Good morning my dear audience.

My name is Vanita Matta. I studied Sociology and Economics in Cologne and now I am working on my PhD in Zurich.

My talk today is about overemployment in our European Labour Market. At the moment I am working on descriptive data analysis on this topic with the LFS. The motivation for this is to encourage more research in explaining the phenomenon. I want to map its extent and differential occurrence across Europe. Which is not yet given.
Before I will show you some of the results, that I generated in the last weeks, I will shortly talk about overemployment in general and hopefully convince you of its relevance.

Also, I expect a lot of you being interested in measurement aspects. With some final remarks and perspectives, I want to lead into the discussion.
Overemployment is defined in the framework of general working time mismatch.

An individual working time mismatch exists if a person's usual working time is unequal to her or his desired usual working time. With this subjective preference inherent, it is clear that working time mismatch is rather a subjective than an objective concept.

Underemployed People are working less than they would like. In this sense Unemployment can be regarded as a special form of underemployment. Overemployed People – on the other hand - are people that constantly provide more labour for pay than they would prefer to do.

(By the way: Anyone feeling addressed by this definition?)

Well, it is important not to mix up overemployment with overtime. A person doesn't have to work long hours for being overemployed. That means: You can be over- as well as underemployed and of course also content anywhere on the hours continuum of actual working time.

It must further be clear, that being overemployed also does not necessarily mean being overworked.

The individual mismatches in working time, can of course be summed up for a whole country. The Unemployment-rate is the aggregation of one form of underemployment.

The other side of the coin, doesn't find much attention; and I would like to persuade you now, that it might be worth, changing this.
To me it is quite convincing that underemployment gets a lot of societal and scientific attention. Underemployed people, especially the unemployed, can be diversely disadvantaged and socially excluded. It’s not my aim to question the relevance of this. Just; I feel that the other side of the coin, is also worth a deeper look:

A general interest in time mismatch on the labour market evolves from the common assumptions of flexible labour supply and stable preferences in mainstream economics and their obvious violation. What we see here, is another phenomenon linked to the distinctiveness of the ‘commodity’ labour.

There is ample attention for the so called “work-life-balance” and all its causes and consequences, where working as much as one wants (or at least not being completely overworked) is a prominent issue. The consequences of “too many hours” for fertility are for example discussed in this context.

Connected to ‘work-life-balance’, part-time work is the one big topic interwoven with overemployment. Part-time work can be the solution for overemployed individuals. The part-time literature already holds in store a lot insights about the overemployed.

One example (Connolly & Gregory 2008): Women in Britain, who still have the main responsibility in families, often prioritise a good match in working time in their jobs over a good match in qualification. This leads to hidden brain waist: Getting a part-time job for dealing with ones overemployment, often leads to a - more or less voluntary – occupational downgrade.

When broadening the perspective, we can connect working time-mismatch with a rediscovered dimensions of wealth and inequality: time-wealth and inequality in free-time (Rinderspacher 2009). These dimensions might be adressed next by welfare states.

We might also ask the questions for “Wealth without growth?”. When and If a growing part of the society individually would rather obt for more freetime than for more material wealth, then maybe the time is coming to organize this wish collectively.

To narrow the scope again: Detailed overemployment data might show unions in which occupational groups they can intervene to gain collectively what individuals cannot

EU-goal and indicators for its success: The political aim of getting away from the full-time-paradigm is e.g. announced on EU-level in a Council Directive from 97 concerning the Framework Agreement on part-time work. This directive is not merely an attempt to support the rights of part-time-workers, but has clearly stated the aim to facilitate the development of part-time work on a voluntary basis.

But do we really have an indicator of success for this aim, if we measure the part-time quotas? Indeed: we even know about which share of part-time employment is voluntary and which is not. But what we do not know, is How big is the demand? Usually progress in goal-attainment is measured in relation to the problem... isn’t it?
Now I turn to the measurement of Overemployment. The variables needed, are the actual usual working time and the preferred usual working time. From these, we basically classify overemployed, underemployed and content workers.

The preferred usual working time has long time only been surveyed for part-time workers, which made measurement of the total mismatch on the labour market impossible. In the 2009-data this is still true for 4 countries.

