

11 August 2021

## Employment Statistics

2<sup>nd</sup> quarter of 2021

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### **The labour underutilisation rate stood at 12.3% and the unemployment rate at 6.7%**

The employed population (4,810.5 thousand people) has increased by 2.8% (128.9 thousand) from the previous quarter, by 4.5% (208.9 thousand) from the year before and by 0.8% (36.3 thousand) from the 2<sup>nd</sup> quarter of 2019 (two years before).

The employed population absent from work in the reference week has decreased by 37.5% (237.9 thousand) from the previous quarter and by 63.1% (680.3 thousand) from the 2<sup>nd</sup> quarter of 2020. "Own illness, injury or temporary disability" was the main reason, as it is usually observed in second quarters. Therefore, the volume of hours actually worked has increased by 10.6% from the previous quarter and by 32.1% from a year earlier. On average, each employed person has worked 35 hours per week.

The share of the employed population who has worked always or almost always from home using information and communication technologies, this is, who have worked remotely was 14.9%, covering 717.0 thousand people.

The unemployed population, estimated at 345.7 thousand people, has decreased by 4.0% (14.4 thousand) from the previous quarter and increased by 24.2% (67.3 thousand) from a year earlier, the first one to be covered by a declaration of a state of emergency<sup>1</sup>.

The unemployment rate stood at 6.7%, down 0.4 percentage points (pp) from the previous quarter, up 1.0 pp from a year earlier and up 0.3 pp from the 2<sup>nd</sup> quarter of 2019.

The labour underutilisation covered 654.2 thousand people, having decreased by 12.3% (92.2 thousand) from the previous quarter and by 12.2% (90.9 thousand) from a year before. Similarly, also the labour underutilisation rate (12.3%) has decreased both from the previous quarter (1.8 pp) and from a year earlier (2.0 pp). To a large extent, the year-on-year decrease in this rate was due to the decrease in the number of inactive persons available to work but not seeking a job.

The inactive population aged 16 and over (3,645.1 thousand people) decreased by 2.9% (107.8 thousand) from the previous quarter and by 6.7% (260.3 thousand) from the 2<sup>nd</sup> quarter of 2020.

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<sup>1</sup> For a detailed analysis of the impact of the first state of emergency in the classification of people according to their labour status, see section B. The impact of the COVID-19 pandemic on the results of the Labour Force Survey in the Press Release "Employment Statistics – 2<sup>nd</sup> quarter 2020", available at <https://www.ine.pt/xurl/dest/415270375>.

## Introduction

In 2021, as in other European Union countries, Statistics Portugal started a new Labour Force Survey data series (LFS), which includes, among other changes, the removal of persons engaged in agriculture and fishing activities exclusively for self-consumption from the employed population and the restriction of the active population to those aged 16 to 89.

To avoid direct comparisons between the estimates from different data series, the indicators now published at Statistics Portugal website labelled series 2021 include backward revised estimates since the 1<sup>st</sup> quarter of 2011 resulting from the above-mentioned adjustments.

The changes introduced by the new data series are summarized in page 17 and were presented in more detail in a Note attached to the Press Release "Employment Statistics – 1<sup>st</sup> quarter 2021"<sup>2</sup>.

To better assess the impact of the set of changes introduced in the LFS, it was carried out during the 1<sup>st</sup> quarter of 2021, in parallel with the main operation, an additional data collection using the questionnaire from the previous series applied a smaller sample. From this assessment it was concluded that the other changes made, in addition to the two already above-mentioned (reclassification of those engaged in agriculture and fishing activities exclusively for self-consumption and restriction of the active population to a new age group), did not determine statistically significant disturbances with that would justify further adjustments to the previous data series (LFS2011<sup>3</sup>) in order to obtain retrospective series consistent with the new one.

<sup>2</sup> Available at <https://www.ine.pt/xurl/dest/472918526>.

<sup>3</sup> In force from the 1<sup>st</sup> quarter of 2011 to the 4<sup>th</sup> quarter of 2020.

## 1. Labour force (active population)

The Labour Force Survey results for the 2<sup>nd</sup> quarter of 2021 indicate that the labour force (active population), estimated at 5,156.2 thousand people, has increased by 2.3% (114.5 thousand) from the previous quarter and by 5.7% (276.1 thousand) from the same quarter of 2020.

Therefore, the activity rate of the working age population (those aged 16 to 89) stood at 59.3%, having increased by 1.3 percentage points (pp) from the prior quarter and by 3.3 pp from the 2<sup>nd</sup> quarter of 2020.

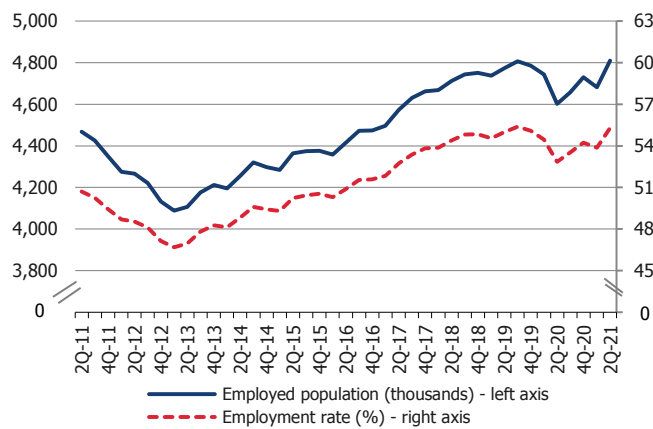
## 2. Employed population

### 2.1. Quarterly changes

The employed population stood at 4,810.5 thousand people and increased by 2.8% (128.9 thousand) from the previous quarter, as observed in the second quarters since 2013 apart from 2020. The corresponding employment rate stood at 55.3% and increased by 1.4 pp.

This change was explained by the increases recorded mainly in the following groups: women (76.1 thousand; 3.3%); aged 55 to 64 (39.7 thousand; 4.5%); having the tertiary education (95.7 thousand; 6.2%); employed in the services sector (99.1 thousand; 2.9%) – more specifically in the accommodation and food services activities (25.0 thousand; 11.3%); working as employees (119.6 thousand; 3.0%) with permanent contracts (101.9 thousand; 3.1%); and working full-time (141.7 thousand; 3.3%).

**Figure 1: Employed population and employment rate**



The employed population absent from work in the reference week<sup>4</sup> was estimated at 397.1 thousand people and represents 8.3% of the employed population, 5.3 pp less than in the previous quarter. That population has decreased by 37.5% (237.9 thousand) from the previous quarter, which corresponds to the largest quarterly decrease in a second quarter since 2011. It is recalled that, during the 1<sup>st</sup> quarter of 2021, successive declarations of state of emergency were in force and had an impact on the normal functioning of the labour market.

