

5 August 2020

Employment Statistics

2nd quarter of 2020

Hours worked decreased by 26.1% from the same quarter of 2019

In the 2nd quarter of 2020, there was a quarterly decrease of 22.7% and a year-on-year decrease of 26.1% of the volume of hours actually worked. These changes are the highest since 2011.

The reduction of the volume of hours actually worked is mostly associated to the increase of the employed population absent from work, which was estimated at 1,078.2 thousand people (22.8% of total employed population), more than two times the value observed in the previous quarter and almost four times more than in a year earlier. This increase was due almost exclusively to slack work for technical or economic reasons (which includes the contract temporary suspension and layoff), which was mentioned by 680.1 thousand workers absent from work (about ten times more people than in the previous quarter).

The inactive population aged 15 and over, estimated at 3,886.7 thousand people, has increased by 5.7% from the previous quarter and by 7.5% from a year earlier. Never before in the data series started in 2011 such large quarterly and year-on-year changes had been observed. These increases are explained, essentially, by the increase in the number of inactive persons available to work but not seeking (312.1 thousand people), which has increased by 87.6% from the previous quarter and by 85.6% from the same quarter of 2019. The increase of this population resulted, partially, from the transference of 41.8% of those classified as unemployed in the 1st quarter of 2020 to the inactive population in the 2nd quarter of 2020.

In the 2nd quarter, the unemployment rate stood at 5.6%, down 1.1 percentage points (pp) from the previous quarter and down 0.7 pp from a year earlier. On the contrary, the labour underutilisation rate stood at 14.0% and has increased by 1.1 pp from the previous quarter and by 1.6 pp from a year earlier.

The information in this Press Release is influenced by the current situation determined by the pandemic COVID-19, either by the natural disturbance associated with the impact of the pandemic in obtaining primary information or by the behavioural changes resulting from the measures adopted to safeguard public health (for more, see page 14).

Despite the circumstances, Statistics Portugal will try to maintain the statistical production and release calendar, although some adjustments might occur. We reinforce our call for better collaboration by citizens, private and public entities in answering to Statistics Portugal's requests. The quality of official statistics, particularly its ability to identify the impacts of the COVID-19 pandemic, depends crucially on this collaboration that Statistics Portugal is grateful for in advance.

Summary

In the 2nd quarter of 2020, due to the impact of COVID-19 pandemic, the evolution of the labour market exhibited extraordinary characteristics that, in general, can be summarized in the following:

- Significant increase in the inactivity rate, estimated at 43.7%, in comparison to the previous quarter (2.3 pp) and the same period of 2019 (2.9 pp). This increase was largely explained by the increase in the number of inactive people who, although they were available to work, did not actively search for work in the reference period. In terms of net quarterly flows between labour market statuses, the growth in over two hundred thousand of the inactive population when compared to the previous quarter (206.1 thousand) resulted from net flows from employment (55%) and unemployment (45%). It is the latter that mainly explains the quarterly reduction observed in unemployment and its rate in the 2nd quarter, a movement that can be reversed by the greater mobility and social interaction, which allows the active search for work, as indicated by June's unemployment rate increase already published¹.
- Significant reduction in the employed population, both from the same quarter of 2019 (3.8%) and from the previous quarter (2.8%). The quarterly decrease translated into a net flow to inactivity and, to a lesser extent, to unemployment. The

contraction of employment occurred in a context where the simplified layoff regime was in place, which, as explained in part B of this Press Release, allows the maintenance in the employed population of those whose companies closed temporarily, totally or partially. Thus, the impact of the current situation on the volume of work in the economy may not be fully captured by the reduction in employment. This effect, however, can be approximated by another indicator of the Labour Force Survey: the number of hours worked. In the 2nd quarter of 2020, the volume of hours actually worked was 22.7% lower than that observed in the previous quarter and 26.1% less than that observed in the same quarter of 2019. These changes correspond to the largest quarterly and year-on-year reduction since 2011. The decrease of the volume of hours actually worked is mostly associated to the increase of the employed population absent from work, which was estimated at 1,078.2 thousand people (22.8% of total employed population), more than two times the value observed in the previous quarter and almost four times more than in a year earlier. This increase was due almost exclusively to slack work for technical or economic reasons (which includes the contract temporary suspension and layoff), which was mentioned by 680.1 thousand workers absent from work (about ten times more people than in the previous quarter).

- Significant changes in the work organization, which were expressed in particular in the unprecedented recourse to home working by more than one million people (27.8% of total employment). The

¹ For more information, see the Press Release of the Monthly Employment and Unemployment Estimates of June 2020 (released in 29-7-2020), where it was published the provisional estimate for June's unemployment rate for the age subgroup of those aged 15 to 74 (as in the Eurostat News Release), which is available at www.ine.pt/xurl/dest/415271482.

dimension of this phenomenon was determined through an additional ad hoc module to the Labour Force Survey, whose results are also released today.

This Press Release is organised in two distinct sections: the first (A. General results) describes the developments of the labour market in the 2nd quarter of 2020 through the usual indicators; the second (B. The impact of the COVID-19 pandemic on the results of the Labour Force Survey) focuses on the impact of the pandemic through the analysis of complementary indicators, such as the hours actually worked, the reasons for absence from work, for not looking for work or for not being available to work by those classified as not employed.

A. General results

1. Labour force (active population)

The Labour Force Survey results for the 2nd quarter of 2020 indicate that the labour force (active population), estimated at 5,009.6 thousand people, has decreased by 3.9% (204.3 thousand) from the previous quarter and by 4.5% (235.5 thousand) from the same quarter of 2019. This estimate corresponds to the lowest value of the data series started in 2011.

The participation rate of the working age population (15 years old and over) stood at 56.3%, having decreased by 2.3 percentage points (pp) from the prior quarter and by 2.9 pp from the 2nd quarter of 2019.

The participation rate of men (61.5%) was 9.7 pp higher than that of women (51.8%). From the previous quarter, the former has decreased by 2.2 pp and the

latter by 2.4 pp. From a year earlier, it was also observed a stronger decrease among women (3.1 pp) than among men (2.6 pp).

2. Employed population

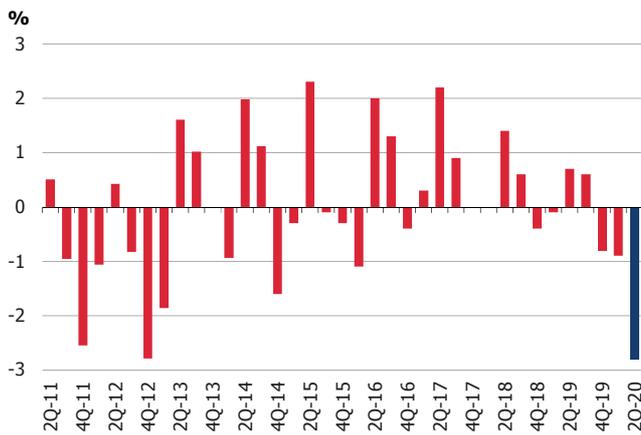
2.1. Quarterly changes

The employed population (4,731.2 thousand people) decreased by 2.8% (134.7 thousand) from the previous quarter, unlikely what has happened in the remaining second quarters since 2011.

That change was explained by the decreases recorded in the following groups: men (70.6 thousand; 2.9%) and women (64.1 thousand; 2.7%); all age groups under analysis, in particular those aged 15 to 24 (49.7 thousand; 17.1%); having completed, at most, an education level corresponding to the first or second stages of basic education (131.8 thousand; 6.4%) or the (upper) secondary and post-secondary non-tertiary education (40.9 thousand; 2.9%); employed in the services sector (112.6 thousand; 3.3%) – 76.6% of this reduction occurred in the group composed by the activities of wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage and accommodation and food services (86.3 thousand; 7.0%) – or in the manufacturing, electricity, gas and water supply and construction sector (25.5 thousand; 2.1%) – in particular, in the manufacturing activity (27.4 thousand; 3.3%); with different professional status, but mainly employees (116.0 thousand; 2.9%) with all types of work contracts, especially with temporary contracts (64.1 thousand; 10.0%), and self-employed workers (17.7 thousand; 2.2%); working

full-time (105.7 thousand; 2.4%) or part-time (29.0 thousand; 6.0%).

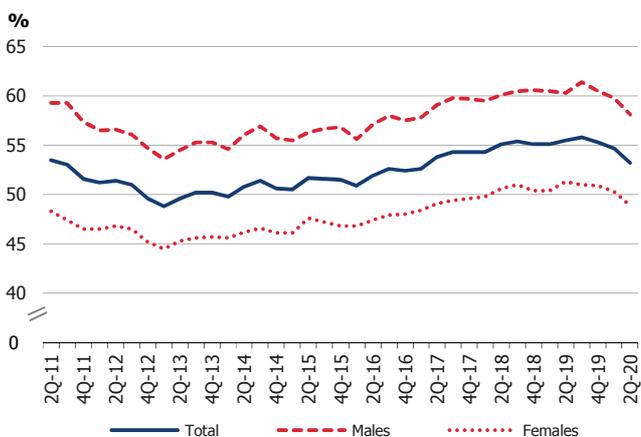
Figure 1: Employed population quarterly rate of change



The employment rate (15 years old and over) stood at 53.2% and decreased by 1.5 pp from the previous quarter.

The employment rate of men (58.1%) exceeded that of women (48.9%) by 9.2 pp, having both rates decreased from the 1st quarter 2020 (1.7 pp and 1.4 pp, respectively).

Figure 2: Employment rate by sex



2.2. Year-on-year changes

From the same quarter of 2019, the employed population has decreased by 3.8% (185.5 thousand), interrupting the series of positive year-on-year changes observed in this quarter since 2014.

