

Female workers aged 16-24 = **22.5%** (34,100)

Female workers aged 25-34 = **10.7%** (26,800)

Female workers aged 35-49 = **10.8%** (47,300)

Female workers aged 50-64 = **7.7%** (24,200)

Part-time = 40.4% (24,000)

Part-time = 43.9% (9,700)

Part-time = 40.8% (9,500)

Part-time = 18.7% (8,400)

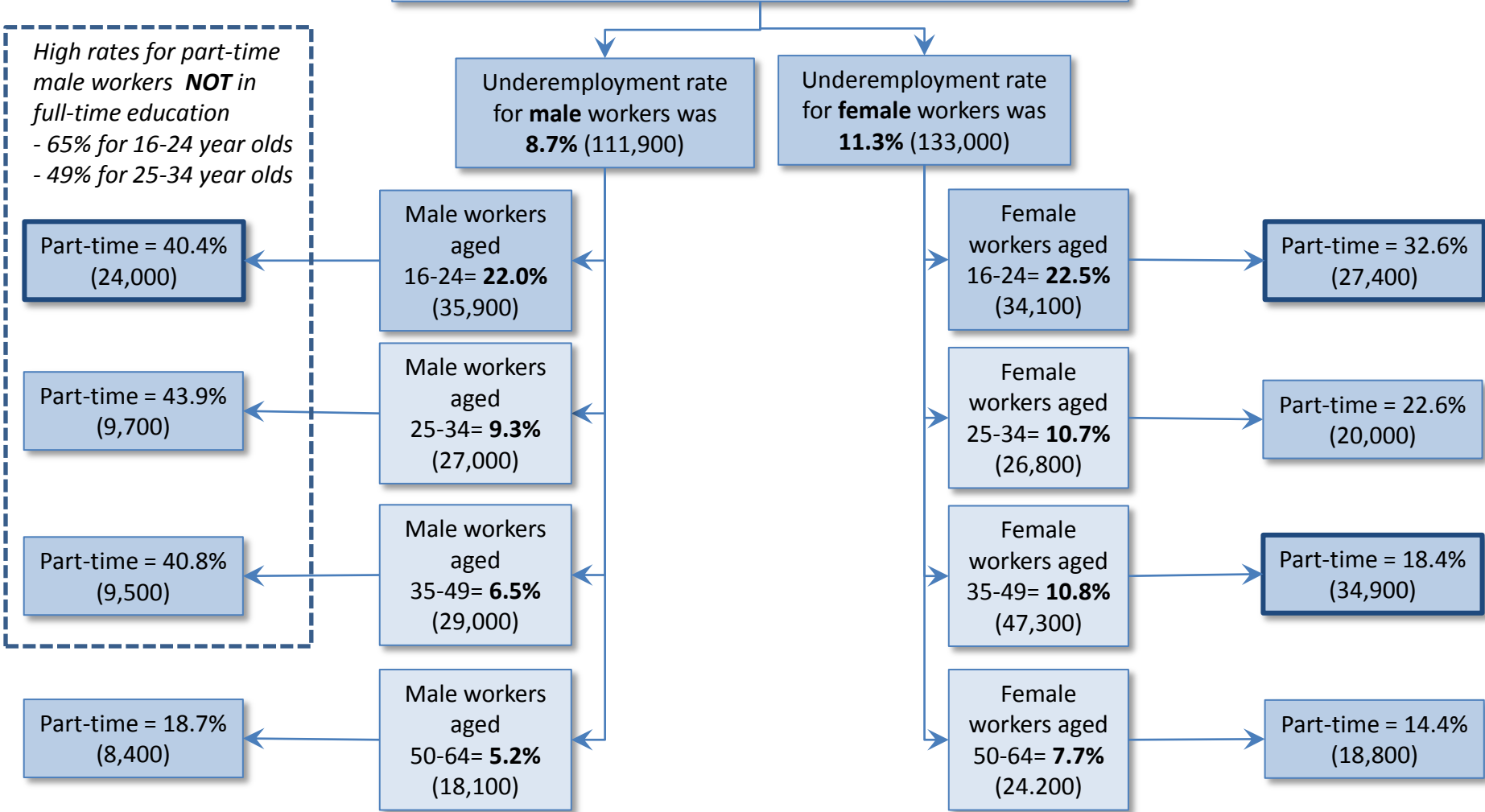
Part-time = 32.6% (27,400)

Part-time = 22.6% (20,000)

Part-time = 18.4% (34,900)