Analysing the absence reason in the 2<sup>nd</sup> quarter of 2021 according to a set of pre-defined reasons, it was found that "own illness, injury or temporary disability" was the main reason mentioned by 46.0% (182.8 thousand) of the employed population absent from work, this is by 6.7 thousand fewer people (3.5%) than in the 1<sup>st</sup> quarter of 2021, in line with the usually observed in second quarters since 2011 (the exception was the 2<sup>nd</sup>

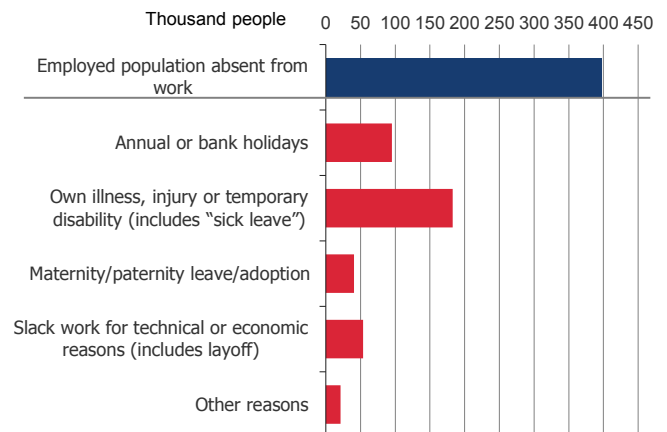
<sup>4</sup> It is possible to be part of the employed population without having worked during the reference week if a formal connection to work is kept. This is assessed by the reason of absence and, in some cases, by one or two additional criteria (income or social benefit received from/due to work, total absence duration or carrying out activities related to seasonal work).

quarter of 2020, the first quarter covered by a declaration of state of emergency due to the COVID-19 pandemic).

"Annual or bank holidays" were the second most mentioned reason, covering 24.0% (95.3 thousand) of the employed population absent from work, 38.7 thousand people more (68.3%) than in the previous quarter.

"Slack work for technical or economic reasons (it includes the contract temporary suspension and layoff)" was the third most mentioned reason to the labour absence, covering 13.5% (53.6 thousand) of the employed population absent from work, 146.8 thousand fewer people (73.2%) than in the 1<sup>st</sup> quarter of 2021.

**Figure 2: Employed population absent from work by reason of absence in the 2<sup>nd</sup> quarter of 2021**



The decrease in the employed population absent from work led to an increase in the number of hours actually worked, which explains why they were worked an average of 3 hours more per week than in the previous quarter. This corresponds to a quarterly increase of 10.6% in the volume of hours actually worked. In the 2<sup>nd</sup> quarter of 2021, were worked, on average, 35 hours per week.

Considering the total employed population, 15.4% (740.7 thousand) reported having always or almost always worked from home, 82.0% of which due to the COVID-19 pandemic.

Among those working mainly at home, 96.8% (717.0 thousand) have worked remotely. This work practice covered 14.9% of the total employed population, 5.8 pp less than in the previous quarter but still corresponding to the third highest share of this indicator since it started to be analysed five quarters ago<sup>5</sup>.

## 2.2. Year-on-year changes

From the 2<sup>nd</sup> quarter of 2020, the employed population has increased by 4.5% (208.9 thousand), in line with the series of positive year-on-year changes observed in this quarter since 2014 (except in 2020). From the 2<sup>n</sup> quarter of 2019, the employed population has increased by 0.8% (36.3 thousand).

Also the employment rate had positive a year-on-year rate of change of 2.5 pp.

<sup>5</sup> This indicator is computed from the data collected in the Labour Force Survey ad hoc module - Working from home, whose collection started in the 2<sup>nd</sup> quarter of 2020. Other indicators related to this subject are available in the Excel tables published together with the current Press Release.

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

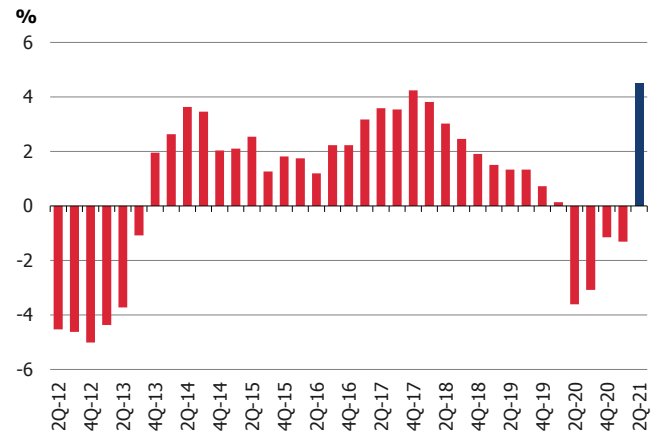


Figure 4 shows the breakdown of the year-on-year change of the employed population by different characterisation variables: sex, age group, highest completed level of education, activity sector, labour status, type of employment contract of employees, and work duration regime.

In summary, for the year-on-year change in the employed population, the variations in the following population groups mainly contributed:

- Employed population of women, which has increased by 4.7% (106.6 thousand).
- Employed population aged 55 to 64 that has grown by 11.6% (95.3 thousand).
- Employed population that has tertiary education and whose growth was of 15.7% and covered 223.4 thousand people.
- Employed population in the services sector that has increased by 5.4% (179.7 thousand). The changes in the public administration and defence, compulsory social security activities and in the education activity contributed to 52.0% of the

services sector variation, in a year-on-year total change of 93.4 thousand people (13.2%).

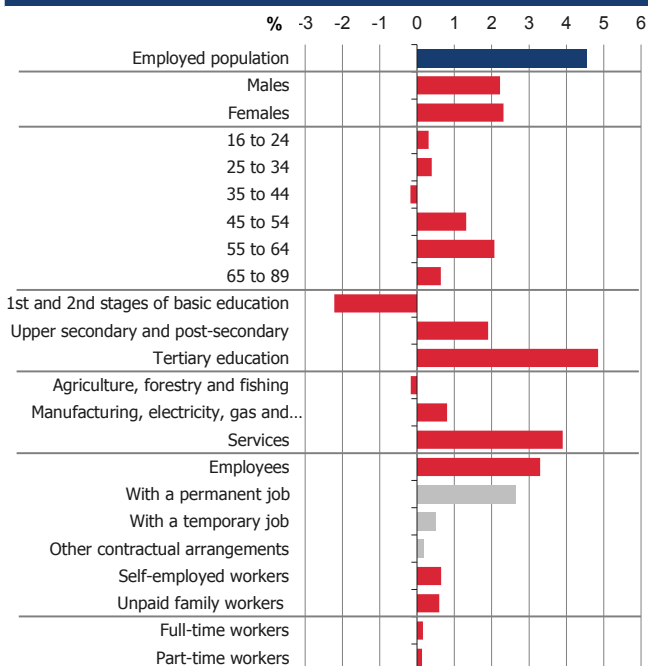
- Employees whose number has increased by 3.9% (151.8 thousand). Among these, the largest increase occurred in the number of those with a permanent job (work contract of unlimited duration) (3.7%; 121.6 thousand).
- Full-time workers, whose number has increased by 4.7% and covered 201.5 thousand people.

quarterly (625.6 thousand; 138.5%) increases in this indicator.

