

8 November 2023 EMPLOYMENT STATISTICS 3<sup>rd</sup> quarter of 2023

# THE UNEMPLOYMENT RATE REMAINS AT 6.1% AND THE LABOUR UNDERUTILISATION RATE DECREASES TO 11.3%

In the 3<sup>rd</sup> quarter of 2023, the employed population (5,015.5 thousand people) increased by 0.5% (26.8 thousand) from the previous quarter and by 2.2% (109.2 thousand) from one year before.

The share of the employed population who has teleworked, that is, who has worked from home using information and communication technologies was 16.6% (833.0 thousand people), 1.7 percentage points (pp) less than in the 2<sup>nd</sup> quarter of 2023.

The unemployed population, estimated at 326.1 thousand people, has increased by 0.5% (1.4 thousand) from the previous quarter and by 4.4% (13.7 thousand) from a year earlier.

The unemployment rate stood at 6.1%, the same value as in the  $2^{nd}$  quarter of 2023 and 0.1 pp more than in the  $3^{rd}$  quarter of 2022.

The labour underutilisation covered 620.9 thousand people, having decreased by 0.5% (3.4 thousand) from the previous quarter and increased by 1.7% (10.2 thousand) from a year before. The labour underutilisation rate (11.3%) has decreased from the previous quarter (0.1 pp) and remained unchanged from the same quarter of 2022.

The inactive population aged 16 and over (3,518.0 thousand people) has decreased by 0.5% (17.2 thousand) from the previous quarter and by 2.0% (73.7 thousand) in the year-on-year comparison.

### **Preliminary Note**

Following the measures decreed by the competent authorities to contain the COVID-19 pandemic, Statistics Portugal decided, between the first fortnight of March 2020 and the end of the 2<sup>nd</sup> quarter of 2022, to suspend the face-to-face collection of information in the Labour Force Survey, replacing it exclusively with telephone interviews. This suspension had an impact on response rates and the profile of respondents, which led Statistics Portugal to increase the size of the quarterly sample of this survey, while restricting the sampling frame to dwellings for which this collection mode was feasible. In addition, provided in its Press Releases additional indicators to monitor the evolution of the labour market, always alerting when the impacts of the measures to contain the COVID-19 pandemic could interfere with the normal evolution or interpretation of the estimates released.

With the resumption of the mixed collection mode from the 3<sup>rd</sup> quarter of 2022 onwards, through the reintroduction of face-to-face interviews, there was a gradual reversal of response rates to the levels observed in

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the pre-pandemic quarters and year-on-year variations different from those expected in some indicators were shown, as presented in detail in the "Methodological note of the Labour Force Survey data: the context of the COVID-19 pandemic", published on 19 May 2023.<sup>1</sup>

Statistics Portugal then resumed the analysis of the impact of adopting an exclusively telephone data collection mode and, following its results, revised the estimates for the 2<sup>nd</sup> quarter of 2020 to the 2<sup>nd</sup> quarter of 2023<sup>2</sup> by incorporating the variable "completed level of education" into the process of calibrating the individual weights, in addition to the information usually used (monthly estimates of the resident population by sex, age group and region). The estimation of the results for the 3<sup>rd</sup> quarter of 2023, the last quarter affected by the suspension of face-to-face collection mode<sup>3</sup>, was carried out in a similar way.

For more information on the context, methodology and impacts of this revision, see the "<u>Methodological note on</u> <u>the revision of the Labour Force Survey data: the context of the COVID-19 pandemic</u>", published together with this Press Release – 8 November 2023.

# 1. Labour force (active population)

The Labour Force Survey results for the 3<sup>rd</sup> quarter of 2023 indicate that the labour force (active population), estimated at 5,341.6 thousand people, has increased by 0.5% (28.3 thousand people) from the previous quarter and by 2.4% (122.9 thousand) from the same quarter of 2022.

Therefore, the activity rate of the working age population (those aged 16 to 89) stood at 61.1%, up 0.2 percentage points (pp) from the preceding quarter and up 1.1 pp from the 3<sup>rd</sup> quarter of 2022.