The year-on-year change in the employed population came from the employment decrease in the following groups: women (98.9 thousand; 4.1%) and men (86.6 thousand; 3.5%); people aged 15 to 44 (180.7 thousand; 7.1%) or 65 or over (15.4 thousand; 5.8%); having completed, at most, an education level corresponding to the first or second stages of basic education (214.0 thousand; 10.0%) or the (upper) secondary and post-secondary non-tertiary education (3.6 thousand; 0.3%); employed in any economic sector, but mainly in services one (130.7 thousand; 3.8%), especially in the activities of wholesale and retail trade, repair of motor vehicles and motorcycles (58.5 thousand; 8.2%) and of accommodation and food services activities (40.5 thousand; 12.7%); with different professional status, but in particular employees with a temporary contract (153.3 thousand; 20.9%) or self-employed workers (34.1 thousand; 4.2%); working full-time (122.9 thousand; 2.8%) or part-time (62.6 thousand; 12.1%).

The employment rate (15 years old and over) has decreased by 2.3 pp from the same quarter of 2019, with the women's rate decreasing more than that of men (2.4 pp and 2.2 pp, respectively).

Figure 3: Employed population year-on-year rate of change

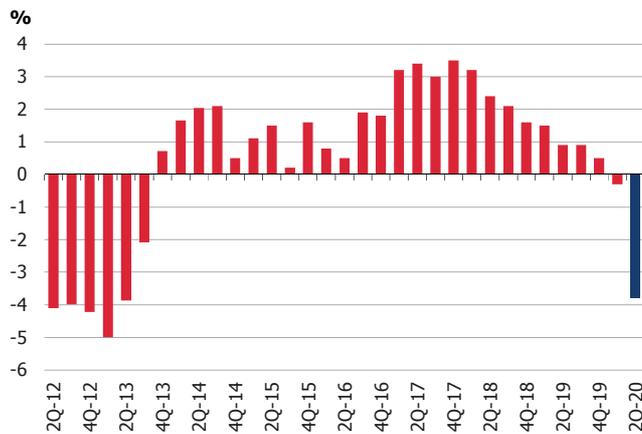


Figure 4: Unemployed population quarterly rate of change



3. Unemployed population

3.1. Quarterly changes

The unemployed population (278.4 thousand people) has decreased by 20.0% (69.7 thousand) from the previous quarter.

The unemployed population change came from the decreases observed in the following groups: women (49.2 thousand; 26.4%) and men (20.3 thousand; 12.6%); all age groups under analysis, in particular those people aged 45 or over (35.0 thousand; 26.8%); with different levels of education, but especially those who have completed, at most, an education level corresponding to the first or second stages of basic education (44.9 thousand; 30.3%); looking for a first job (14.6 thousand; 36.9%) or a new one (55.0 thousand; 17.8%), having been formerly mainly in the services sector (30.3 thousand; 14.5%); seeking a job for less than 12 months (20.5 thousand; 10.5%) or for 12 months or longer (49.2 thousand; 32.2%).

The unemployment rate for the 2nd quarter of 2020 stood at 5.6%², which corresponds to a decrease by 1.1 pp from the 1st quarter of 2020.

The unemployment rate of men (5.5%) was lower than that of women (5.6%) by 0.1 pp, having both rates decreased from the previous quarter (0.6 pp and 1.6 pp, respectively).

The youth (15 to 24 years old) unemployment rate was 19.9%, up 0.2 pp from the 1st quarter of 2020, albeit the quarterly decrease of the youth unemployed population (11.2 thousand; 15.8%) and of the employed population of the same age group (49.7 thousand; 17.1%). The youth (15 to 24 years old) unemployment rate corresponds to the ratio between the unemployed population and the active population (employed + unemployed) of that age group. This ratio has increased due to a steeper decrease of the active

² This unemployment rate was calculated for those aged 15 and over (in line with the concepts in force of the International Labour Organization). The unemployment rate for the moving quarter centered in May 2020 (which corresponds to the 2nd quarter 2020), published in the Press Release of June 2020 (released in 29-7-2020), was calculated for the age subgroup of those aged 15 to 74 (as in the Eurostat News Release). This rate (not seasonally adjusted) was also 5.6%.

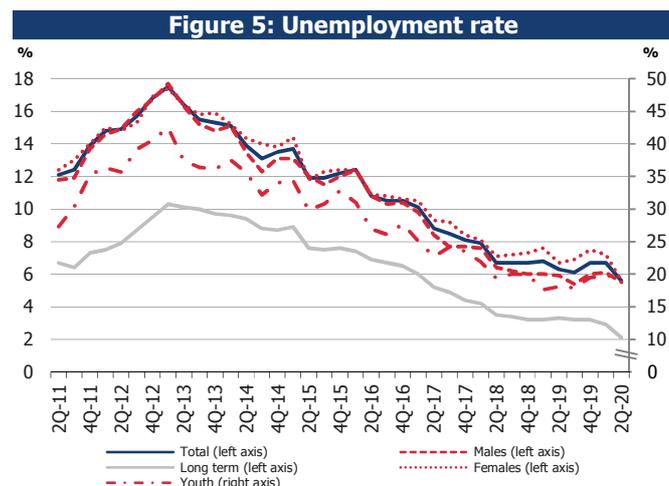
population (60.9 thousand; 16.8%) in comparison to the decrease of the unemployed population.

The share of unemployed people looking for a job for 12 months or longer (long-term unemployment) was 37.1%, down 6.7 pp from the previous quarter.

That change was mainly explained by the decreases recorded in the following groups: women (35.7 thousand; 20.6%) and men (14.3 thousand; 9.2%); people aged 45 or over (39.2 thousand; 29.1%) or aged 35 to 44 (20.2 thousand; 29.0%); having completed, at most, an education level corresponding to the first or second stages of basic education (51.3 thousand; 33.2%); looking for a new job (43.3 thousand; 14.6%), having been formerly mainly in the services sector (21.4 thousand; 10.7%); seeking a job for 12 months or longer (71.0 thousand; 40.7%).

From the same quarter of 2019, the unemployment rate decreased by 0.7 pp, more for women (1.1 pp) than for men (0.4 pp).

The unemployment rate of young people aged 15 to 24 has increased by 1.8 pp and the share of unemployed people looking for a job for 12 months or longer (long-term unemployment) has decreased by 15.9 pp.



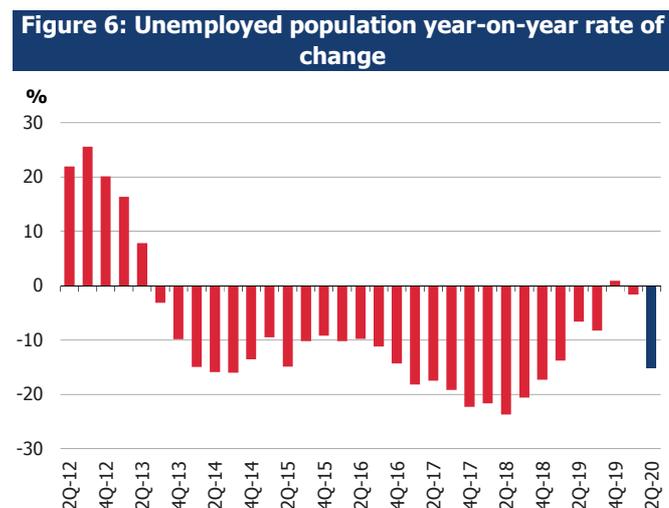
3.2. Year-on-year changes

From the same quarter of 2019, the unemployed population has decreased by 15.2% (50.1 thousand), in line with the year-on-year decreases observed since the 3rd quarter of 2013, although much higher than in 2019.

4. Inactive population

The inactive population, estimated at 5,276.3 thousand people in the 2nd quarter of 2020 has increased by 4.1% (206.1 thousand) from the previous quarter and by 5.2% (259.1 thousand) from the same quarter of 2019.

The inactive population aged 15 and over (3,886.7 thousand people, accounting for 73.7% of total inactive population) has increased by 5.7% (210.3 thousand) from the previous quarter and by 7.5% (270.3 thousand) from the 2nd quarter of 2019. Never before, since 2011, such large quarterly and year-on-year changes had been observed.

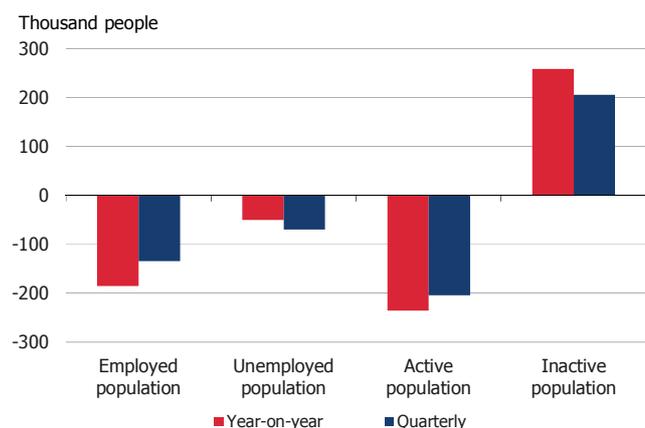


The inactivity rate (15 years old and over) stood at 43.7%, having increased by 2.3 pp from the previous quarter and by 2.9 pp from the same period of 2019. This quarterly increase contradicts the quarterly decreases usually observed in the second quarters since 2011, while the year-on-year increase is in line with the year-on-year increases mainly verified in this quarter, being however the largest since 2011.

The inactivity rate of women (48.2%) exceeded that of men (38.5%) by 9.7 pp, having them both increased from the previous quarter: the former by 2.4 pp and the latter by 2.2 pp. The same has occurred when comparing with a year earlier: the inactivity rate of women has increased by 3.1 pp and that of men by 2.6 pp.