“Slack work for technical or economic reasons (it includes the contract temporary suspension and layoff)” was the reason for absence with the highest year-on-year variation, having been chosen by 625.8 thousand fewer people (92.1%) than in the 2<sup>nd</sup> quarter of 2020. However, from the 2<sup>nd</sup> quarter of 2019, this reason of absence has been mentioned by 49.0 thousand more people (1,053.8%).

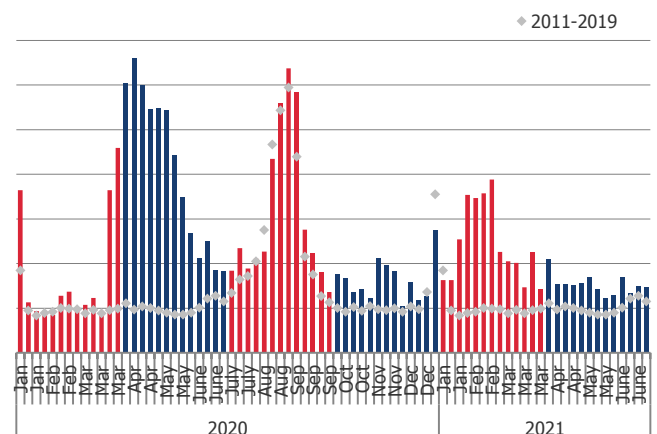
Analysing absences by reference weeks (figure 5), between 2011 and 2019 there were systematically two peaks evident in each year (variable with seasonal component): one corresponding to weeks 32 to 35 (August and beginning of September) and another to weeks 51 and 52 (end of December), which sometimes also covers the 1<sup>st</sup> week of the following year.

**Figure 4: Contributions to the year-on-year rate of change of the employed population in the 2<sup>nd</sup> quarter 2021**



The employed population absent from work in the reference week decreased by 63.1% (680.3 thousand) from a year earlier, which corresponds to the largest year-on-year decrease since 2011. It should be noted that, in the 2<sup>nd</sup> quarter of 2020, were observed the largest year-on-year (783.1 thousand; 266.1%) and

**Figure 5: Employed population absent from work in the reference week - 2020, 2021 and 2011-2019 average**

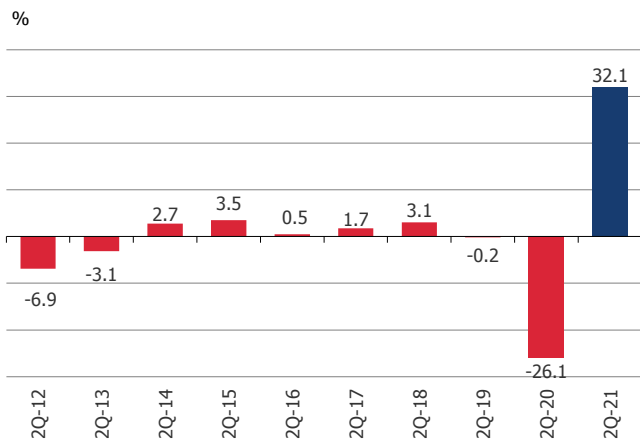


As previously mentioned, during the 2<sup>nd</sup> quarter of 2020 it was in force the first state of emergency due to the COVID-19 pandemic that restricted the functioning of some economic activities. Therefore, the number of

employed persons absent from work was higher than the value observed in the equivalent weeks of preceding years, which influenced the year-on-year comparisons now observed.

Following the evolution of the employed population absent from work, the average number of hours worked per week in the 2<sup>nd</sup> quarter of 2021 (35 hours) was 8 hours higher than the value of the same quarter in 2020, with the volume of hours actually worked increasing by 32.1%. However, the average number of hours worked per week in the 2<sup>nd</sup> quarter of 2021 was still below the average of the equivalent weeks for the period 2011 to 2019 (36 hours).

**Figure 6: Year-on-year rate of change in the 2<sup>nd</sup> quarters of each year of the volume of hours actually worked per week**



The share of the employed population working remotely in the 2<sup>nd</sup> quarter of 2021 (14.9%) is lower by 7.6 pp to the one observed one year before.

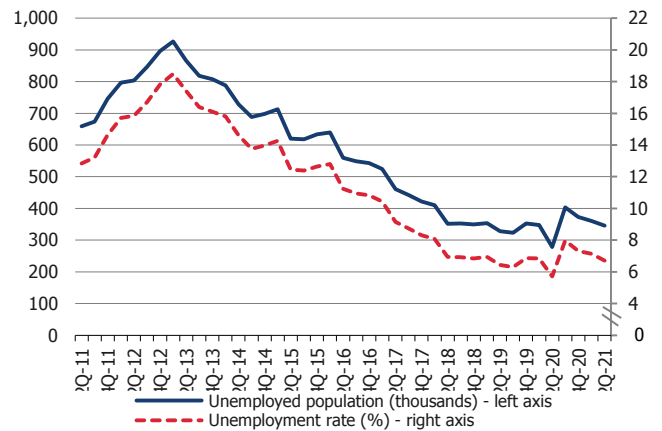
### 3. Unemployed population

#### 3.1. Quarterly changes

The unemployed population (345.7 thousand people) has decreased by 4.0% (14.4 thousand) from the previous quarter.

The unemployed population change came from the decreases observed, mainly, in the following groups: men (8.3 thousand; 4.7%); people aged 25 to 34 (27.9 thousand; 25.7%); having completed a degree corresponding to the tertiary education (20.8 thousand; 20.7%); looking for a new job (12.4 thousand; 3.9%); unemployed for less than 12 months (48.0 thousand; 20.1%).

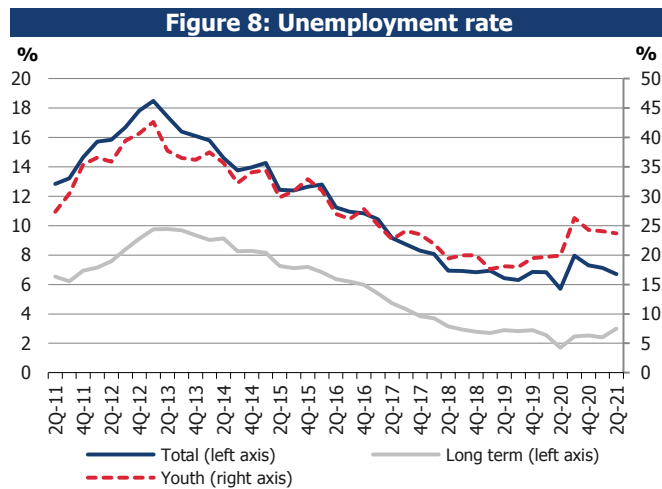
**Figure 7: Unemployed population and unemployment rate**



It should be noted that less than half of the unemployed population (44.7%) was in this situation for 12 months or longer (long-term unemployment), up 11.1 pp from the quarter before.

The unemployment rate for the 2<sup>nd</sup> quarter of 2021 stood at 6.7%<sup>6</sup>, which corresponds to a decrease by 0.4 pp from the 1<sup>st</sup> quarter of 2021.

Identical rate of change had the youth unemployment rate (16 to 24 years old), estimated at 23.7%, also down 0.4 pp from the previous quarter.

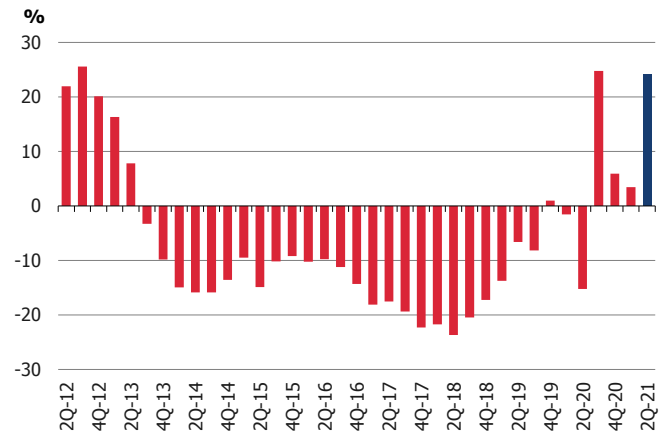


### 3.2. Year-on-year changes

From the same quarter of 2020, the unemployed population has increased by 24,2% (67,3 thousand).

<sup>6</sup> This unemployment rate was calculated for those aged 16 to 89 (in line with the concepts in force of the International Labour Organization). The unemployment rate for the moving quarter centered in May 2021 (which corresponds to the 2<sup>nd</sup> quarter 2021), published in the Press Release of June 2021 (released in 29-7-2021), was calculated for the age subgroup of those aged 16 to 74 (as in the Eurostat News Release). This rate (not seasonally adjusted) was also 6.7%.

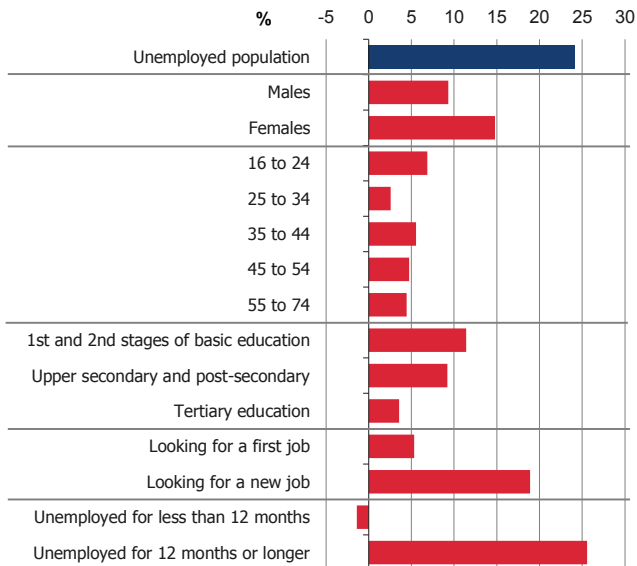
**Figure 9: Unemployed population year-on-year rate of change**



To the year-on-year evolution of the unemployed population contributed mainly the following population groups (Figure 10):

- Unemployment of women that has increased by 30.0% (41.2 thousand).
- Unemployment of those aged 16 to 24, whose increase stood at 32.0% (19.1 thousand).
- Unemployed population having completed, at most, an education level corresponding to the first or second stages of basic education, which rose by 30.7% covering 31.8 thousand people.
- Unemployed persons looking for a new job. This group has increased by 20.7% (52.6 thousand), which explained 78.2% of total unemployment increase.
- Persons unemployed for 12 months and over, whose number has rose by 85.6% (71.2 thousand).

**Figure 10: Contributions to the year-on-year rate of change of the unemployed population in the 2<sup>nd</sup> quarter 2021**



From the 2<sup>nd</sup> quarter of 2020, the unemployment rate increased by 1.0 pp. In turn, the unemployment rate of young people aged 16 to 24 has increased by 3.8 pp, while the share of people unemployed for 12 months or longer (long-term unemployment) has increased by 14.8 pp.

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

	2Q-2020	1Q-2021	2Q-2021
<b>Portugal</b>	<b>5.7</b>	<b>7.1</b>	<b>6.7</b>
Norte	5.7	7.4	6.3
Centro	4.9	6.2	6.2
Área Metropolitana de Lisboa	6.5	6.9	6.7
Alentejo	3.4	7.1	7.9
Algarve	7.5	10.2	10.2
Região Autónoma dos Açores	5.0	6.8	6.8
Região Autónoma da Madeira	7.0	9.6	8.4

**Source:** Statistics Portugal, Labour Force Survey - 2<sup>nd</sup> quarter of 2021.

**Note:**

All estimates for the 2011 data series (in force from the 1<sup>st</sup> quarter of 2011 to the 4<sup>th</sup> quarter of 2020) in this table have been revised in the light of the reconciliation exercise with the 2021 series, thus allowing direct comparison with the estimates of this series.

In the 2<sup>nd</sup> quarter of 2021, the unemployment rate was higher than the national average in four NUTS II regions of the country (*Algarve*: 10.2%; *Região Autónoma da Madeira*: 8.4%; *Alentejo*: 7.9%; *Região Autónoma dos Açores*: 6.8%), stood at the same value in *Área Metropolitana de Lisboa* (6.7%) and was below it in the remaining regions – *Norte* (6.3%), and *Centro* (6.2%).

When comparing to a year earlier, the unemployment rate has increased in all seven regions. The two largest year-on-year increases were observed in *Alentejo* (4.5 pp) and in *Algarve* (2.7 pp).

#### 4. Inactive population

The inactive population, estimated at 5,122.8 thousand people in the 2<sup>nd</sup> quarter of 2021 has decreased both from the previous quarter (2.2%; 113.0 thousand) and from the same quarter of 2020 (5.2%; 283.1 thousand).