Part-time = 14.4% (18,800)

*High rates for part-time male workers **NOT** in full-time education*  
 - 65% for 16-24 year olds  
 - 49% for 25-34 year olds



# Skills Underemployment

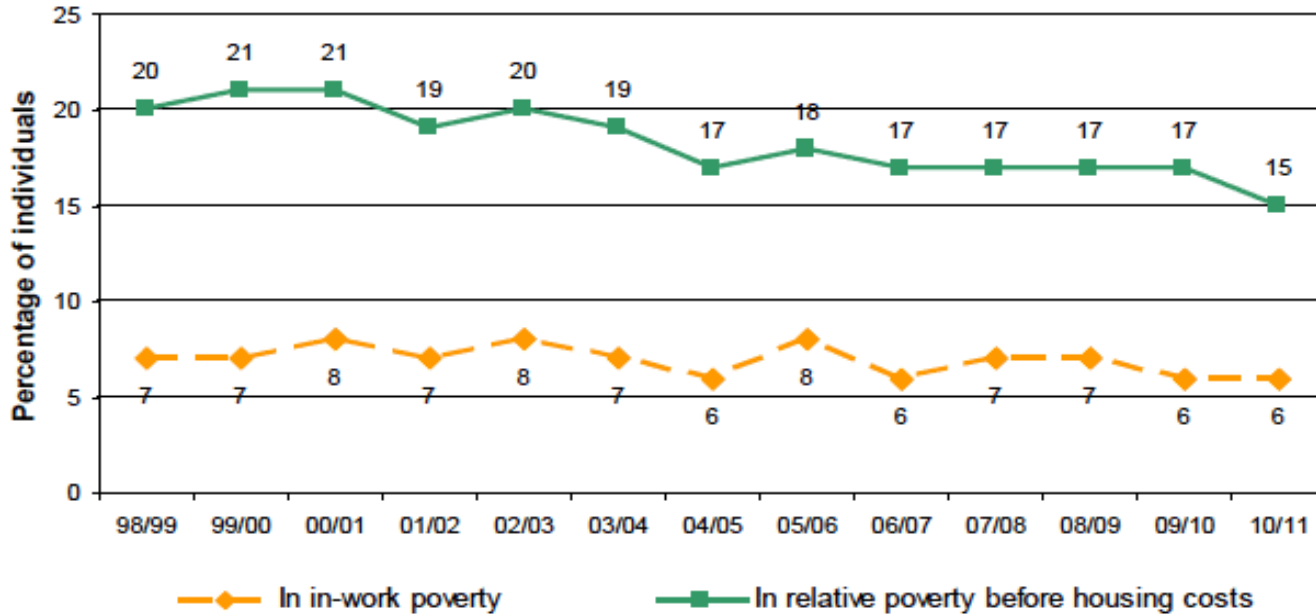
- Will always exist to some extent
- Difficult to measure, many facets.
- Limited evidence on the reasons – may be by choice or due to a lack of opportunities.
- Specific research into women returning to work after having children shows that some women ‘downgrade’ to obtain part-time work.

**The Employer perspective – Number of staff over qualified and over skilled, 2011**

	Number of over-qualified and over-skilled staff	% reported as being over-qualified and over-skilled
<b>UK</b>	4,456,000	16%
<b>England</b>	3,762,000	16%
<b>Northern Ireland</b>	117,000	15%
<b>Scotland</b>	411,000	17%
<b>Wales</b>	165,000	14%

Source: UK Employer Skill Survey 2011, UKCES

# In-Work and Relative Poverty Trends, Scotland



Source: HBAI dataset, DWP.

6 per cent of people in Scotland were in in-work poverty (320,000 people).

In-work poverty trend has remained flat, between 6 and 8 per cent.



# Gaps & Weaknesses in the Evidence

- Household level analysis
  - Context of welfare reform
- Limited evidence on “inadequate situations” underemployment
  - Complex and costly to collect
- International evidence is weak and methodologies inconsistent with ILO definition.
- Limited detailed time series data

# Evidence Summary

- Underemployment increasing across all regions of the UK.
- Between 2008 - 2012 the number of underemployed workers in Scotland ↑ 76,000
- In 2011 the UK underemployment was high compared to EU
- Wide variation in underemployment rates across LA areas.
- Almost half of all underemployed people in Scotland are working part-time in the private sector.
- Women are more likely to be underemployed than men (women more likely to work part-time).
- 65% of young males not in full-time education working part-time report themselves as underemployed.