Now I would like to antedate a result before going on with measurement aspects.
What you see here is the percentage of workers that are overemployed per country. The countries are the EU-27 and Norway, but we can’t measure mismatch in Belgium, Malta, Slovenia and Britain.

What I did first, when I gained access to the data, was comparing the results with results from another recent survey. I am talking about the 5th European Working Conditions Survey carried out between January and June of 2010.

Don’t be too shocked, as I was.
The green bars now show you the percentage of overemployed workers, when trusting the EWCS.

At the right corner you see the mean for each survey and the mean difference between the blue and the green bars.

The difference is astonishingly high! The mean difference is higher than the highest percentage in the LFS!

Additionally, these are not mere differences in level. The results show no correlation at all?!

This can be interpreted as totally discouraging OR as very interesting.
And this is the reason why I now will talk about the question wording in more detail than I planned originally.
But prior to that, I just want to emphasize shortly, that the samples should be highly comparable.

For the comparison, I have filtered the LFS-sample to make it comparable to the target population of the EWCS, which only surveys the resident population. The weights used in the EWCS are constructed using the LFS. And the definition of main constructs like Employment and so on are the same.
I restrict myself here to the desired hours as it is a subjective question where the wording will have substantially more influence than in a relatively objective question.

So this is the basic question. In this way, no country asked it. There are almost as many variants as there are countries in the LFS. When looking through all these variants, I found two components most important:

First: Does the question prompt the Respondent to consider his income situation? Here you see two examplary version of such a reference to pay. Half of the 22 questionnaires that I looked up, have such a reference. The other half, doesn’t.

Second: In the LFS the questions asked before this question explicitly refer to the respondents’ main job. Therefore, it might also be important, if the Respondent is getting assistance about what to refer to in this question. Here are two examples for this. Nine countries add “in total” to explain, that the respondent shall refer to all jobs. In six countries the respondent gets a detailed explanation of the kind printed here and in another six countries there is no assistance at all...

These two aspects alone build up 5 different combinations.

And now I want to show you just two original versions, to give you an impression of the magnificent diversity :-D
Wording in EU-LFS 2009

Latvia, Romania, Slovakia:
How many hours would you like to work in total?

Ireland:
I am going to ask a question about your hours of work and whether the amount of hours you work suit your own circumstances. In particular, when answering the next question, you should take it that if your hours of work were to increase or decrease, your pay (or remuneration/benefit) would increase or decrease by roughly the same amount. Bearing this in mind... Do you consider your hours to be too few (1), just about right (2) or too many (3)?

If 1 or 3: You have indicated that you usually work [XX] hours weekly. How many hours in total would you like to work weekly? Bearing in mind that were your hours at work to increase or decrease your pay might be considered to increase or decrease by the same amount.
Now, this is the standardized wording of the EWCS in its English version:
The questions for usual and desired working hours are asked in series. In this way the contrasting aspect of the two question should be clear to the respondents.
I read aloud the wording for the desired hours.

Guided by the remarkably higher overemployment rates in this survey, one aspect in this wording seems to me most important: “Provided that you could make a free choice regarding your working hours”.

My best guess is, that this precondition is changing the scope of the question and causes a different processing in the respondents mind.

In general, we don’t know what the respondents are taking account of in their answers. The availability of child care? The chance for promotion if they reduce their hours? Or even the chance that their boss allows a reduction?

“Provided that you could make a free choice” might lessen the amount of restricting factors, that people at a whole, think of. From my point of view, this is wanted. My conception of overemployment tells me, that otherwise the phenomenon will be underestimated.

But I didn’t follow this idea in detail, that’s under further research. But if it is true, I think that most Labour Force Surveys underestimate overemployment.

So now, we are finally passing over to the results section.
I analysed self-employed and dependently employed workers distinctly, because I assume quite different mechanisms leading to overemployment for the two groups. All the results that follow are for employees only.

The results are speaking for about 150 Million employees. Of those about 11,5% are underemployed. And, as I already mentioned, we have to add the unemployed to this figure. The percentage talks about 17 Million employees. That is roughly the population of the Netherlands in 2009. 5,3% are overemployed; that’s about 8 Million employees, which is about the population of Bulgaria or Austria or Switzerland.

Within the underemployed employees median and modus Number of h, that they would like to work more are 10. The overemployed want to work about 8 hours less.