The inactive population aged 16 or over stood at 3,645.1 thousand people, accounting for 71.2% of total inactive population and following a similar pattern: it has decreased by 2.9% (107.8 thousand) from the previous quarter and by 6.7% (260.3 thousand) from the 2<sup>nd</sup> quarter of 2020.

The inactivity rate (16 years old or over) stood at 41.4%, having decreased both from the previous quarter (1.3 pp) and from the same period of 2020 (3.1 pp).

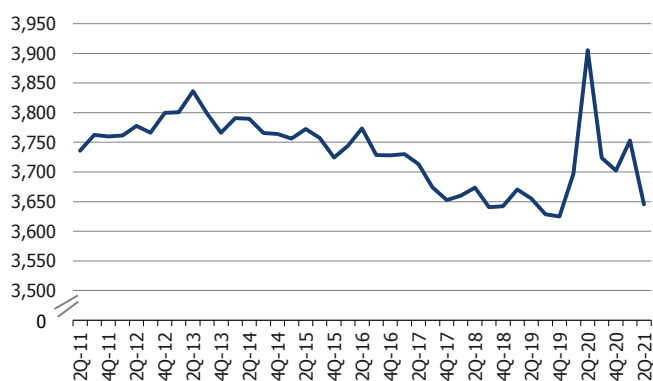
To find out what kind of inactivity subgroups of the 1<sup>st</sup> quarter of 2021 moved to unemployment in the 2<sup>nd</sup> quarter of the same year, the inactive population was



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.

In addition, it should be noted that 29.3% of those in "Potential workforce" in the 1<sup>st</sup> quarter of 2021 moved to "Other inactivity" group in the 2<sup>nd</sup> quarter of that year being further away from the labour market, since they have stopped actively searching for work or have ceased to be available to start working in the reference period.

**Figure 11: Inactive population (aged 16 and over)**



In the 2<sup>nd</sup> quarter of 2021, 24.2% of those who, in the 1<sup>st</sup> quarter of 2021, were in the group "Potential workforce" moved to unemployment. These are non-employed persons who, in the 1<sup>st</sup> quarter of 2021, have not actively sought for work, nor have mentioned to be available to start working in the reference week or in the two following weeks if they had found a job and that, in the 2<sup>nd</sup> quarter of 2021, started to fulfil both criteria (active demand and availability to work in the reference period), thus integrating the unemployed population.

In that same quarter, moved to employment 19.5% of those who, in the 1<sup>st</sup> quarter of 2021, were in the group "Potential workforce".

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

	Unit: %
	2Q-2021
Stayed in employment	97.0
Employment - Potential workforce	0.4
Employment - Other inactivity	1.3
Stayed in Unemployment	52.1
Unemployment - Potential	9.5
Unemployment - Other inactivity	7.7
Stayed in Potential workforce	27.0
Potential workforce - Employment	19.5
Potential workforce - Other	24.2
Potential workforce - Other	29.3
Stayed in Other inactivity	93.7
Other inactivity - Employment	3.4
Other inactivity - Unemployment	1.4
Other inactivity - Potential	1.5

**Source:** Statistics Portugal, Labour Force Survey - 2<sup>nd</sup> quarter of 2021.

**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".

**5. Quarterly flows between labour market status**

**5.1. Gross and net flows (number of persons)**

From the 1<sup>st</sup> to the 2<sup>nd</sup> quarter of 2021, 58.6 thousand persons moved from employment to unemployment and 80.9 thousand moved from employment to inactivity. Therefore, the number of persons moving out of employment, within a quarter, was 139.5 thousand.

At the same time, the employment inflows from unemployment were 110.7 thousand persons, while those from inactivity were 157.7 thousand. Hence, the number of persons moving into employment, within this quarter, was 268.4 thousand.

Therefore, between the two quarters there was a positive net flow into employment (that is, total inflows minus total outflows) of 128.9 thousand persons (which corresponds to the employed population quarterly change)<sup>7</sup>.

On the other hand, the net flow into unemployment was negative and comprised 14.4 thousand people (which corresponds to the unemployed population quarterly change) and resulted from the number of people becoming unemployed (158.1 thousand) being smaller than the total of those leaving that status (172.5 thousand).

The unemployment inflows from employment (58.6 thousand) were lower than those from inactivity (99.6 thousand). On the other hand, the unemployment outflows to employment (110.7 thousand) were also higher than those to inactivity (61.8 thousand).

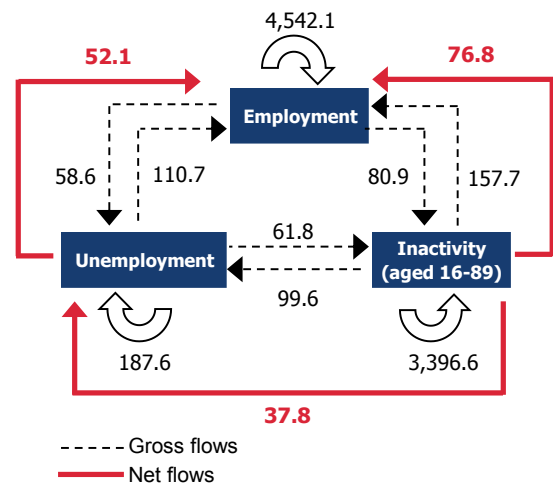
From these estimates analysis, it is possible to conclude that:

- The employment quarterly increase resulted from the positive net flow both between employment

and inactivity (76.8 thousand) and between employment and unemployment (52.1 thousand).

- On the other hand, the unemployment decrease between quarters (14.4 thousand) was explained by the negative net flow between unemployment and employment (52.1 thousand) having more than compensate the positive net flow between unemployment and inactivity (37.8 thousand). In other words, in net terms, the outflows from unemployment to employment more than compensated for the unemployment inflows from inactivity.

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



## 5.2. Transition rates (%)

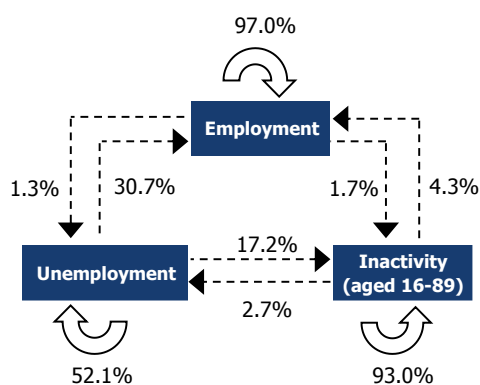
From the 1<sup>st</sup> to the 2<sup>nd</sup> quarter of 2021, 1.3% of the people initially employed moved into unemployment and 1.7% moved into inactivity, with the proportion of employed persons moving out of this situation totalling 3.0% in the 2<sup>nd</sup> quarter of 2021 (97.0% remained employed, which corresponds to 4,542.1 thousand people, as in Diagram 1).