# 2. Employed population

In the 3<sup>rd</sup> quarter of 2023, the employed population stood at 5,015.5 thousand people and increased by 0.5% (26.8 thousand) from the previous quarter and by 2.2% (109.2 thousand) from one year before. The corresponding employment rate stood at 57.4% and increased by 0.2 pp from the 2<sup>nd</sup> quarter of 2023 and by 1.0 pp from the 3<sup>rd</sup> quarter of 2022.

<sup>&</sup>lt;sup>1</sup> Available at <u>http://www.ine.pt/xurl/dest/612944288</u>.

<sup>&</sup>lt;sup>2</sup> Consequently, the estimates for the years 2020 to 2022 were also revised. The monthly employment and unemployment estimates, as well as the statistics on flows between labour market states, will be revised in their next release.

<sup>&</sup>lt;sup>3</sup> The reintroduction of the face-to-face collection mode was done through the entry rotation and took place in stages from the 3<sup>rd</sup> quarter of 2022. Thus, the 3<sup>rd</sup> quarter of 2023 is the last in which one of its six sample rotations has not been started in this collection mode, which still influenced, albeit to a lesser extent, the estimates produced from this statistical operation.



Figure 1. Employed population and employment rate



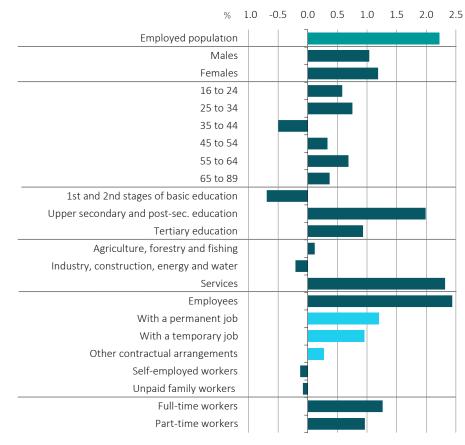
Source: Statistics Portugal, Labour Force Survey – 3<sup>rd</sup> quarter of 2023.

Figure 2 shows the breakdown of the year-on-year change of the employed population by different characterisation variables: sex, age group, highest level of education completed, activity sector, labour status, type of employment contract of employees, and work duration regime.

In summary, the year-on-year change in the employed population was mainly due to the increases in the following population groups: women (58,3 thousand; 2,4%); people aged 25 to 34 (37.0 thousand; 4.0%); with upper secondary and post-secondary education (97.6 thousand; 6.4%); employed in the services sector (113.7 thousand; 3.2%), namely in the sections of economic activity G (Wholesale and retail trade; repair of motor vehicles and motorcycles), H (Transportation and storage) and I (Accommodation and food services activities), whose combined increase (55.3 thousand; 4.4%) represented 48.6% of the sector change; employees (119.5 thousand; 2.9%), with a permanent contract (59.2 thousand; 1.7%); and working full-time (62.0 thousand; 1.4%).



Figure 2. Contributions to the year-on-year rate of change of the employed population in the 3<sup>rd</sup> quarter of 2023



Source: Statistics Portugal, Labour Force Survey – 3<sup>rd</sup> quarter of 2023.

Considering the total employed population, 17.5% of them (877.3 thousand) reported having worked from home in the 3<sup>rd</sup> quarter of 2023.<sup>4</sup> Among those who worked at home, 26.9% (235.8 thousand) did it always, 37.4% (327.8 thousand) did so regularly through a system that combines face-to-face work and work at home, 16.1% (140.9 thousand) worked from home on occasion, and 19.1% (167.4 thousand) did it outside working hours. Comparing these shares to those of the previous quarter, it stands out the decrease in those who worked at home outside working hours (5.3 pp).

Among those working regularly through a system that combines face-to-face work and work at home, the most common combination system was the one that combines a few days a week at home in every week (70.8%; 232.2 thousand), being also the one that had the largest quarterly increase (1.6 pp more than in the 2<sup>nd</sup> quarter of 2023) and the largest year-on-year increase (4.9 pp more than in the 3<sup>rd</sup> quarter of 2022). Employed persons in a hybrid system worked at home on average three days a week.