Figure 7 exhibits a summary of the observed changes in the 2nd quarter of 2020 (quarterly and year-on-year) by labour market status, as described in items 1 to 4 of this Press Release.

Figure 7: Change in the employed, unemployed, active and inactive population



5. Quarterly flows between labour market status

5.1. Gross and net flows (number of persons)

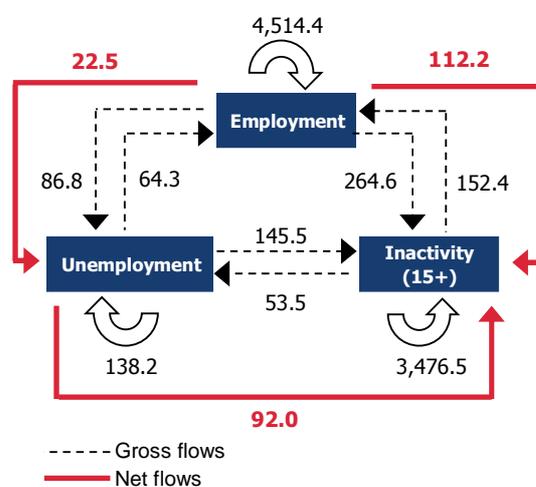
Employment

From the 1st to the 2nd quarter of 2020, 86.8 thousand persons moved from employment (E) to unemployment (U) and 264.6 thousand moved from employment to inactivity (aged 15 and over; I). Therefore, the number of persons moving out of employment, within a quarter, was 351.4 thousand.

At the same time, the employment inflows from unemployment were 64.3 thousand persons, while those from inactivity were 152.4 thousand. Hence, the number of persons moving into employment, within this quarter, was 216.8 thousand.

As a consequence, between the two quarters there was a negative net flow into employment (that is, total inflows minus total outflows) of 134.7 thousand persons (which corresponds to the employed population quarterly change).

Diagram 1: Quarterly flows between labour force status (Thousand people)



Unemployment

Similarly, the net flow into unemployment was negative and comprised 69.7 thousand people (which corresponds to the unemployed population quarterly change), and resulted from the number of people becoming unemployed (140.2 thousand) being lower than the total of those leaving that status (209.9 thousand).

The unemployment inflows from employment (86.8 thousand) were larger than those from inactivity (53.5 thousand). On the other hand, the unemployment outflows to employment (64.3 thousand) were much smaller than those to inactivity (145.5 thousand).

The next figures exhibit the quarterly developments of the net employment and unemployment flows, from the 2nd quarter of 2011 onwards, and their decomposition into the two components that explain them: net flows between employment and unemployment and net flows between employment and inactivity (Figure 8); net flows between unemployment and employment and net flows between unemployment and inactivity (Figure 9).

Figure 8: Net employment quarterly flows (inflows - outflows = quarterly change)

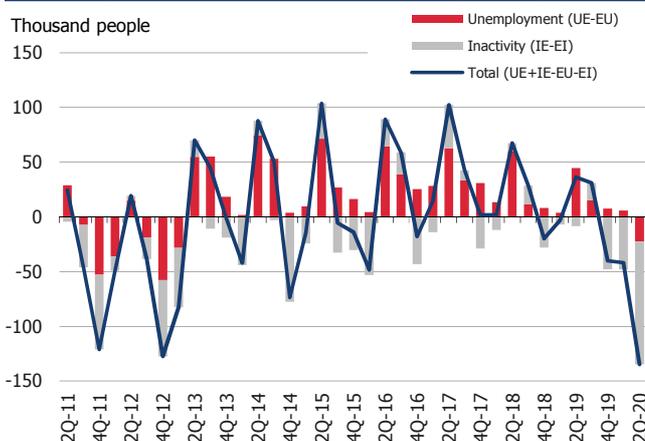
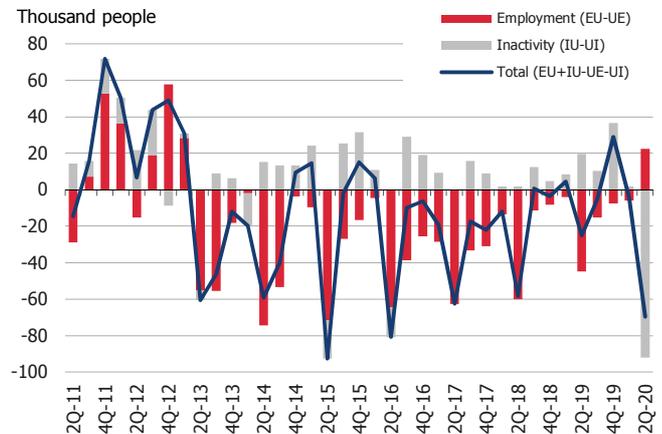


Figure 9: Net unemployment quarterly flows (inflows - outflows = quarterly change)



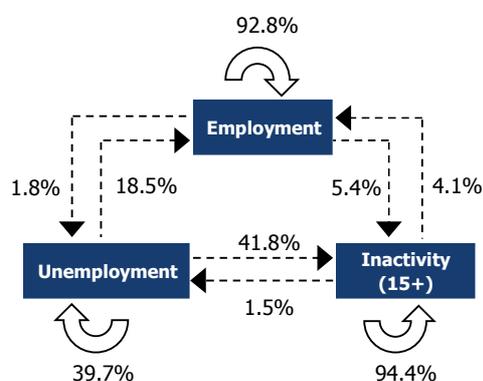
From these estimates analysis, it is possible to conclude, for the 2nd quarter of 2020, that:

- The employment quarterly decrease (134.7 thousand) resulted from the negative net flow between employment and inactivity (112.2 thousand) and between employment and unemployment (22.4 thousand). This is, in net terms, there were more exits from employment to those two labour market statuses, with emphasis on inactivity.
- On the other hand, the unemployment decrease between quarters (69.7 thousand) was explained by the negative net flow between unemployment and inactivity (92.1 thousand) having more than compensate the positive net flow between unemployment and employment (22.4 thousand). In other words, in net terms, the outflows from unemployment to inactivity more than compensated for the unemployment inflows from employment.

5.2. Transition rates (%)

From the 1st to the 2nd quarter of 2020, 1.8% of the people initially employed moved into unemployment and 5.4% moved into inactivity, with the proportion of employed persons moving out of this situation totalling 7.2% in the 2nd quarter of 2020 (92.8% remained employed; which corresponds to 4,514.4 thousand people, as in Diagram 1).

Diagram 2: Quarterly flows between labour force status (in % of initial status)



From the total of unemployed persons in the 1st quarter of 2020, 60.3% moved out of this labour market state in the 2nd quarter of 2020: 18.5% became employed and 41.8% moved into inactivity. Never, in the data series started in 2011, such a large proportion of people moving from unemployment to inactivity had been observed between two quarters.

From the total of people aged 15 and over considered to be inactive in the 1st quarter of 2020, 4.1% moved into employment and 1.5% moved into unemployment in the 2nd quarter of 2020.

6. Unemployment rates by NUTS II region

In the 2nd quarter of 2020, the unemployment rate was higher than the national average in three NUTS II regions of the country: *Algarve* (7.4%), *Região Autónoma da Madeira* (6.7%) and *Área Metropolitana de Lisboa* (6.5%).

In *Norte* the unemployment rate matched the national average (5.6%), while in *Região Autónoma dos Açores* (4.9%), *Centro* (4.7%) and *Alentejo* (3.3%) the unemployment rates stood below that value.

Table 1: Unemployment rates by NUTS II region (NUTS-2013)

	2Q-2019	1Q-2020	2Q-2020
Portugal	6.3	6.7	5.6
Norte	6.2	6.8	5.6
Centro	4.7	6.0	4.7
Área Metropolitana de Lisboa	7.1	7.0	6.5
Alentejo	6.9	6.4	3.3
Algarve	6.7	7.5	7.4
Região Autónoma dos Açores	8.2	7.2	4.9
Região Autónoma da Madeira	6.9	5.6	6.7

Unit: %
Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2020.

Compared to the previous quarter, the unemployment rate has increased in *Região Autónoma da Madeira* (1.1 pp), having decreased in the remaining regions. The two largest quarterly decreases were observed in *Alentejo* (3.1 pp) and in *Região Autónoma dos Açores* (2.3 pp).

When comparing to a year earlier, the unemployment rate increased in *Algarve* (0.7 pp), remained unchanged in *Centro* and decreased in the remaining regions. The two largest year-on-year decreases were observed in *Alentejo* (3.6 pp) and *Região Autónoma dos Açores* (3.3 pp).

7. Supplementary indicators to unemployment and the labour underutilisation

The labour underutilisation is an indicator that aggregates the unemployed population, the underemployment of part-time workers, the inactive seeking work but not immediately available, and the inactive available but not seeking work³. This indicator is supplemented by its corresponding rate – the labour underutilisation rate⁴.

With this indicator, Statistics Portugal provides its data users a broader measure of the labour underutilisation than the more restrictive measure given by the unemployment rate⁵.

In the 2nd quarter of 2020, the labour underutilisation was estimated at 748.7 thousand people and the corresponding rate was 14.0%.

The labour underutilisation increased by 7.8% (54.0 thousand) from the previous quarter and by 10.7% (72.2 thousand) from the previous year. By component, the following is observed:

- The unemployed population was estimated at 278.4 thousand people and, as previously

mentioned, decreased by 20.0% (69.7 thousand) from the previous quarter and by 15.2% (50.1 thousand) from the same quarter of 2019. The unemployment rate was 5.6%, down 1.1 pp from the previous quarter and down 0.7 pp from the 2nd quarter of 2019.

- The number of underemployed part-time workers was 132.7 thousand people, 16.6% (26.3 thousand) less than in the previous quarter and 16.0% (25.2 thousand) less than in the same quarter of 2019.
- The number of inactive persons seeking work but not immediately available (25.4 thousand) has increased by 19.9% (4.2 thousand) from the 1st quarter of 2020 and by 16.0% (3.5 thousand) from the 2nd quarter of 2019.
- The number of inactive persons available to work but not seeking (312.1 thousand) has increased by 87.6% (145.7 thousand) from the previous quarter and by 85.6% (143.9 thousand) from the same quarter of 2019.

³ For a more detail definition of these indicators, read the publication "*Estatísticas do Emprego – 2.º trimestre de 2012*" (only available in Portuguese) – chapter 4 (Concepts) and 6 (Theme under analysis) available at: <http://www.ine.pt/xurl/pub/143643471>

⁴ See concepts in the technical note.

⁵ The labour underutilisation rate corresponds, with the due adaptations to the European context and to the information obtained from the Labour Force Survey (named *Inquérito ao Emprego* in Portugal), to the U6 measure regularly published by the US Bureau of Labour Statistics in addition to the official unemployment rate (U3). Eurostat also regularly publishes this indicator for the European Union countries under the designation *Labour market slack*, following the ILO recommendation set in the Resolution concerning statistics of work, employment and labour underutilization of the 19th International Conference of Labour Statisticians, but does it for the age group 15 to 74.

Table 2: Labour underutilisation by component

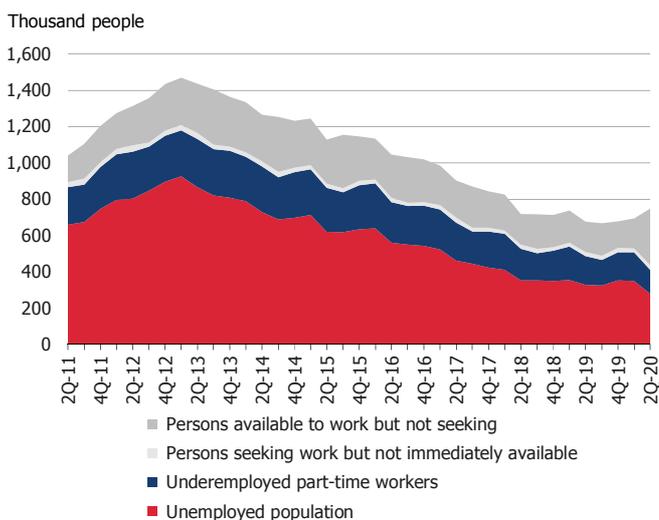
Portugal	Quarterly level		
	2Q-2019	1Q-2020	2Q-2020
Number	Thousands		
Total	676.5	694.7	748.7
Unemployed population	328.5	348.1	278.4
Underemployed part-time workers	157.9	159.0	132.7
Persons seeking work but not immediately available	21.9	21.2	25.4
Persons available to work but not seeking	168.2	166.4	312.1
Rate	%		
Unemployment rate	6.3	6.7	5.6
Labour underutilisation rate	12.4	12.9	14.0

Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2020.

Albeit the labour underutilisation quarterly increase in the 2nd quarter of 2020, the unemployed population and the labour underutilisation have displayed downwards trends from the 1st quarter of 2013 until the 3rd quarter of 2019, having decreased in total 65.1% and 54.6%, respectively (corresponding to 603.0 thousand and 801.9 thousand people in each case). These reductions were also observed in the correspondent rates, having the unemployment rate dropped from 17.5% to 6.1% and the labour underutilisation rate from 26.4% to 12.0%.

Since the 4th quarter of 2019, the unemployed population has kept its downwards trend, accumulating, until now, a decrease of 13.9% (45.0 thousand fewer people). On the other hand, labour underutilisation has increased by 12.1% (81.0 thousand), due to the sharp increase in the number of inactive people available to work, but who are not looking for a job (73.7%; 132.4 thousand).

Figure 10: Labour underutilisation components



8. Young people not in employment, education or training

In the 2nd quarter of 2020, from the total of 2,207.0 thousand young people aged 15 to 34, 12.8% (282.9 thousand) were not in employment, education or training. The majority of them were classified as part of the inactive population (62.2%), while the remaining ones were considered to be unemployed (37.8%).

From the previous quarter, the rate of young people not in employment, education or training has increased by 2.4 pp (52.6 thousand). This change resulted from the increase for both men (3.4 pp; 37.9 thousand) and women (1.3 pp; 14.8 thousand). The rate increase was also verified among the age groups of those aged 20 to 24 (3.1 pp; 17.8 thousand) and those aged 25 to 34 (3.2 pp; 35.7 thousand).

The quarterly increase of the population aged 15 to 34 who was not in employment, education or training was due to the increase among those in the inactive population (62.0 thousand), which more than compensated the decrease among those part of the unemployed population (9.2 thousand).

The rate of young people not in employment, education or training has also increased from the 2nd quarter of 2019 (4.1 pp; 92.0 thousand). Likewise, the growth resulted from a stronger increase for men (4.5 pp; 50.2 thousand) than for women (3.8 pp; 41.8 thousand), followed by the increases in the age groups of those aged 20 to 24 (3.8 pp; 23.0 thousand) and 25 to 34 (6.3 pp; 70.3 thousand).

Also in the year-on-year comparison, the increase of the population aged 15 to 34 who was not in employment, education or training was mainly (81.5%)

explained by the increase of the inactive population (75.0 thousand).

Figure 11: Rate of young people aged 15 to 34 not in employment, education or training by age group

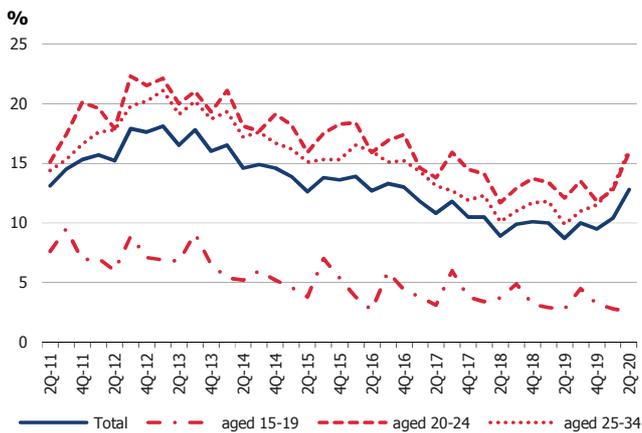


Table 3: Young people aged 15 to 34 not in employment, education or training

Portugal	Quarterly level		
	2Q-2019	1Q-2020	2Q-2020
Number	Thousands		
Total	190.9	230.3	282.9
Males	91.4	103.7	141.6
Females	99.5	126.5	141.3
15 to 19	15.5	15.1	14.2
20 to 24	65.3	70.5	88.3
25 to 34	110.1	144.7	180.4
First and second stages of basic education	80.8	85.8	94.6
(Upper) secondary and post-secondary non-tertiary education	75.0	88.5	122.0
Tertiary education	35.1	56.0	66.3
Unemployed population	89.9	116.2	107.0
Inactive population	101.0	114.0	176.0
Rate	%		
Total	8.7	10.4	12.8
Males	8.3	9.4	12.8
Females	9.0	11.5	12.8
15 to 19	2.8	2.8	2.6
20 to 24	12.1	12.8	15.9
25 to 34	9.9	13.0	16.2
First and second stages of basic education	10.0	11.3	12.7
(Upper) secondary and post-secondary non-tertiary education	8.6	9.9	13.7
Tertiary education	6.6	10.2	11.7
Proportion of			
Unemployed population	47.1	50.5	37.8
Inactive population	52.9	49.5	62.2

Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2020.

Table 4: Main indicators - active and employed population

Portugal	Quarterly level			Rate of change	
	2Q-2019	1Q-2020	2Q-2020	On year	On quarter
	Thousands			%	
Labour force (active population)	5 245.1	5 213.9	5 009.6	-4.5	-3.9
Males	2 644.6	2 634.6	2 543.6	-3.8	-3.5
Females	2 600.5	2 579.3	2 466.0	-5.2	-4.4
15 to 24	360.9	361.3	300.4	-16.8	-16.8
25 to 34	1 007.1	1 002.9	955.1	-5.2	-4.8
35 to 44	1 369.3	1 330.6	1 290.4	-5.8	-3.0
45 to 64	2 237.9	2 262.3	2 211.1	-1.2	-2.3
65 and over	270.0	256.8	252.6	-6.4	-1.7
First and second stages of basic education (at most)	2 297.6	2 209.0	2 032.4	-11.5	-8.0
Upper secondary and post-secondary non-tertiary education	1 493.2	1 546.0	1 485.5	-0.5	-3.9
Tertiary education	1 454.3	1 458.9	1 491.8	2.6	2.3
Participation rate (%)	51.1	50.7	48.7		
Males	54.6	54.4	52.5		
Females	48.0	47.4	45.3		
Participation rate (15 and over) (%)	59.2	58.6	56.3		
Males	64.1	63.7	61.5		
Females	54.9	54.2	51.8		
Employed population	4 916.7	4 865.9	4 731.2	-3.8	-2.8
Males	2 489.4	2 473.4	2 402.8	-3.5	-2.9
Females	2 427.3	2 392.5	2 328.4	-4.1	-2.7
15 to 24	295.7	290.3	240.6	-18.6	-17.1
25 to 34	948.7	913.2	881.8	-7.1	-3.4
35 to 44	1 299.4	1 273.9	1 240.7	-4.5	-2.6
45 to 64	2 108.3	2 137.1	2 118.8	0.5	-0.9
65 and over	264.6	251.4	249.2	-5.8	-0.9
First and second stages of basic education	2 143.0	2 060.8	1 929.0	-10.0	-6.4
(Upper) secondary and post-secondary non-tertiary education	1 383.6	1 420.9	1 380.0	-0.3	-2.9
Tertiary education	1 390.1	1 384.1	1 422.1	2.3	2.7
Agriculture, forestry and fishing (a)	275.5	256.6	260.0	-5.6	1.4
Manufacturing, electricity, gas and water supply and construction (a)	1 208.8	1 195.0	1 169.5	-3.3	-2.1
Services (a)	3 432.4	3 414.3	3 301.7	-3.8	-3.3
Employees	4 085.3	4 053.6	3 937.6	-3.6	-2.9
With a permanent job (work contract of unlimited duration)	3 228.6	3 279.8	3 266.6	1.2	-0.4
With a temporary job (work contract of limited duration)	732.2	643.0	578.9	-20.9	-10.0
Other contractual arrangements	124.5	130.9	92.1	-26.0	-29.7
Self-employed workers	814.4	798.0	780.3	-4.2	-2.2
Unpaid family workers	17.0	14.3	13.3	-22.0	-6.9
Full-time workers	4 398.0	4 380.8	4 275.1	-2.8	-2.4
Part-time workers	518.7	485.1	456.1	-12.1	-6.0
Underemployed part-time workers	157.9	159.0	132.7	-16.0	-16.6
Employment rate (15 and over) (%)	55.5	54.7	53.2		
Males	60.3	59.8	58.1		
Females	51.3	50.3	48.9		

Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2020.

Note:

(a) The estimates are presented by NACE-Rev. 2.

Table 5: Main indicators - unemployed and inactive population

Portugal	Quarterly level			Rate of change	
	2Q-2019	1Q-2020	2Q-2020	On year	On quarter
	Thousands			%	
Unemployed population	328.5	348.1	278.4	-15.2	-20.0
Males	155.2	161.2	140.9	-9.2	-12.6
Females	173.3	186.8	137.6	-20.6	-26.4
15 to 24	65.2	71.0	59.8	-8.3	-15.8
25 to 34	58.4	89.7	73.2	25.5	-18.4
35 to 44	69.9	56.7	49.7	-29.0	-12.3
45 and over	134.9	130.7	95.7	-29.1	-26.8
First and second stages of basic education (at most)	154.6	148.2	103.3	-33.2	-30.3
Upper secondary and post-secondary non-tertiary education	109.7	125.0	105.5	-3.8	-15.6
Tertiary education	64.2	74.8	69.6	8.4	-6.9
Looking for a first job	31.7	39.5	24.9	-21.3	-36.9
Looking for a new job	296.8	308.5	253.5	-14.6	-17.8
Agriculture, forestry and fishing (a) (b)	§	§	§	§	§
Manufacturing, electricity, gas and water supply and construction (a) (b)	62.8	75.9	59.8	-4.7	-21.2
Services (a) (b)	199.7	208.6	178.3	-10.7	-14.5
Unemployed by duration of search					
Less than 12 months	154.0	195.5	175.0	13.6	-10.5
12 months or longer (long-term unemployment)	174.4	152.6	103.4	-40.7	-32.2
Unemployment rate (%)	6.3	6.7	5.6		
Males	5.9	6.1	5.5		
Females	6.7	7.2	5.6		
Youth (15 to 24)	18.1	19.7	19.9		
Long-term	3.3	2.9	2.1		
Inactive population	5 017.2	5 070.2	5 276.3	5.2	4.1
Inactive population (15 and over)	3 616.4	3 676.4	3 886.7	7.5	5.7
Males	1 483.1	1 500.3	1 593.0	7.4	6.2
Females	2 133.3	2 176.1	2 293.7	7.5	5.4
15 to 24	729.0	733.5	795.3	9.1	8.4
25 to 34	107.2	108.8	156.2	45.8	43.5
35 to 44	101.2	117.1	146.6	44.9	25.3
45 to 64	694.7	690.4	748.2	7.7	8.4
65 and over	1 984.5	2 026.6	2 040.3	2.8	0.7
Students	820.3	811.5	817.2	-0.4	0.7
Fulfilled domestic tasks	373.9	343.2	366.5	-2.0	6.8
Retired	1 782.3	1 817.5	1 883.1	5.7	3.6
Other inactive	639.9	704.2	819.8	28.1	16.4
Persons seeking work but not immediately available	21.9	21.2	25.4	16.0	19.9
Persons available to work but not seeking	168.2	166.4	312.1	85.6	87.6
Inactivity rate (15 and over) (%)	40.8	41.4	43.7		
Males	35.9	36.3	38.5		
Females	45.1	45.8	48.2		

Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2020.

Notes:

(a) The previous employment experience of the unemployed looking for a new job is characterized only for those who had stopped working within the last 7 years. Therefore, the sum of the number of unemployed looking for a new job by economic activity of the last job does not correspond to the total unemployed looking for a new job.

(b) The estimates are presented by NACE-Rev. 2.

Conventional signs:

§ Extremely unreliable value.

B. The impact of the COVID-19 pandemic on the results of the Labour Force Survey published in this Press Release

Since mid-March 2020 that some measures have been taken to safeguard the public health due to COVID-19 pandemic, which have affected the way the Labour Force Survey interviews are conducted, the normal functioning of the labour market and, therefore, the employment and unemployment estimates of the 2nd quarter of 2020.

In particular, the declaration of a state of emergency, which led to the temporary closure of several enterprises and to the restriction the free movement of persons, followed by the closure of schools that led many parents to stay at home (even if they could not work remotely from there) to take care of their children. At the same time, measures have been taken to protect workers' jobs, such as the new layoff regime with simpler rules.

Since these measures have been put in place in the last weeks of March and the 2nd quarter comprises the months of April, May and June, the results published in this Press Release reflect their full impact. Even though in May and, mainly, in June, the restrictions to mobility had been partially eased, they continued to affect the labour market functioning. Some people did not resume (yet or in full) their previous routines and some enterprises could not immediately resume their activity or having resumed it only did it partially⁶.

As explained in this section of the Press Release of the previous quarter, one of the impacts of the COVID-19 pandemic on the results of the Labour Force Survey relates to the classification of people according to their Labour Status. In fact, persons previously classified as unemployed and those that actually lost their jobs due to the COVID-19 pandemic, and that in normal circumstances would be considered as unemployed, may now be classified as inactive due to restrictions on mobility, reduction or even interruption of the normal channels of information on job vacancies as a result of the partial or even total closure of a very significant proportion of enterprises, reasons for which they have not actively search for a job (which is an essential criterion for their classification as unemployed; for more details, see the concept of unemployed in the technical note). Also, the non-availability to start working in the reference week or in the two following weeks, if they had found a job, because they had to take care of children or other dependents or because they fell ill due to the pandemic, leads those persons to be now part of the inactive population.

These non-employed people, who do not meet only one of the two criteria (active search or availability) needed to be part of the unemployed population, are thus on the border between inactivity and unemployment, which is why their dynamics were analysed, in addition to the analysis of the official unemployed population and unemployment rate, in chapter 7 of this Press Release (Supplementary indicators to unemployment and the labour underutilisation).

Likewise, persons previously classified as employed may now fail to meet the criteria of the International Labour Organisation (ILO), whose operationalisation is harmonised within the European Union together with Eurostat, and,

⁶ For more information on the impact of the pandemic on enterprises in the 2nd quarter of 2020, see the Press Releases of the Fast and Exceptional Enterprise Survey - COVID-19 that comprise the months of April, May and June. They are available at <https://www.ine.pt/xurl/ctema/428262587/55579>.

since those criteria are required to be part of the employed population (for more details, see the concept of employed in the technical note), those persons may now be considered as not employed (hence, unemployed or inactive). This is the case of persons who are absent from work for an estimated duration of more than 3 months while, simultaneously, earning a salary of less than 50% of the usual one.

Nonetheless, the pandemic containment measures adopted by the government covered a large number of people potentially in this situation, which kept them in the employed population:

- Those who did not work in the reference week because they needed to take care of their children due to the closure of schools or because they needed to take care of dependent people (and who have not used vacation days to do so) could potentially be without work for more than three months. However, they continue to be classified as employed if they maintain an earning equal to or greater than 50% of their usual monthly income from work, which may have happened due to the exceptional support measures⁷. It should be noted that the 2019/2020 school year ended on June 26th 2020⁸.
- The same applied to those who did not work in the reference week because they were in prophylactic isolation/quarantine⁹, due to contact with infected people or because they lived with people belonging to groups at risk.
- Also those who did not work in the reference week because they were in simplified layoff¹⁰ - which resulted in the reduction of the number of persons at the work place (without dismissals) or in work being organized in rotating teams (15 days in, 15 days off, for example) - continued to be part of the employed population. In the specific case of the regime known as "simplified layoff", it should be noted that it lasted one month and was possible to extend it, exceptionally, each month up to a maximum of three months¹¹. Additionally, it aimed at the worker return to work after the end of the government support period and guarantees an income of 2/3 of the employee's normal gross remuneration (albeit with an upper limit)¹². In these circumstances, many of those previously classified as being employed remained so, even though they did not work during the reference week. This classification is in line with international guidelines issued by the ILO¹³ and Eurostat¹⁴.

⁷ http://www.seg-social.pt/noticias/-/asset_publisher/9N8j/content/covid-19-medidas-de-apoio-excecional (only available in Portuguese)

⁸ <https://www.portugal.gov.pt/pt/gc22/governo/comunicado-de-conselho-de-ministros?i=340> (only available in Portuguese)

⁹ <http://www.seg-social.pt/subsidio-por-doenca-por-isolamento-profilatico> (only available in Portuguese)

¹⁰ "Simplified layoff": temporary measure adopted by the Portuguese government as part of the set of COVID-19 pandemic containment measures, where the regular layoff rules were relaxed.