At this overall-level, men and women show no real differences in overemployment. Women are more often underemployed.
This table shows the overemployment rates by agegroups. The youngest and oldest show less overemployment, while the employees at age 25 to 54 are overemployed above average.

Coming to Education-Level: The table shows the distribution of the total overemployed, the total underemployed and of all employees across educational levels. While up to isced 2 overemployment is underrepresented, from isced 3 on overemployment is overrepresented among the employees of these levels. The other way around for the underemployment.

For Isced 0 to Isced 5 median is 8 h of overemployment, for isced 6 it is 10 hours, the modus is 8 hours of overemployment up to isced 4 and 10 hours for isced 5 and 6. An eyecatcher in the data is, that employees with education-level isced 0/1 have the highest mean average hour-mismatch for under- as well as overemployment. If there is a mismatch, it is higher in this group.
Now, the next question is: How overemployed are these overemployed employees? How many hours would they like to reduce?

5h, 8h and 10h are the most frequent results.

A quarter would be satisfied with a reduction of up to 5 hours. In a Monday to Friday job, 5 h would be for example 1 h per day, or one afternoon.

A clear majority wants to reduce between 6 and 10 hours per week. That is not an insignificant amount of time. But with the absolute hours, we cannot say how much of a job it is.
So in this chart the X-Axis shows the hours in percent of the main job. A big share, almost 50% want to reduce their hours below 20% of their actual hours. Then there are about 30% between 20 and 45 Percent of the hours in their main job. The remaining 11 Percent want to reduce by 45% and more.

To me, the most interesting overemployment is that with little to medium amounts of hours or percentages of the main job. I guess that in this group, there are a lot individuals for whom it seems easier to accept their mismatch than to put effort in resolving it.

Struggling with your boss? Jealousy of your colleagues? Diminishing your career chances? For just 5 hours?? Would you do that?
Finding a new job? For 10h? Probably you would first check all other options…

So, as long as the effort to reduce hours is as big as today, this mismatch will stay.
Now I will rush through some country-level results.

This chart shows the overemployment rate for male and female employees. It is sorted by the overall rate.

There are massive differences in overemployment rates between the European countries as you have seen before.

In most countries male and female overemployment is quite similar, though there are exceptions, like the overemployment leaders on the left side, but also Poland – quite in the middle – or Ireland, were this is only hidden by the overall very low rate. There is no clear pattern: In some countries men and in some countries women show more overemployment.
Here you see the overemployment rate for the education level Isced 0, 1 and 2 in green and for Isced 5 and 6 together in violet. The chart is sorted by the proportionate difference between these rates.

In the countries until Hungary the higher educated show more overemployment. The others show the opposite pattern. The extremes are Germany and Austria on the one side and Bulgaria on the other side.
In this chart I restricted the sample to employees, who work 35 to 40 hours in their main job.

The whole bar represents the total overemployment rate in this group. The bottom dark green represents those, that only want to reduce by up to 5 h. Accordingly, the light green bar respresents those that want to reduce by up to 10 h.

You can see, that in most countries, the bigger part of the overemployed would show no more working time mismatch with a change of up to ten hours. Even with a change of up to 5h matches would evolve in a lot of countries. Look especially at Greece and Cyprus: those overemployed don’t want that much reduction…
Here you see the overemployment-rates in different N.A.C.E-sectors for two countries whose overemployment-rate is quite similar: the Czech Republic and Denmark. This shall demonstrate that it is not clear where to find the overemployed. Some sectors show higher than average rates in one country, some in another.
The same topic for one sector. Here you see the proportionate differences of the overemployment rate in Construction from the average overemployment rate in the respective country.

So in Denmark quite in the middle, Construction shows an average overemployment rate. In Poland, on the left, Construction shows almost twice the overemployment rate than average and in France, on the right, it is almost 60% lower than the average overemployment rate.
Remarks and perspectives

- further work needed; e.g.:
  - detailed combinations of breaks
  - calculation of total mismatch including the unemployed
  - connection with income / hourly pay!
  - wording effects for desired hours
  - longitudinal or dynamic perspective:
    - cumulative- vs. flow-values
  - explaining the descriptive findings !!
- documentation of further results in the next months
- overemployment as an EU-Indicator?
Cited literature:

