

15 February 2023 LABOUR MARKET FLOW STATISTICS 4<sup>th</sup> quarter of 2022

# 26.2% OF THE UNEMPLOYED IN THE 3<sup>RD</sup> QUARTER OF 2022 MOVED INTO EMPLOYMENT IN THE 4<sup>TH</sup> QUARTER OF 2022. BETWEEN 2021 AND 2022 THIS SHARE WAS 46.7%

## In the 4th quarter of 2022

Of the total people who were unemployed in the 3<sup>rd</sup> quarter of 2022, 52.7% (161.3 thousand) remained in that state in the 4<sup>th</sup> quarter of 2022, 26.2% (80.0 thousand) moved into employment and 21.1% (64.5 thousand) moved into inactivity.

In the same period, 25.5% (34.6 thousand) of unemployed men and 26.7% (45.4 thousand) of unemployed women in the  $3^{rd}$  quarter of 2022 moved into employment in the  $4^{th}$  quarter of 2022.

From the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2022, 36.9% (65.4 thousand) of the short-term unemployed and 16.1% (26.1 thousand) of those belonging to the "potential workforce" moved into employment.

At the same time, 9.8% (69.3 thousand) of those who were self-employed and 23.6% (72.0 thousand) of those who were unemployed in the previous quarter became employees.

Of the total of employees who, in the 3<sup>rd</sup> quarter of 2022, had a temporary work contract or other contractual arrangement, 19.3% (133.8 thousand) moved into a permanent work contract in the 4<sup>th</sup> quarter of 2022.

Of the total of workers who were part-time workers in the 3<sup>rd</sup> quarter of 2022, 18.8% (68.1 thousand) changed to full-time work in the 4<sup>th</sup> quarter of 2022. The percentage of persons who remained employed between the 3<sup>rd</sup> and the 4<sup>th</sup> quarter of 2022, but changed job, increased by 0.5 pp compared to the last quarter, standing at 3.6% (167.7 thousand).

#### In 2022

Of the total unemployed persons in 2021, 35.0% (118.6 thousand) remained in that state in 2022, while 46.7% (158.3 thousand) moved into employment and 18.3% (62.0 thousand) changed to inactivity. In the same period, 48.8% (78.4 thousand) of unemployed men and 45.2% (79.8 thousand) of unemployed women in the 3<sup>rd</sup> quarter of 2022 moved into employment in the 4<sup>th</sup> quarter of 2022.

From 2021 to 2022, 56.6% (108.6 thousand) of the short-term unemployed and 30.8% (57.7 thousand) of those belonging to the "potential workforce" moved into employment.

At the same time, 10.8% (76.0 thousand) of those who were self-employed and 42.1% (142.5 thousand) of those who were unemployed in the previous quarter became employees.

Of the total of employees who, in 2021, had a temporary work contract or other contractual arrangement, 36.4% (250.6 thousand) moved into a permanent work contract in 2022.

Of the total of workers who, in 2021, worked part-time, 26.9% (102.3 thousand) moved to full-time work in 2022.

The percentage of persons who remained employed between 2021 and 2022, but changed job, increased by 0.5 pp compared to the previous year, standing at 8.2% (370.8 thousand).

### 1. Quarterly flows

Of the total people who were employed in the 3<sup>rd</sup> quarter of 2022, 95.4% (4,704.7 thousand) remained in that state in the 4<sup>th</sup> quarter of 2022, while 1.7% (83.4 thousand) moved into unemployment and 2.9% (141.1 thousand) changed into inactivity (Figures 1 and 2 and Table 1 in the annex).

At the same time, 52.7% (161.3 thousand) of the unemployed remained unemployed, while 26.2% (80.0 thousand) moved to employment and 21.1% (64.5 thousand) to inactivity.

As a result, the net flow of employment (that is, total inflows minus total outflows) was negative and estimated at 26.2 thousand persons (as the quarterly change of the employed population in the  $4^{th}$  quarter of 2022). On the other hand, the net flow of unemployment was positive and estimated at 36.9 thousand persons (as the quarterly change of the unemployed population in the  $4^{th}$  quarter of 2022), as the number of people who moved into unemployment (181.4 thousand) was higher than the number of those who left that state (144.5 thousand).