¹¹ The extraordinary support for maintaining employment contracts in a business crisis, also known as simplified layoff, was extended up to July 31st 2020 (<https://data.dre.pt/eli/dec-lei/27-B/2020/06/19/p/dre> ; only available in Portuguese).

¹² <https://www.dgert.gov.pt/covid-19-perguntas-e-respostas-para-trabalhadores-e-empregadores-faq/medidas-excepcionais-e-temporarias-de-resposta-a-epidemia-covid-19> (only available in Portuguese)

¹³ <https://ilostat.ilo.org/>

Given the above, the decrease of the employed and of the unemployed populations observed in the 2nd quarter of 2020 can be partially explained by the current social and economic environment associated with COVID-19 and was reflected in the abrupt decrease of the active population and in the steep (almost¹⁵) equivalent increase of the inactive population. The interpretation of labour market developments in the context of the COVID-19 pandemic, in particular the change of the unemployment rate observed in the 2nd quarter of 2020 and computed in accordance with the ILO concept, cannot be dissociated from the increase in the inactivity rate.

To better understand the impact of the COVID-19 pandemic in the labour market, Statistics Portugal releases below some complementary indicators, namely indicators on absences from work, hours actually worked, and the evolution of some inactive groups.

¹⁴ https://ec.europa.eu/eurostat/documents/10186/10693286/LFS_guidance.pdf

¹⁵ The changes in the active population and in the inactive population are not necessarily symmetrical. They are also influenced by the total population change that results from the natural balance and the net migration.

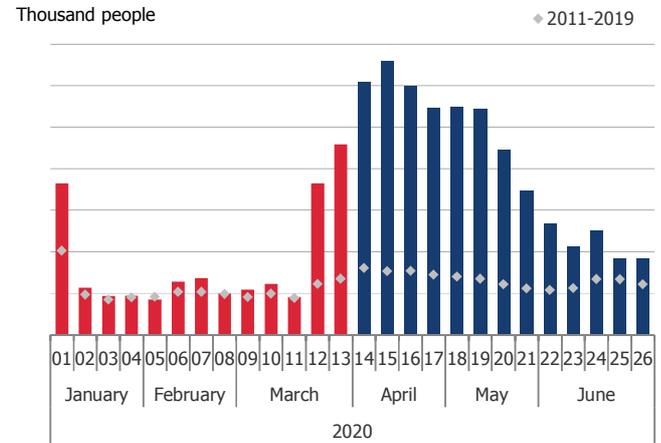
I. Population aged 15 and over absent from work in the reference week

In the 2nd quarter of 2020, the population aged 15 and over absent from work in the reference week, estimated at 1,117.9 thousand people, has increased by 136.9% (646.0 thousand) from the previous quarter and by 272.7% (818.0 thousand) from the same quarter of the previous year. That estimate corresponds to the highest value since 2011, including the values observed in the third quarters of each year (which usually correspond to the longest vacation period for a large part of the population).

Analysing absences by reference weeks, since 2011 there are systematically two peaks evident in each year (variable with seasonal component): one corresponding to weeks 32 to 35 (August and beginning of September) and another to weeks 51 and 52 (end of December), which sometimes also covers the 1st week of the year.

In 2020, however, the employed population absent from work started to increase, more than usual, in weeks 12 and 13 (last half of March), as a result of the implementation of the state of emergency on the 18th of March, having reached its maximum value in the second week of April and started to decrease more consistently in week 20 (beginning of the second half of May), stabilizing in the last four weeks of the quarter (month of June) at levels higher than those observed in the equivalent weeks of previous years. Comparing with the average weekly absences verified between 2011 and 2019, there is a clear increase in 2020 between weeks 12 and 26.

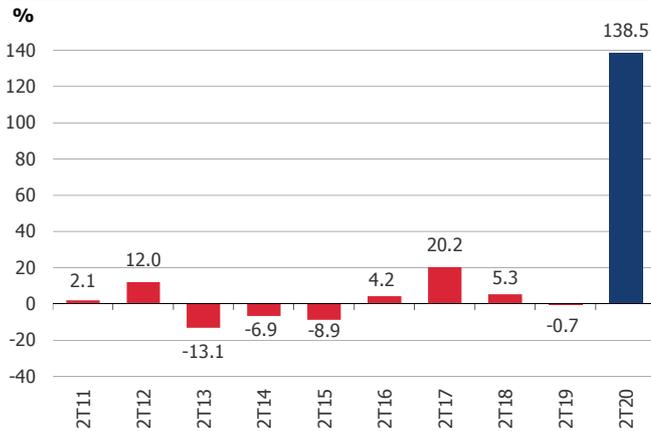
Figure I: Employed population absent from work in the reference week - 2020 and 2011-2019 average



The vast majority (96.4%) of the population aged 15 and over absent from work in the reference week was classified, according to the Labour Force Survey criteria, as employed. This happens because they maintain a formal link to employment which is assessed by the reason of absence and by one or two additional criteria that may be needed (total absence duration and income received from work). Of the remaining 3.6%, almost all (36.6 thousand people) were classified as inactive. This group has increased by 106.8% (18.9 thousand) from the previous quarter.

Focusing the analysis on the employed population absent from work in the reference week, it was estimated at 1,078.2 thousand people and represents 22.8% of total employed population. That population has increased by 138.5% (626.1 thousand) from the previous quarter and by 266.3% (783.9 thousand) from the 2nd quarter of 2019. These increases corresponded to the greatest absolute changes in this indicator since 2011.

Figure II: Quarterly rate of change in the 2nd quarters of each year of the employed population absent from work in the reference week



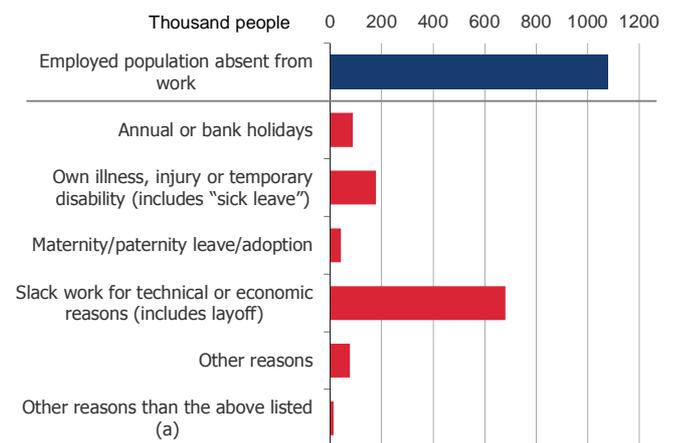
Analysing the absence reason, according to a set of pre-defined reasons, it was found that “slack work for technical or economic reasons (it includes the contract temporary suspension and layoff)”, which was rarely indicated as reason for absence, was now the most mentioned reason by about ten times more people than in the previous quarter (611,8 thousand). It has indeed accounted for 97.7% of the increase of the employed population absent from work and represented 63.1% of this population.

On the other hand, the option “Other reason” remained as the fourth most mentioned reason as in the previous quarter and has increased by 57.7% (28.0 thousand). In this answer option¹⁶ are included those who did not work in the reference week because they needed to take care of their children due to the closure of schools or because they needed to take care of dependent people (not having used vacation days to do so), as

¹⁶ Which includes, also and by example, marriage leave, general government special mobility – “supernumerary plan”, pre-retirement, irregular/occasional activity.

well as those who did not work in the reference week because they were in prophylactic isolation/quarantine.

Figure II: Employed population absent from work by reason of absence in the 2nd quarter of 2020



Note:

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: parental leave; flexible (working time banking) or variable working hours; bad weather; strike or other labour dispute; school education or training; seasonal work; unpaid leave.

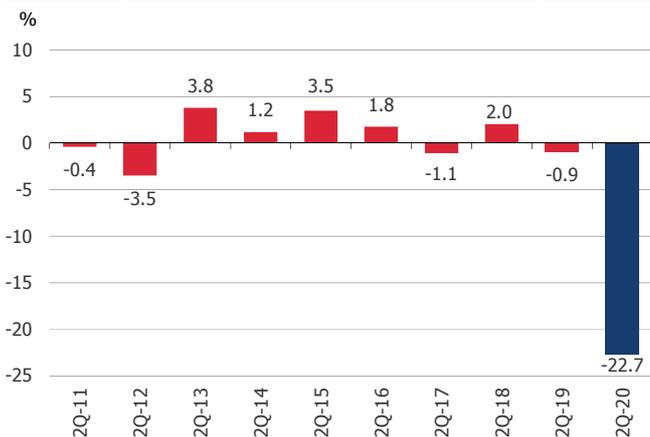
II. Hours actually worked

In the 2nd quarter of 2020, an average of 7 hours less per week was actually worked than in the previous quarter and 8 hours less than in a year earlier. These changes led to a quarterly decrease of 22.7% and to a year-on-year decrease of 26.1% of the volume of hours actually worked. These changes corresponded to the greatest quarterly and year-on-year reduction observed since 2011.

The abrupt reduction of the average number and of the volume of hours actually worked can be both explained by the steep increase of the employed population absent from work in the reference week and whose hours worked (zero) were accounted for in these indicators, as well as by the reduction of the daily

working hours that might have occurred in some companies.

Figure IV: Quarterly rate of change in the 2nd quarters of each year of the volume of hours actually worked



Considering the explanations previously given (chapter I), it is understood that it is possible to be part of the employed population without having actually worked in the reference week. It is thus possible to distinguish and analyse a subgroup of the employed population: the employed population who actually worked in the reference week.