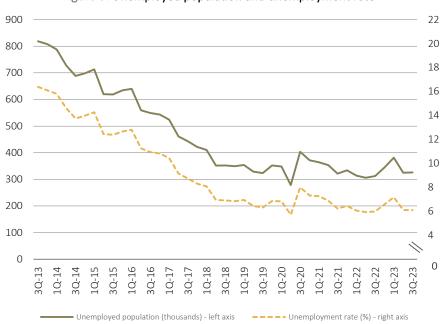
<sup>&</sup>lt;sup>4</sup> These indicators were computed from the data collected in the Labour Force Survey ad hoc module - Working from home. Other indicators related to this subject are available in the Excel tables published together with the current Press Release.



Also, among those working at home, 94.9% (833.0 thousand) have teleworked, that is, they have used information and communication technologies (ICT) to perform their jobs from home. This work practice covered 16.6% of the total employed population, 1.7 pp less than in the previous quarter and 0.4 pp more than in the same quarter of 2022.

## 3. Unemployed population

In the 3<sup>rd</sup> quarter of 2023, the unemployed population (326.1 thousand people) increased from the previous quarter (1.4 thousand; 0.5%) and from a year earlier (13.7 thousand; 4.4%).





**Source:** Statistics Portugal, Labour Force Survey – 3<sup>rd</sup> quarter of 2023.

The year-on-year change of the unemployed population was mainly due to the increases in the following population groups: men (9.9 thousand; 7.1%); people aged 16 to 24 (13.8 thousand; 20.5%) and 55 to 74 (13.6 thousand; 29.4%); having completed, at most, the first or second stages of basic education (10.7 thousand; 8.9%); looking for a new job (7.3 thousand; 2.7%); and unemployed for less than 12 months (24.8 thousand; 13.7%).

In the 3<sup>rd</sup> quarter of 2023, 37.0% of the unemployed population was in this situation for 12 months or longer (long-term unemployment), down 4.9 pp from preceding quarter and down 5.2 pp from a year earlier.

The year-on-year change of the proportion of long-term unemployment was driven by decreases among women (8.2 pp), those aged 45 to 54 (12.9 pp), and those with upper secondary and post-secondary education (9.3 pp).



Figure 4. Contributions to the year-on-year rate of change of the unemployed population in the 3<sup>rd</sup> quarter of 2023

%	-6	-4	-2	0	2	4	6	8	10
Unemployed population									
Males									
Females									
16 to 24									
25 to 34									
35 to 44									
45 to 54									
55 to 74									
1st and 2nd stages of basic education									
Upper secondary and post-sec. education									
Tertiary education									
Looking for a first job									
Looking for a new job									
Unemployed for less than 12 months							1		
Unemployed for 12 months or longer									

Source: Statistics Portugal, Labour Force Survey – 3<sup>rd</sup> quarter of 2023.

#### Table 1. Unemployed population for 12 months or longer (long-term unemployment)

	(	Proportion <sup>(a)</sup>		
Portugal	3Q-2022	2Q-2023	3Q-2023	3Q-2023
		Thousands		%
Total	131.8	136.1	120.8	37.0
Males	54.2	61.1	56.0	37.6
Females	77.6	74.9	64.8	36.5
16 to 24	10.5	12.9	12.4	15.3
25 to 34	30.0	21.7	25.0	34.1
35 to 44	27.9	27.7	21.8	37.8
45 to 54	33.8	31.9	24.6	44.7
55 to 74	29.7	41.9	37.1	62.0
First and second stages of basic education (at most)	62.0	66.5	62.2	47.3
Upper secondary and post-secondary non-tertiary education	45.3	47.1	37.1	30.7
Tertiary education	24.5	22.4	21.5	29.1
Unemployed for less than 24 months	43.8	48.0	45.2	37.5
Unemployed for 24 months or longer	88.1	88.0	75.5	62.5

**Source:** Statistics Portugal, Labour Force Survey – 3<sup>rd</sup> quarter of 2023.

**Note:** (a) The proportions shown, except for the last two, have been calculated considering the unemployed population. The proportions referring to the duration of long-term unemployment were based on the unemployed population for 12 months or longer.