<sup>7</sup> With the introduction of an upper age limit in the working age population, all 89-year-old classified as employed in a given quarter are automatically included in the inactive population in the following quarter if they have turned 90 in the meantime. Since the quarterly flows methodology considers only the same individuals in two consecutive quarters within the age group of 16 to 89, the employed population quarterly change may not fully coincide with the net flow into employment. However, this does not affect the analysis carried out.

From the total of unemployed persons in the 1<sup>st</sup> quarter of 2021, 47.9% moved out of this labour market state in the 2<sup>nd</sup> quarter of 2021: 30.7% became employed and 17.2% moved into inactivity.

From the total of people aged 16 to 89 considered to be inactive in the 1<sup>st</sup> quarter of 2021, 4.3% moved into employment and 2.7% moved into unemployment in the 2<sup>nd</sup> quarter of 2021.

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



## 6. 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 work<sup>8</sup>. This indicator

<sup>8</sup> 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>

is supplemented by its corresponding rate – the labour underutilisation rate<sup>9</sup>.

This indicator is a broader measure of the labour underutilisation than the unemployment rate<sup>10</sup>.

In the 2<sup>nd</sup> quarter of 2021, the labour underutilisation was estimated at 654.2 thousand people and the corresponding rate was 12.3%.

The labour underutilisation has decreased by 12.3% (92.2 thousand) from the previous quarter and by 12.2% (90.9 thousand) from a year earlier. Similarly, the labour underutilisation rate has decreased both from the previous quarter (1.8 pp) and from a year before (2.0 pp).

By component, the following is observed:

- The unemployed population was estimated at 345.7 thousand people and, as previously mentioned, decreased by 4.0% (14.4 thousand) from the previous quarter and increased by 24.2% (67.3 thousand) from the same quarter of 2020. The unemployment rate was 6.7%, down 0.4 pp from the previous quarter and up 1.0 pp from a year earlier.
- The number of underemployed part-time workers was 135.8 thousand people, 5.8% (8.4 thousand) less than in the previous quarter

<sup>9</sup> See concepts in the technical note.

<sup>10</sup> 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 19<sup>th</sup> International Conference of Labour Statisticians, but does it for the age group 15 to 74.

and 4.8% (6.2 thousand) more than in the year-on-year comparison.

- The number of inactive persons seeking work but not immediately available stood at 24.2 thousand. It has decreased both from the 1<sup>st</sup> quarter of 2021 (18.9%; 5.7 thousand) and from the 2<sup>nd</sup> quarter of 2020 (4.7%; 1.2 thousand).
- The number of inactive persons available to work but not seeking a job (148.4 thousand) has decreased by 30.0% (63.8 thousand) from the previous quarter and by 52.4% (163.3 thousand) from a year earlier.

**Table 2: Labour underutilisation by component**

Portugal	Quarterly level		
	2Q-2020	1Q-2021	2Q-2021
<b>Number</b>	<b>Thousands</b>		
<b>Total</b>	<b>745.1</b>	<b>746.4</b>	<b>654.2</b>
Unemployed population	278.4	360.1	345.7
Underemployed part-time workers	129.6	144.2	135.8
Persons seeking work but not immediately available	25.4	29.9	24.2
Persons available to work but not seeking	311.7	212.2	148.4
<b>Rate</b>	<b>%</b>		
Unemployment rate	5.7	7.1	6.7
Labour underutilisation rate	14.3	14.1	12.3

Source: Statistics Portugal, Labour Force Survey - 2<sup>nd</sup> quarter of 2021.

**Note:**

All estimates for the 2011 data series (in force from the 1<sup>st</sup> quarter of 2011 to the 4<sup>th</sup> quarter of 2020) in this table have been revised in the light of the reconciliation exercise with the 2021 serie, thus allowing direct comparison with the estimates of this series.

## 7. Young people not in employment, education or training

In the 2<sup>nd</sup> quarter of 2021, from the total of 2,104.7 thousand young people aged 16 to 34, 10.0% (210.5 thousand) were not in employment, education or training. Regarding the labour market, they were

classified as unemployed (50.9%) or as part of the inactive population (49.2%).

**Table 3: Young people aged 16 to 34 not in employment, education or training**

Portugal	Quarterly level		
	2Q-2020	1Q-2021	2Q-2021
<b>Number</b>	<b>Thousands</b>		
<b>Total</b>	<b>283.2</b>	<b>261.8</b>	<b>210.5</b>
Males	141.7	138.9	110.1
Females	141.5	122.9	100.5
16 to 19	14.2	13.5	11.1
20 to 24	88.3	75.9	67.5
25 to 34	180.6	172.4	131.9
First and second stages of basic education (at most)	94.9	86.2	73.3
(Upper) secondary and post-secondary non-tertiary education	122.0	114.2	91.5
Tertiary education	66.3	61.5	45.7
Unemployed population	107.0	129.9	107.1
Inactive population	176.3	131.9	103.5
<b>Rate</b>	<b>%</b>		
<b>Total</b>	<b>13.5</b>	<b>12.4</b>	<b>10.0</b>
Males	13.6	13.1	10.4
Females	13.5	11.8	9.6
16 to 19	3.3	3.2	2.6
20 to 24	15.9	13.5	12.0
25 to 34	16.3	15.5	11.9
First and second stages of basic education	14.9	15.5	13.6
(Upper) secondary and post-secondary non-tertiary education	13.7	12.9	10.4
Tertiary education	11.7	9.3	6.6
<b>Proportion of</b>			
Unemployed population	37.8	49.6	50.9
Inactive population	62.2	50.4	49.1

Source: Statistics Portugal, Labour Force Survey - 2<sup>nd</sup> quarter of 2021.

**Note:**

All estimates for the 2011 data series (in force from the 1<sup>st</sup> quarter of 2011 to the 4<sup>th</sup> quarter of 2020) in this table have been revised in the light of the reconciliation exercise with the 2021 serie, thus allowing direct comparison with the estimates of this series.

The rate of young people not in employment, education or training has decreased by 2.4 pp from the previous quarter (51.3 thousand) and by 3.5 pp from the same quarter of 2020 (72.7 thousand).