In the 2nd quarter of 2020, this subgroup – estimated at 3,653.0 thousand people – has decreased by 17.2% (760.7 thousand) from the previous quarter and by 21.0% (969.4 thousand) from a year earlier. Among those who have worked, 69.5% stated to have worked the same number of hours usually worked, 4.6% more hours and 25.9% fewer hours.

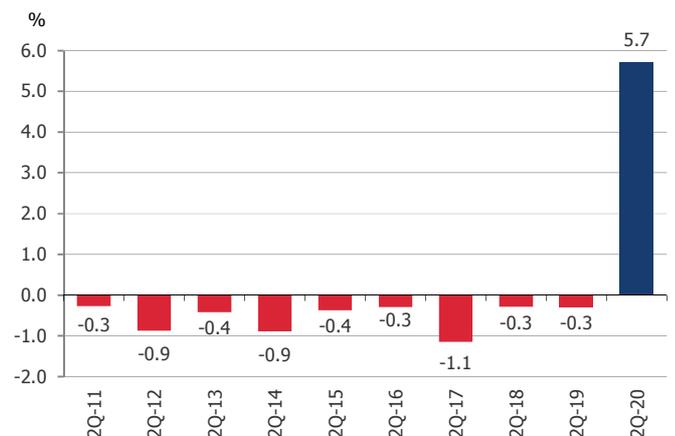
The group of those who have worked more hours has decreased by 5.8% (10.4 thousand) from the 1st quarter of 2020 and the group of those who have worked fewer hours has increased by 56.2% (340.1 thousand).

The reason that has contributed the most for the increase of those who have worked fewer hours than the usual, justifying 83.9% of this increase, was "Slack work for technical or economic reasons" (285.5 thousand).

IV. Inactive population characteristics

As mentioned in chapter 4 of this Press Release, never before, since 2011, such large quarterly and year-on-year changes in the inactive population aged 15 and over had been observed.

Figure V: Quarterly rate of change in the 2nd quarters of each year of the inactive population aged 15 and over



A possible explanation was given by the flow analysis carried out in chapter 5, where it was found that 41.8% of the people considered to be unemployed in the 1st quarter of 2020 (145.5 thousand) were classified as part of the inactive population in the 2nd quarter 2020, while 5.4% of those then employed (264.6 thousand) transitioned to inactivity between the two quarters.

To find out what kind of inactivity those who were employed or unemployed in the 1st quarter of 2020

moved to in the 2nd quarter of 2020, the inactive population was divided into two groups: one referred to as "Potential workforce", composed of the two types of inactive people who are closest to the labour market since they fulfil one of the two criteria needed to be in the unemployed population (active search for work or availability to start working in the reference period); and another one called "Other inactivity", which aggregates the remaining inactive persons.

Quarterly flows between employment, unemployment and two types of inactivity (in % of initial status)

Unit: %

	2Q-2019	1Q-2020	2Q-2020
Stayed in employment	95.5	94.6	92.8
Employment - Potential workforce	0.6	0.7	1.8
Employment - Other inactivity	2.7	3.0	3.7
Stayed in Unemployment	53.6	52.2	39.7
Unemployment - Potential workforce	8.7	12.4	28.0
Unemployment - Other inactivity	9.4	10.0	13.8
Stayed in Potential workforce	26.0	26.7	34.9
Potential workforce - Employment	19.2	15.5	13.9
Potential workforce - Unemployment	24.7	20.8	15.1
Potential workforce - Other inactivity	30.1	37.0	36.1
Stayed in Other inactivity	93.2	93.9	93.1
Other inactivity - Employment	3.4	3.1	3.6
Other inactivity - Unemployment	1.0	1.3	0.7
Other inactivity - Potential workforce	2.4	1.8	2.6

Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2020.

Notes:

- By "Potential workforce" is understood the group of inactives available to work, but not searching work and of inactives searching for a job, but not available to work.

- "Other inactivity" includes every inactive person who is not part of "Potential workforce".

From data analysis it may be concluded that those who were employed in the 1st quarter of 2020 and who transitioned to inactivity in the 2nd quarter of 2020 were mostly classified in the group "Other inactivity" (3.7%). These persons are no longer employed and have not actively sought employment, nor have they shown will to start working in the reference week or in the

following two weeks if they have found a job. However, it is important to mention the 1.1 pp quarterly increase and the 1.2 pp year-on-year increase in the proportion of those who transitioned to the "Potential workforce" (1.8%), that is, persons who are no longer employed and that showed willingness to start working in the reference period or who have actively sought a new job.

On the other hand, those who were unemployed in the 1st quarter of 2020 and transitioned to inactivity in the 2nd quarter of 2020 moved mostly into the group "Potential workforce" (28.0%). This occurred because they were no longer meeting one of the criteria needed to be part of the unemployed population: availability or active job search. Even so, many became part of the group "Other inactivity" (13.8%), that is, persons who stopped being available and looking for work at the same time.

In a temporal analysis, it is possible to observe that, in the 2nd quarter of 2019, only 8.7% of the unemployed population in the 1st quarter of that year had transitioned to the "Potential workforce", being more those who then transitioned to "Other inactivity" (9.4%). In a year, the hierarchy of proportions has been inverted and both have increased considerably. However, the biggest increases occurred between the 1st and 2nd quarter of 2020.

Another way of studying the evolution of the inactive population is by focusing the analysis in the inactive population aged 15 and over that has stopped working in 2020 (198.1 thousand). It was observed that 35.0% stated to have stopped working for "Other reason", where are included the termination by mutual consent,

layoff and self-employed persons who went out of business, 24.2% was “Dismissed or made redundant” and 22.7% because they had “A job of limited duration [that] has ended” (see table below). From the 1st quarter of 2020, the number of persons inactive aged 15 and over that stated these reasons has increased considerably: 249.2% (49.5 thousand), 532.3% (40.4 thousand) and 269.0% (32.8 thousand), respectively.

more than in the previous quarter and 174.5% (32.5 thousand) more than a year earlier. Likewise, 80.8 thousand persons mentioned not having searched for work for believing that no work was available, 40.0% (23.1 thousand) more than in the 1st quarter of 2020 and 29.7% (18.5 thousand) more than in the 2nd quarter of 2019. Other persons may have not actively searched for work due to the free movement restrictions in place during the state of emergency and due to the self-isolation duty, which have covered both persons previously classified as employed and unemployed (estimated at 205.5 thousand). This group has increased by 172.4% (130.1 thousand) from the previous quarter and by 116.7% (110.7 thousand) from a year earlier.

The COVID-19 pandemic containment measures may have yet difficult the fulfilment of an additional criterion needed to be part of the unemployed population, without which non-employed persons are classified as part of the inactive population: the availability to start working in the reference week or in the following two weeks criterion. In the 2nd quarter of 2020, the inactive population aged 15 to 74 that mentioned to be unavailable to start working in that reference period (173.9 thousand) has increased by 30.3% (40.5 thousand) from the previous quarter and by 19.3% (28.2 thousand) from one year earlier. Among the predefined reasons for the non-availability were indicated the personal or family responsibilities (mentioned by 22.0% of the respondents) and other reasons than education/training or own illness/disability (22.9% of the reference population).

Finally, it should be noted that with the Labour Force Survey it is possible to estimate the number of non-

Inactive population aged 15 and over that has stopped working in 2020

Portugal	1T-2020		2T-2020	
	Quarterly level		Structure	
	Thousands		%	
Total	50.8	198.1	100.0	
Dismissed or made redundant	7.6	48.0	24.2	
A job of limited duration has ended	12.2	45.0	22.7	
Own illness or disability	§	8.9	4.5	
Normal retirement	§	12.6	6.4	
Other reasons (e.g. termination by mutual consent, layoff, self-employed persons who went out of business)	19.9	69.4	35.0	
Other reasons than the above listed (a)	§	14.2	7.2	

Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2020.

Note:

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: looking after children or incapacitated adults; education or training; other personal or family responsibilities; early retirement.

In addition and also as previously mentioned, the measures adopted to contain the COVID-19 pandemic led to the permanent or temporary closure of several enterprises, which may have contributed to the decrease of the employed population. Many of the affected persons were not included in the unemployed population, since they have not actively searched for work. They didn't do it because they were awaiting recall to work. In fact, analysing the inactive population aged 15 to 74 who did not searched for work by reason for not looking, it is observed that 51.2 thousand people reported this reason, 79.8% (22.7 thousand)

-employed people (unemployed or inactive, according to this survey criteria) aged 15 to 74 who are registered at the public employment offices from the Employment and Vocational Training Institute (IEFP) and whose reason for the registration was the job search. In the 2nd quarter of 2020, it was estimated that 454.2 thousand non-employed persons were registered in those offices, 13.4% (53.5 thousand) more than in the previous quarter, 57.7% of which classified as inactive by the Labour Force Survey (15.1 pp more than in the 1st quarter of 2020).

Among those registered as job-seekers (416.4 thousand; 91.7% of those registered), it was noticed a quarterly increase by 13.8% (50.6 thousand). This increase occurred among the inactive population (63.9%; 88.2 thousand) and more than compensated for the decrease in the number of registered unemployed persons (16.5%; 37.6 thousand).