The share of very long-term unemployment (24 or more months) in the long-term unemployment (62.5%) has decreased by 2.2 pp from the previous quarter and by 4.3 pp from the same quarter of 2022.

The unemployment rate for the 3<sup>rd</sup> quarter of 2023 stood at 6.1%, the same value as in the 2<sup>nd</sup> quarter of 2023 but 0.1 pp more than in the 3<sup>rd</sup> quarter of 2022. The youth unemployment rate (16 to 24 years old) was estimated at 20.3%, up 3.2 pp from the previous quarter and up 1.5 pp from a year earlier.

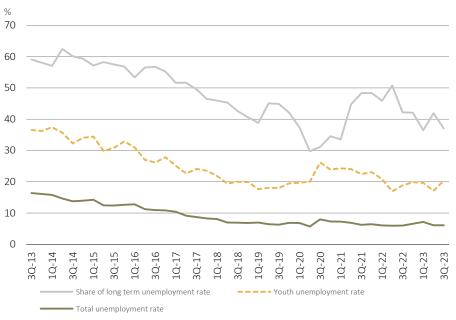


Figure 5. Total and youth unemployment rate and share of long-term unemployment

**Source:** Statistics Portugal, Labour Force Survey – 3<sup>rd</sup> quarter of 2023.

In the 3<sup>rd</sup> quarter of 2023, the unemployment rate was higher than the national average (6.1%) in two NUTS II regions (*Norte*: 6.7%; *Área Metropolitana de Lisboa*: 6.6%) and lower in the remaining five (*Região Autónoma dos Açores*: 6.0%; *Alentejo*: 5.9%; *Centro*: 5.0%; *Algarve*: 4.8%; *Região Autónoma da Madeira*: 4.8%).

Compared to the previous quarter, the unemployment rate rose in three regions, particularly in the *Alentejo* (0.6 pp), and fell in the remaining regions, with the biggest decrease being observed in the *Região Autónoma da Madeira* (1.4 pp).

In the year-on-year comparison, there were increases in this indicator in four regions, the largest of which in the *Alentejo* region (1.5 pp), and decreases in *Área Metropolitana de Lisboa* (1.2 pp) and *Região Autónoma da Madeira* (1.4 pp), with no year-on-year changes being observed in the unemployment rate of *Região Autónoma dos Açores*.



	Qı	uarterly lev	vel	Rate o	of change				
Portugal	3Q-2022	2Q-2023	3Q-2023	On year	On quarter				
			%	%					
Portugal	6.0	6.1	6.1	0.1	-				
Norte	5.9	6.4	6.7	0.8	0.3				
Centro	4.5	4.9	5.0	0.5	0.1				
Área Metropolitana de Lisboa	7.8	7.1	6.6	- 1.2	- 0.5				
Alentejo	4.4	5.3	5.9	1.5	0.6				
Algarve	4.7	5.0	4.8	0.1	- 0.2				
Região Autónoma dos Açores	6.0	6.6	6.0	-	- 0.6				
Região Autónoma da Madeira	6.2	6.2	4.8	- 1.4	- 1.4				

#### Table 2. Unemployment rates by NUTS II (NUTS-2013)

Source: Statistics Portugal, Labour Force Survey – 3<sup>rd</sup> quarter of 2023.

Conventional sign: - Null result.

#### 4. Inactive population

The inactive population, estimated at 4,972.7 thousand people in the  $3^{rd}$  quarter of 2023, has decreased from the previous quarter (18.7 thousand; 0.4%) and from the same quarter of 2022 (75.2 thousand; 1.5%).



# Figure 6. Inactive population (aged 16 and over)

**Source:** Statistics Portugal, Labour Force Survey – 3<sup>rd</sup> quarter of 2023.



The inactive population aged 16 or over, which stood at 3,518.0 thousand people, accounted for 70.7% of the total inactive population and has also decreased from the previous quarter (17.2 thousand; 0.5%) and from a year earlier (73.7 thousand; 2.0%).