**Table 4: Main indicators - active and employed population**

Portugal	Quarterly level			Rate of change	
	2Q-2020	1Q-2021	2Q-2021	On year	On quarter
	Thousands			%	
<b>Labour force (active population)</b>	<b>4,880.1</b>	<b>5,041.7</b>	<b>5,156.2</b>	<b>5.7</b>	<b>2.3</b>
Males	2,457.7	2,541.4	2,586.1	5.2	1.8
Females	2,422.3	2,500.3	2,570.2	6.1	2.8
16 to 24	300.0	307.2	333.1	11.0	8.4
25 to 34	954.8	973.2	979.8	2.6	0.7
35 to 44	1,289.0	1,284.4	1,296.2	0.6	0.9
45 to 54	1,320.8	1,371.9	1,394.4	5.6	1.6
55 to 64	858.2	929.2	959.8	11.8	3.3
65 to 89	157.3	175.8	192.8	22.6	9.7
First and second stages of basic education (at most)	1,910.2	1,878.7	1,839.7	-3.7	-2.1
Upper secondary and post-secondary non-tertiary education	1,479.5	1,514.3	1,592.9	7.7	5.2
Tertiary education	1,490.3	1,648.7	1,723.6	15.7	4.5
<b>Activity rate (%)</b>	<b>56.0</b>	<b>58.0</b>	<b>59.3</b>		
Males	60.6	62.5	63.6		
Females	52.1	54.1	55.5		
<b>Employed population</b>	<b>4,601.6</b>	<b>4,681.6</b>	<b>4,810.5</b>	4.5	2.8
Males	2,316.9	2,366.3	2,419.1	4.4	2.2
Females	2,284.8	2,315.3	2,391.4	4.7	3.3
16 to 24	240.2	233.3	254.2	5.8	9.0
25 to 34	881.5	865.0	899.4	2.0	4.0
35 to 44	1,239.3	1,222.7	1,231.1	-0.7	0.7
45 to 54	1,267.8	1,313.1	1,328.3	4.8	1.2
55 to 64	818.9	874.5	914.2	11.6	4.5
65 to 89	154.0	173.1	183.4	19.1	5.9
First and second stages of basic education	1,806.9	1,746.6	1,704.6	-5.7	-2.4
(Upper) secondary and post-secondary non-tertiary education	1,374.1	1,386.6	1,461.8	6.4	5.4
Tertiary education	1,420.7	1,548.4	1,644.1	15.7	6.2
Agriculture, forestry and fishing (a)	132.0	125.0	124.2	-5.9	-0.6
Manufacturing, electricity, gas and water supply and construction (a)	1,169.4	1,175.8	1,206.4	3.2	2.6
Services (a)	3,300.2	3,380.8	3,479.9	5.4	2.9
Employees	3,936.8	3,969.0	4,088.6	3.9	3.0
With a permanent job (work contract of unlimited duration)	3,265.7	3,285.4	3,387.3	3.7	3.1
With a temporary job (work contract of limited duration)	578.9	577.4	601.2	3.9	4.1
Other contractual arrangements	92.1	106.2	100.0	8.6	-5.8
Self-employed workers	651.6	678.8	681.2	4.6	0.4
Unpaid family workers	13.3	33.8	40.7	206.4	20.2
Full-time workers	4,245.0	4,304.8	4,446.5	4.7	3.3
Part-time workers	356.7	376.8	364.0	2.1	-3.4
Underemployed part-time workers	129.6	144.2	135.8	4.8	-5.8
<b>Employment rate (%)</b>	<b>52.8</b>	<b>53.9</b>	<b>55.3</b>		
Males	57.1	58.2	59.5		
Females	49.1	50.1	51.7		

**Source:** Statistics Portugal, Labour Force Survey - 2<sup>nd</sup> quarter of 2021.

**Notes:**

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

All estimates for the 2011 data series (in force from the 1<sup>st</sup> quarter of 2011 to the 4<sup>th</sup> quarter of 2020) in this table have been revised in the light of the reconciliation exercise with the 2021 serie, thus allowing direct comparison with the estimates of this series.

**Table 5: Main indicators - unemployed and inactive population**

Portugal	Quarterly level			Rate of change	
	2Q-2020	1Q-2021	2Q-2021	On year	On quarter
	Thousands			%	
<b>Unemployed population <sup>(a)</sup></b>	<b>278.4</b>	<b>360.1</b>	<b>345.7</b>	<b>24.2</b>	<b>-4.0</b>
Males	140.9	175.2	166.9	18.5	-4.7
Females	137.6	184.9	178.8	30.0	-3.3
16 to 24	59.8	73.9	78.9	32.0	6.8
25 to 34	73.2	108.3	80.4	9.8	-25.7
35 to 44	49.7	61.7	65.1	31.1	5.6
45 to 54	53.0	58.8	66.2	24.8	12.5
55 to 74	42.7	57.4	55.1	29.0	-4.1
First and second stages of basic education (at most)	103.3	132.1	135.1	30.7	2.3
Upper secondary and post-secondary non-tertiary education	105.5	127.7	131.1	24.3	2.7
Tertiary education	69.6	100.3	79.5	14.2	-20.7
Looking for a first job	24.9	41.6	39.7	59.1	-4.7
Looking for a new job	253.5	318.5	306.1	20.7	-3.9
Unemployed for less than 12 months (short-term)	195.2	239.3	191.3	-2.0	-20.1
Unemployed for 12 months or longer (long-term)	83.2	120.8	154.4	85.6	27.8
<b>Unemployment rate (%)</b>	<b>5.7</b>	<b>7.1</b>	<b>6.7</b>		
Males	5.7	6.9	6.5		
Females	5.7	7.4	7.0		
Youth (16 to 24)	19.9	24.1	23.7		
Long-term	1.7	2.4	3.0		
<b>Inactive population</b>	<b>5,405.9</b>	<b>5,235.8</b>	<b>5,122.8</b>	<b>-5.2</b>	<b>-2.2</b>
Inactive population (16 and over)	3,905.4	3,752.9	3,645.1	-6.7	-2.9
Males	1,619.6	1,552.6	1,512.1	-6.6	-2.6
Females	2,285.8	2,200.3	2,133.0	-6.7	-3.1
16 to 24	684.8	684.7	659.4	-3.7	-3.7
25 to 34	156.5	138.0	132.4	-15.4	-4.1
35 to 44	148.1	122.6	99.9	-32.5	-18.5
45 to 54	217.3	177.6	158.9	-26.9	-10.5
55 to 64	563.0	501.4	474.2	-15.8	-5.4
65 to 89	2,057.4	2,025.2	2,014.5	-2.1	-0.5
Students (16 to 89)	707.6	739.9	731.9	3.4	-1.1
Fulfilled domestic tasks (16 to 89)	377.8	343.9	339.6	-10.1	-1.3
Retired (16 to 89)	1,911.4	2,032.0	2,007.3	5.0	-1.2
Other inactive	908.5	637.1	566.3	-37.7	-11.1
Persons seeking work but not immediately available (16 to 74)	25.4	29.9	24.2	-4.7	-18.9
Persons available to work but not seeking (16 to 74)	311.7	212.2	148.4	-52.4	-30.0
<b>Inactivity rate (16 and over) (%)</b>	<b>44.5</b>	<b>42.7</b>	<b>41.4</b>		
Males	39.7	37.9	36.9		
Females	48.5	46.8	45.4		

Source: Statistics Portugal, Labour Force Survey - 2<sup>nd</sup> quarter of 2021.