Table I: Population aged 15 and over absent from work in the reference week, by labour market status and absence reason

Portugal	Quarterly level			Structure		
	2Q-2019	1Q-2020	2Q-2020	2Q-2019	1Q-2020	2Q-2020
	Thousands			%		
Total	299.9	471.9	1,117.9	100.0	100.0	100.0
Employed population	294.3	452.1	1,078.2	98.1	95.8	96.4
Unemployed population	§	§	§	§	§	§
Inactive population	§	17.7	36.6	§	3.8	3.3
Employed population absent from work	294.3	452.1	1,078.2	100.0	100.0	100.0
<i>Due to:</i>						
Annual or bank holidays	115.7	106.1	88.2	39.3	23.5	8.2
Own illness, injury or temporary disability (includes "sick leave")	139.3	176.2	178.5	47.3	39.0	16.6
Maternity/paternity leave/adoption	27.3	39.7	41.5	9.3	8.8	3.8
Slack work for technical or economic reasons (includes layoff)	§	68.3	680.1	§	15.1	63.1
Other reasons (e.g. marriage leave, general government special mobility - "supernumerary plan", pre-retirement, irregular/occasional activity)	§	48.7	76.7	§	10.8	7.1
Other reasons than the above listed (a)	§	13.1	13.2	§	2.9	1.2

Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2020.

Note:

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: parental leave; flexible (working time banking) or variable working hours; bad weather; strike or other labour dispute; school education or training; seasonal work; unpaid leave.

Conventional signs:

§ Extremely unreliable value.

Table II: Employed population who worked in the reference week, by reason of actually working more or fewer hours than the usually worked					
Portugal	Quarterly level			Rate of change	
	2Q-2019	1Q-2020	2Q-2020	On year	On quarter
	Thousands			%	
Total	4,622.4	4,413.7	3,653.0	-21.0	-17.2
Same number of hours	3,277.9	3,630.2	2,539.9	-22.5	-30.0
More hours than usual	181.8	178.5	168.1	-7.6	-5.8
<i>Due to:</i>					
Flexible (working time banking) or variable working hours	60.5	62.7	65.6	8.3	4.6
Overtime hours	110.6	104.6	86.0	-22.2	-17.7
Other reason	10.7	11.2	16.5	53.3	47.3
Fewer hours than usual	1,162.6	605.0	945.1	-18.7	56.2
<i>Due to:</i>					
Annual holidays	64.5	71.6	22.4	-65.2	-68.7
Bank holidays	970.8	292.2	459.9	-52.6	57.4
Own illness, injury or temporary disability	17.1	23.8	11.4	-33.0	-52.0
Slack work for technical or economic reasons	27.4	77.4	362.9	1224.0	368.9
Flexible (working time banking) or variable working hours	32.5	38.9	31.6	-2.6	-18.8
Bad weather	§	8.6	8.6	49.4	-0.1
Other personal or family responsibilities	13.3	17.8	13.3	0.4	-25.0
Other reason	19.6	61.6	19.6	0.1	-68.2
Other reasons than the above listed (a)	11.9	13.0	15.3	29.1	17.6

Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2020.

Note:

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: maternity leave/paternity/adoption or parental leave; strike or other labour dispute; education or training; start of/change in job during reference week; end of job without taking up a new one during reference week.

Table III: Population aged 15 to 74, by different characterisation variables

Portugal	Quarterly level			Rate of change	
	2Q-2019	1Q-2020	2Q-2020	On year	On quarter
	Thousands			%	
Inactive population who has not seek work, by reason for not looking	2,566.0	2,609.1	2,810.3	7.7	9.5
Awaiting recall to work	18.6	28.5	51.2	79.8	174.5
Own illness or disability	586.3	562.0	539.3	-4.0	-8.0
Looking after children or incapacitated adults	98.4	99.3	110.6	11.5	12.5
Other personal or family responsibilities (e.g. domestic responsibilities)	119.7	116.5	118.2	1.5	-1.3
Education or training (includes school holidays)	723.9	727.3	751.3	3.3	3.8
Retirement	639.2	707.7	669.8	-5.4	4.8
Belief that no work is available	62.3	57.7	80.8	40.0	29.7
Too young	18.4	14.1	20.0	41.9	8.5
Too old	184.8	163.0	202.7	24.3	9.7
Not worth looking	32.4	30.5	51.4	68.9	58.9
Other reasons	75.4	94.8	205.5	116.7	172.4
Other reasons than the above listed (a)	§	7.9	9.6	§	45.9
Inactive population not available to start working, by reason of unavailability	145.7	133.4	173.9	30.3	19.3
Cannot leave present employment within two weeks	§	-	§	§	§
Must complete education or training (includes school holidays)	79.1	60.0	69.2	15.4	-12.5
Personal or family responsibilities (e.g. domestic responsibilities)	28.1	24.9	38.3	53.8	36.4
Own illness or disability	26.5	27.9	25.4	-9.0	-4.0
Other reason	10.9	20.6	39.8	93.5	266.4
Non-employed population registered in a IEFP^(b) public employment office and reason of registration, by labour market status	382.7	400.7	454.2	13.4	18.7
Unemployed population	225.6	229.9	192.3	-16.4	-14.8
Inactive population	157.1	170.8	261.9	53.3	66.7
<i>of which:</i>					
Registered as job-seeker	340.0	365.8	416.4	13.8	22.5
Unemployed population	224.4	227.8	190.2	-16.5	-15.2
Inactive population	115.6	137.9	226.1	63.9	95.7

Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2020.

Note:

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: already found a job; insufficient educational attainment; do not know how to look.

(b) IEFP - Employment and Vocational Training Institute

Conventional signs:

§ Extremely unreliable value.

- Null result

TECHNICAL NOTE

The main purpose of the Labour Force Survey is to characterise the population in terms of the labour market. It is a quarterly sample survey, addressed to families occupying the same dwelling in the national territory, which makes available quarterly and annual data.

Most of the characteristics observed in this survey report to the situation in one pre-defined week (from Monday to Sunday), known as reference week. The reference weeks are uniformly distributed throughout the quarters and years. The interviews usually take place in the week following the reference week.

The information is obtained directly, through computer-assisted interview, by using a mixed data collection mode: the initial interview is done face-to-face by an interviewer visiting the household and the other five interviews are done by telephone, if certain requirements are met.

Published data were calibrated by using the population estimates calculated from the final results of Census 2011. Due to rounding, the totals in tables and diagrams do not always match the sum of parts.

For more detailed information consult the Labour Force Survey [methodological document](#) (only in Portuguese) available at the Statistics Portugal website.

Some concepts

Unemployed: person aged 15 and 74 who, during the reference period, was simultaneously in the following situations:

- without work, i.e. was not in paid employment or self-employment;
- seeking work, i.e. had taken specific steps in a specified recent period (reference period or the three previous weeks) to seek paid employment or self-employment; and
- currently available for work, i.e. was available for paid employment or self-employment during the reference period.

Employed: person aged 15 and over who, during the reference period, was in one of the following situations:

- did any work for pay or profit for at least one hour, including a familiar gain in money or gender;
- was not working but had jobs from which was temporarily absent^(a);
- had a business, but was temporarily not working for a specific reason;
- was in a pre-retirement situation while working.

^(a) According to the internationally defined criteria, there is a group of persons who, although absent from work in the reference week, should be classified as employed. This is the case of persons on vacation, taking holidays, maternity/paternity leave or absent due to illness. For other predefined absences, it is necessary to check the duration of such absence: if the absence lasts up to 3 months, the person shall be deemed to have a formal link to employment; if it lasts more than 3 months, the person will only be classified as employed if he/she continues to receive an income from work equal to or greater than 50%. Otherwise, these persons are considered as not employed.

Labour force (active population): all persons aged 15 or over who, during the reference period, made up the available labour force for the production of economic goods and services (employed and unemployed).

Extended labour force: labour force enlarged by the inactive seeking work but not immediately available and the inactive available but not seeking work.

Labour underutilisation: indicator that aggregates the unemployed population, the underemployment of part-time workers, the inactive seeking work but not immediately available, and the inactive available but not seeking work.

Young people not in employment, education or training: population of young people of a given age group that, in the reference period, was not employed (i.e., was unemployed or inactive) and was not involved in education or training over a specific period of time (the reference week or in the previous three weeks).

(to be continued)

(continuation)

Participation rate: ratio between the labour force and the total population.

$$\text{P.R. (\%)} = (\text{Labour force} / \text{Total population}) \times 100$$

Participation rate (15 and over): ratio between the labour force and the working age total population (15 and over).

$$\text{P.R. (\%)} = (\text{Labour force} / \text{Total population 15 and over}) \times 100$$

Employment rate (15 and over): ratio between the employed population and the working age total population (15 and over).

$$\text{E.R. (\%)} = (\text{Employed population} / \text{Total population 15 and over}) \times 100$$

Unemployment rate: ratio between the unemployed population and the labour force.

$$\text{U.R. (\%)} = (\text{Unemployed population} / \text{Labour force}) \times 100$$

Long term unemployment rate: ratio between the unemployed population seeking employment for 12 months and over and the labour force.

$$\text{L.T.U.R. (\%)} = (\text{Unemployed population seeking employment for 12 months and over} / \text{Labour force}) \times 100$$

Inactivity rate (15 and over): ratio between the working age inactive population (15 and over) and the working age total population (15 and over).

$$\text{I.R. (\%)} = (\text{Inactive population 15 and over} / \text{Total population 15 and over}) \times 100$$

Labour underutilisation rate: ratio that defines the relationship among the labour underutilisation and the extended labour force.

$$\text{L.U.R. (\%)} = (\text{Labour underutilisation} / \text{Extended labour force}) \times 100$$

Rate of young people not in employment, education or training: ratio between the population of young people of a given age group not in employment, education or training and the total population of young people of the same age group.

On year rate of change

The in year (year-on-year) change compares the level of the variable in the current quarter with that of the corresponding quarter of the previous year. This rate of change, considering a seasonal stable pattern is not affected by this type of fluctuation, but may, however, be influenced by specific effects in a given quarter.

On quarter rate of change

The in quarter (quarterly) change compares the level of the variable over two consecutive periods. Although this indicator permits to monitor the recent pace of the variable, its calculation is particularly influenced by seasonal effects and other more specific effects in one (or both) quarters under comparison.

Next Press Release: 4 November 2020.