The inactivity rate (16 years old or over) stood at 39.7% and presented identical evolution: it has decreased both from the  $2^{nd}$  quarter of 2023 (0.3 pp) and from the  $3^{rd}$  quarter of 2022 (1.1 pp).

# 5. 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>5</sup>. This indicator is supplemented by its corresponding rate – the labour underutilisation rate<sup>6</sup>. This indicator is a broader measure of the labour underutilisation than the unemployment rate<sup>7</sup>.

In the 3<sup>rd</sup> quarter of 2023, the labour underutilisation was estimated at 620.9 thousand people and the corresponding rate was 11.3%.

The labour underutilisation has decreased by 0.5% (3.4 thousand) from the previous quarter and increased by 1.7% (10.2 thousand) from a year earlier. On the other hand, the labour underutilisation rate has decreased by 0.1 pp from the  $2^{nd}$  quarter of 2023 and remained unchanged from the  $3^{rd}$  quarter of 2022.

By component, the following is observed:

- The unemployed population was estimated at 326.1 thousand people and, as previously mentioned, increased by 0.5% (1.4 thousand) from the 2<sup>nd</sup> quarter of 2023 and increased by 4.4% (13.7 thousand) from the 3<sup>rd</sup> quarter of 2022. The unemployment rate was 6.1%, the same value as in the previous quarter and 0.1 pp higher than a year earlier.
- The number of underemployed part-time workers was 147.2 thousand people, a decrease of 1.8% (2.7 thousand) from the previous quarter and an increase of 9.5% (12.7 thousand) from a year earlier.
- The number of inactive persons seeking work but not immediately available stood at 31.6 thousand, having remained practically unchanged from the previous quarter and having decreased 7.8% (2.6 thousand) from the 3<sup>rd</sup> quarter of 2022.

<sup>&</sup>lt;sup>5</sup> For a more detailed definition of these indicators, see the publication *"Estatísticas do Emprego – 2.º trimestre de 2012"* (only available in Portuguese) – chapter 4 (Concepts) and 6 (Theme under analysis) available at: <u>http://www.ine.pt/xurl/pub/143643471</u>.

<sup>&</sup>lt;sup>6</sup> See concepts in the Technical note.

<sup>&</sup>lt;sup>7</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.



• The number of inactive persons available to work but not seeking a job covered 116.0 thousand, which corresponded to a quarterly decrease of 1.1% (1.3 thousand) and to a year-on-year decrease of 10.5% (13.6 thousand).

Portugal	Q	Quarterly level			Rate of change		
	3Q-2022	2Q-2023	3Q-2023	On year	On quarter		
Number	Thousands			%			
Total	610.7	624.3	620.9	1.7	- 0.5		
Unemployed population	312.4	324.7	326.1	4.4	0.5		
Underemployed part-time workers	134.5	149.9	147.2	9.5	- 1.8		
Persons seeking work but not immediately available	34.2	32.5	31.6	- 7.8	- 2.8		
Persons available to work but not seeking	129.6	117.3	116.0	- 10.5	- 1.1		
Rate	%		рр		рр		
Unemployment rate	6.0	6.1	6.1	0.1	-		
Labour underutilisation rate	11.3	11.4	11.3	-	- 0.1		

### Table 3. Labour underutilisation by component

Source: Statistics Portugal, Labour Force Survey – 3<sup>rd</sup> quarter of 2023.

Conventional sign: - Null result.