**Note:**

(a) The 1<sup>st</sup> quarter of 2021 estimates for the "Unemployment duration" indicator were revised, adopting the calculation mode according to Eurostat criteria.

All estimates for the 2011 data series (in force from the 1<sup>st</sup> quarter of 2011 to the 4<sup>th</sup> quarter of 2020) in this table have been revised in the light of the reconciliation exercise with the 2021 serie, thus allowing direct comparison with the estimates of this series.

Population aged 16 to 89 absent from work in the reference week, by labour market status and absence reason						
Portugal	Quarterly level			Structure		
	1Q-2020	4Q-2020	1Q-2021	1Q-2020	4Q-2020	1Q-2021
	Thousands			%		
<b>Total</b>	<b>1,117.1</b>	<b>671.9</b>	<b>413.5</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Employed population	1,077.4	635.0	397.1	96.4	94.5	96.0
Unemployed population	x	15.4	x	x	2.3	x
Inactive population	36.6	21.6	12.9	3.3	3.2	3.1
<b>Employed population absent from work</b>	<b>1,077.4</b>	<b>635.0</b>	<b>397.1</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>Due to:</i>						
Annual or bank holidays	88.2	56.6	95.3	8.2	8.9	24.0
Own illness, injury or temporary disability (includes "sick leave")	178.5	189.5	182.8	16.6	29.8	46.0
Maternity/paternity leave/adoption	41.5	26.6	40.7	3.8	4.2	10.3
Slack work for technical or economic reasons (includes layoff)	679.4	200.4	53.6	63.1	31.6	13.5
Other reasons (a)	76.7	128.3	21.1	7.1	20.2	5.3
Other reasons than the above listed (b)	13.2	33.5	x	1.2	5.3	x

**Source:** Statistics Portugal, Labour Force Survey - 2<sup>nd</sup> quarter of 2021.

**Note:**

(a) In the 2020 quarters it includes, for example, marriage leave, general government special mobility - "supernumerary plan", pre-retirement, irregular/occasional activity. In the 2021 quarters it includes, among other, bad weather, strike, unpaid leave, leave for taking care of family member (not parental leave), pre-retirement, military reserve.

(b) In the 2020 quarters 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. In the 2021 quarters it includes: flexible working hours; parental leave; job-related training; seasonal work; new job.

**Conventional signs:**

x Not available.

## Start, in January 2021, of a new Labour Force Survey data series

Following:

- The adoption of the Resolution concerning Statistics of Work, Employment and Labour underutilisation at the 19<sup>th</sup> International Conference of Labour Statisticians promoted by the International Labour Organization in 2013;
- The publication, in October 2019, of the Integrated European Social Statistics Regulation (IESS Framework), which aims at ensuring that social statistics based in sampling surveys and related to individuals and households are produced in a more coherent and coordinated manner at the European level ([Regulation \(EU\) 2019/1700 of the European Parliament and of the Council of 10 October 2019](#));
- The publication of a set of additional regulations, among which there is the Commission Implementing Regulation in the labour force domain ([Commission Implementing Regulation \(EU\) 2019/2240](#)),

In January 2021, the countries participating in the European Statistical System started, in a coordinated manner and in conjunction with Eurostat, the collection of a new Labour Force Survey (LFS) data series. Although this new series does not contain any fundamental change to the conceptual framework underlying the LFS, there are still some innovations. One of these changes was the reinforcement of the sample size to ensure compliance with more demanding precision criteria. Additionally, it is also worth mentioning:

- The change in the reference age of the active population to “16 to 89 years old” (before it considered those aged 15 and over).
- In line with the ILO recommendations, people in agriculture and fisheries activities exclusively for self-consumption are no longer considered in the employed population.
- The update of the questionnaire, in particular the questions that determine the labour force status.
- The modularization of the questionnaire, which will include questions with different periodicities (quarterly, annual, biennial and every 8 years).

Among the characteristics that are preserved, are the sample and the quarterly rotation scheme (1/6 in each quarter). Therefore, 5/6 of the 1<sup>st</sup> quarter of 2021 sample has answered to the LFS in the 4<sup>th</sup> quarter of 2020.

Nonetheless, to assess the impact of the data series change, Statistics Portugal carried out during the 1<sup>st</sup> quarter of 2021, in parallel with the main operation, a pilot survey using the questionnaire of the previous data series (LFS2011, in force between the 1Q2011 and the 4Q2020) and a smaller sample.

From this assessment, after the adjustment of the reference age group of active population and the reclassification of those engaged in agriculture and fishing activities for self-consumption, Statistics Portugal has concluded that there are no additional breaks in time series in the indicators released in this Press release and at the Statistics Portugal website. Only one adjustment was made, in relation to the backward revised series already published in the last Press Release, in the classification of people formerly employed in agricultural and fishing activities for self-consumption by type of inactivity and by type of non-employment of young people not in employment, education or training. The respective tables have been updated accordingly and this adjustment is mentioned in a note to them.



## 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 16 and 74 who during the reference period met simultaneously the following situations:

- neither had a job nor was at work;
- had actively sought work, i.e. had actively searched for a paid or unpaid job during the specified period (reference period or the three previous weeks); and
- was available for a paid and unpaid job.

**Employed:** person aged 16 to 89 who, during the reference period, was in one of the following situations:

- worked for at least one hour for a wage or salary, in cash or in kind (including unpaid family work);
- had a formal attachment to his/her job but was not at work temporarily;
- was in early retirement but working in the reference week.

**Working age resident population:** Resident population aged 16 to 89.

**Active:** person aged 16 to 89 who, during the reference period, furnish the supply of labour force for the production of economic goods and services (was employed or unemployed).

**Labour force:** population formed by all active persons.

**Extended labour force:** corresponds to the 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. All these population groups consider the age group 16 to 74.

**Young people not in employment, education or training:** population of young people of a given age group who, 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)*

**Activity rate of the working age population:** rate that defines the relation between the labour force and the working age population.

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

**Employment rate:** rate that defines the relation between the employed population and the working age population.

$$\text{E.R. (\%)} = (\text{Employed population} / \text{Working age population}) \times 100$$

**Unemployment rate:** rate that defines the relation between the unemployed population and the labour force.

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

**Long term unemployment rate:** rate that defines the relation between the unemployed population seeking employment for 12 months or over and the labour force.

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

**Inactivity rate of the working age population:** rate that defines the relation between the working age inactive population and the working age total population.

$$\text{I.R. (\%)} = (\text{Working age inactive population} / \text{Working age population}) \times 100$$

**Labour underutilisation rate:** rate that defines the relation between 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:** rate that defines the relation 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 change**

The 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 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 change**

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

**Next Press Release:** 10 November 2021.