

Annex A

The International Labour Organization (ILO) defines underemployment as the underutilisation of the productive capacity of the employed population. It relates to an alternative employment situation in which persons are willing and available to engage.

Underemployment is complex and can have many dimensions. They include skills-related underemployment, qualification-related underemployment and education field-related underemployment. Currently, there is no internationally recognised statistical measure of underemployment, apart from time-related underemployment.

MOM's findings on overqualification

To complement the existing time-based measure, the Manpower Research & Statistics Department (MRSD) participated in an international workgroup led by the ILO to develop a measure of overqualification. Overqualification occurs when a worker has a qualification that is higher than what is required for their job. This provides an additional perspective on underemployment that is not based on hours worked. MOM's study aims to examine the extent of overqualification among Singapore's resident workforce and identify groups that may benefit from targeted policy interventions.

To determine whether workers are overqualified, underqualified or well-match their job, their qualifications are compared to the qualifications required for their job, based on requirements for the occupation from ILO classification standards.

Findings on overqualification are based on data from the Comprehensive Labour Force Survey, a representative survey covering 33,000 households in Singapore.

NTUC's study on underemployment

NTUC sets the context of the study against the need for a broader and more holistic conceptualisation of underemployment (e.g. non-time-related underemployment) to design inclusive strategies that sustain meaningful and dignified employment across career stages.

In the 2025 run of NTUC's study on underemployment, NTUC included the ILO's objective measure of overqualification ("qualification-occupation": 20.3%) in addition to the overqualification as assessed by the individual ("qualification-job": 23.0%). Besides underemployment by the qualification dimension, there are self-assessed underemployment arising from skills-job mismatch and arising from the education field-job mismatch. According to NTUC's study, the most prevalent underemployment among employed respondents was education field-job mismatch¹ (31.4%), followed by qualification-job mismatch (23.0%), skills-job mismatch² (22.5%), and qualification-occupation mismatch (20.3%).³

Relative to OECD and other high-income countries, NTUC's study found a notably lower prevalence of skills-job and education field-job mismatch in Singapore, indicating that the labour market continues

¹ Education field-related underemployment refers to the situation whereby the worker is employed in job outside of their field of study.

² Skills-related underemployment refers to the situation whereby worker's skills are not adequately utilised in their current job. These could be skills acquired through formal education, on-the-job training, and/or other non-formal and informal learning activities.

³ Qualification-job mismatch refers to a situation where a worker's qualifications exceed or do not align with the specific educational requirements of their current job role, based on the tasks and responsibilities performed. Qualification-occupation mismatch refers to a situation where a worker's qualifications exceed the typical educational norms of the broader occupational category to which their job belongs, regardless of the specific requirements of the individual role.

to match workers to roles that broadly utilises their capabilities. Where education field-job mismatch occurs, it may reflect career exploration and mobility among workers, especially in the early and early-to-mid career stages, where workers transition into roles that draw on transferable or cross-disciplinary skills rather than their original field of study. Education field-job mismatch therefore serves as a broader indicator of labour market transitions, while qualification- or skills-based mismatches more directly capture potential underutilisation of workers' capabilities are being fully utilised. This underpins NTUC's focus on career advisory, skills upgrading, and partnerships with employers on job redesign and progression pathways to support workers through transitions and better utilise their skills over time.

The study is based on a survey with 1,100 Singapore Citizen and Permanent Resident workers in October 2025, and in-depth interviews with 25 individuals who are presently experiencing or have experienced underemployment.