Table 4. Main indicators – active and employed population

Portugal	(	Quarterly leve	Rate of change		
	3Q-2022	2Q-2023	3Q-2023	On year	On quarter
		Thousands			%
Labour force (active population)	5,218.7	5,313.3	5,341.6	2.4	0.5
Males	2,620.4	2,660.9	2,681.3	2.3	0.8
Females	2,598.2	2,652.4	2,660.3	2.4	0.3
16 to 24	354.9	378.1	397.2	11.9	5.0
25 to 34	1,001.2	1,025.1	1,031.2	3.0	0.6
35 to 44	1,250.2	1,234.6	1,223.0	- 2.2	- 0.9
45 to 54	1,412.9	1,420.4	1,425.5	0.9	0.4
55 to 64	994.4	1,033.0	1,038.0	4.4	0.5
65 to 89	205.0	222.1	226.8	10.6	2.1
First and second stages of basic education (at most)	1,924.2	1,917.7	1,900.9	- 1.2	- 0.9
Upper secondary and post-secondary non-tertiary	1,640.0	1,696.3	1,745.0	6.4	2.9
Tertiary education	1,654.5	1,699.3	1,695.7	2.5	- 0.2
Activity rate (%)	60.0	60.9	61.1		
Males	64.6	65.1	65.5		
Females	56.1	57.1	57.3		
Employed population	4,906.3	4,988.7	5,015.5	2.2	0.9
Males	2,481.6	2,507.2	2,532.5	2.1	1.0
Females	2,424.7	2,481.5	2,483.0	2.4	0.3
16 to 24	288.1	313.4	316.6	9.9	1.0
25 to 34	921.0	949.1	958.0	4.0	0.9
35 to 44	1,189.8	1,177.7	1,165.4	- 2.1	- 1.1
45 to 54	1,354.2	1,359.1	1,370.5	1.2	0.8
55 to 64	950.9	974.9	984.6	3.5	1.0
65 to 89	202.2	214.5	220.4	9.0	2.8
First and second stages of basic education	1,803.4	1,783.2	1,769.3	- 1.9	- 0.8
(Upper) secondary and post-secondary non-tertiary education	1,526.7	1,571.1	1,624.3	6.4	3.4
Tertiary education	1,576.2	1,634.4	1,621.9	2.9	- 0.8
Agriculture, forestry and fishing (a)	141.2	152.4	147.0	4.1	- 3.6
Manufacturing, electricity, gas and water supply and construction	1,244.8	1,246.0	1,234.5	- 0.8	- 0.9
(a)					
Services (a)	3,520.3	3,590.3	3,634.0	3.2	1.2
Employees	4,172.1	4,256.6	4,291.6	2.9	0.8
With a permanent job (work contract of unlimited duration)	3,480.1	3,500.2	3,539.3	1.7	1.:
With a temporary job (work contract of limited duration)	579.4	624.9	626.3	8.1	0.2
Other contractual arrangements	112.5	131.5	126.0	12.0	- 4.2
Self-employed workers	705.0	708.7	698.7	- 0.9	- 1.4
Unpaid family workers	29.3	23.4	25.2	- 13.9	7.8
Full-time workers	4,544.3	4,581.7	4,606.3	1.4	0.5
Part-time workers	361.9	407.0	409.1	13.0	0.5
Underemployed part-time workers	134.5	149.9	147.2	9.5	- 1.8
Employment rate (%)	56.4	57.2	57.4		
Males	61.1	61.3	61.9		
Females	52.3	53.5	53.5		

Source: Statistics Portugal, Labour Force Survey – 3<sup>rd</sup> quarter of 2023.

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

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## Table 5. Main indicators – unemployed and inactive population

Portugal		Quarterly leve	Rate of change		
	3Q-2022	2Q-2023	3Q-2023	On year	On quarter
		Thousands			%
Unemployed population	312.4	324.7	326.1	4.4	0.5
Males	138.9	153.7	148.8	7.1	- 3.2
Females	173.5	170.9	177.4	2.2	3.8
16 to 24	66.8	64.8	80.6	20.5	24.4
25 to 34	80.3	76.0	73.2	- 8.8	- 3.7
35 to 44	60.4	56.9	57.6	- 4.6	1.2
45 to 54	58.7	61.4	55.0	- 6.3	- 10.4
55 to 74	46.2	65.6	59.8	29.4	- 8.9
First and second stages of basic education (at most)	120.8	134.5	131.5	8.9	- 2.2
Upper secondary and post-secondary non-tertiary education	113.3	125.2	120.8	6.6	- 3.5
Tertiary education	78.3	65.0	73.8	- 5.7	13.7
Looking for a first job	45.0	45.7	51.4	14.3	12.6
Looking for a new job	267.4	279.0	274.7	2.7	- 1.5
Unemployed for less than 12 months (short-term)	180.6	188.6	205.4	13.7	8.9
Unemployed for 12 months or longer (long-term)	131.8	136.1	120.8	- 8.4	- 11.2
Unemployment rate (%)	6.0	6.1	6.1		
Males	5.3	5.8	5.5		
Females	6.7	6.4	6.7		
Youth (16 to 24)	18.8	17.1	20.3		
Long-term	2.5	2.6	2.3		
Inactive population	5,047.9	4,991.4	4,972.7	- 1.5	- 0.4
Inactive population (16 and over)	3,591.7	3,535.2	3,518.0	- 2.0	- 0.5
Males	1,471.8	1,460.2	1,446.3	- 1.7	- 0.9
Females	2,119.8	2,075.0	2,071.7	- 2.3	- 0.2
16 to 24	628.5	609.5	589.0	- 6.3	- 3.4
25 to 34	113.6	104.6	101.5	- 10.7	- 3.0
35 to 44	88.0	85.4	91.3	3.7	6.9
45 to 54	154.8	158.7	155.0	0.1	- 2.3
55 to 64	450.4	418.5	415.8	- 7.7	- 0.7
65 to 89	2,040.1	2,038.8	2,043.7	0.2	0.2
Students (16 to 89)	691.1	694.9	647.6	- 6.3	- 6.8
Fulfilled domestic tasks (16 to 89)	352.3	302.8	320.3	- 9.1	5.8
Retired (16 to 89)	1,976.0	1,971.3	1,978.6	0.1	0.4
Other inactive	572.3	566.2	571.5	- 0.1	0.9
Persons seeking work but not immediately available	34.2	32.5	31.6	- 7.8	- 2.8
Persons available to work but not seeking	129.6	117.3	116.0	- 10.5	- 1.1
Inactivity rate (16 and over) (%)	40.8	40.0	39.7		
Males	36.0	35.4	35.0		
Females	44.9	43.9	43.8		

**Source:** Statistics Portugal, Labour Force Survey  $- 3^{rd}$  quarter of 2023.



## **TECHNICAL NOTE**

The main purpose of the Labour Force Survey is to classify the population in terms of their participation in the labour market. It is a quarterly sample survey, addressed to all persons living in the national territory.

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. However, it should be noted that, following the COVID-19 pandemic and the measures adopted by the competent authorities, Statistics Portugal has decided, between the first fortnight of March 2020 and the end of the collection of the 2<sup>nd</sup> quarter of 2022, to suspend the face-to-face collection mode, replacing it exclusively with telephone interviews. After analysing the impact of adopting an exclusively telephone data collection mode, in November 2023 Statistics Portugal revised the estimates for the 2<sup>nd</sup> quarter of 2020 to the 2<sup>nd</sup> quarter of 2023 by incorporating the variable "completed level of education" into the process of calibrating the individual weights, in addition to the information usually used (monthly estimates of the resident population by sex, age group and region). The estimation of the results for the 3<sup>rd</sup> quarter of 2023 was carried out in a similar way.<sup>8</sup>

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 <u>methodological document</u> (only in Portuguese) available at 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.

<sup>&</sup>lt;sup>8</sup> For more information on the context, methodology and impacts of this revision, see the "Methodological note on the revision of the Labour Force Survey data: the context of the COVID-19 pandemic", published together with this Press Release.



**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).

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

P.R. (%) = (Labour force / Working age population) x 100

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

E.R. (%) = (Employed population / Working age population) x 100

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

U.R. (%) = (Unemployed population / Labour force) x 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.

L.T.U.R. (%) = (Unemployed population seeking employment for 12 months or over / Labour force) x 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.

I.R. (%) = (Working age inactive population / Working age population) x 100

Labour underutilisation rate: rate that defines the relation between the labour underutilisation and the extended labour force.

L.U.R. (%) = (Labour underutilisation / Extended labour force) x 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.

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