Figure 1. Quarterly labour market flows (thousand persons)

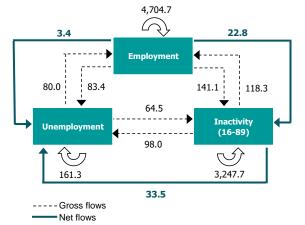
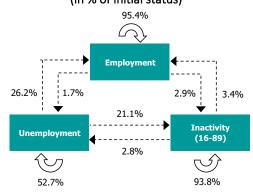


Figure 2. Quarterly labour market flows (in % of initial status)



 $\textbf{Source} : \textbf{Statistics Portugal, Labour Force Survey - 4}^{th} \ quarter \ of \ 2022.$ 

Considering the flows from unemployment by sex (Figures 3 and 4), it is estimated that 25.5% (34.6 thousand) of unemployed men and 26.7% (45.4 thousand) of unemployed women in the 3<sup>rd</sup> quarter of 2022 moved into employment in the 4<sup>th</sup> quarter of 2022.

In the same period, 19.0% (25.8 thousand) of men and 22.7% (38.7 thousand) of women in unemployment moved into inactivity.

Figure 3. Unemployment quarterly flows – Males (in % of initial status)

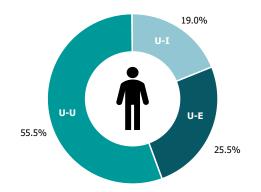
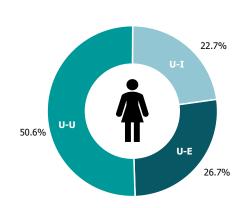


Figura 4. Unemployment quarterly flows – Females (in % of initial status)



**U-E**: Transition unemployment-employment

**U-U**: Transition unemployment-unemployment

U-I: Transition unemployment-inactivity

Source: Statistics Portugal, Labour Force Survey - 4th quarter of 2022.

Figure 4 shows the quarterly changes and net flows into unemployment since the beginning of the 2011 series, thus allowing to quantify the contribution of each flow to the quarterly change in unemployment. In general, it can be seen that the net flow between employment and unemployment is the one that contributes the most to the change in unemployment, despite the reversal seen in the 4<sup>th</sup> quarter of 2022.

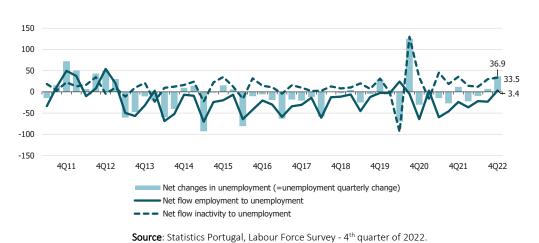


Figure 4. Quarterly net flows into unemployment (thousand persons)

Figure 5 shows that 36.9% of short-term unemployed and 16.1% of those belonging to the "potential workforce" in the  $3^{rd}$  quarter of 2022 moved into employment in the  $4^{th}$  quarter of the same year. In the same period, 11.4% of long-term unemployed and 2.8% of "other inactive" also moved into employment.

According to Figure 6, 28.9% of those in the "potential workforce" in the 3<sup>rd</sup> quarter of 2022 moved into unemployment in the 4<sup>th</sup> quarter of 2022. These are non-employed persons who, in the 3<sup>rd</sup> quarter of 2022, did not actively search for a job or did not show availability to start working in the reference week or in the following two weeks if they had found a job and who, in the 4<sup>th</sup> quarter of 2022, met both criteria (active search and availability to start working), thus becoming part of the unemployed population.

In addition, 34.7% of those who were in the "potential workforce" in the 3<sup>rd</sup> quarter of 2022 moved to the "other inactivity" in the 4<sup>th</sup> quarter of 2022, which means that they no longer actively search for a job and are not available to start working in the reference period, thus staying further away from the labour market.

Figure 5. Quarterly flows between employment, unemployment (by duration) and type of inactivity (in % of initial status)

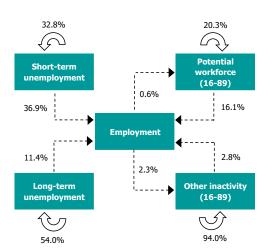
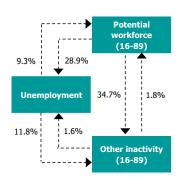


Figure 6. Quarterly flows between unemployment and type of inactivity (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 4th quarter of 2022.

#### Notes:

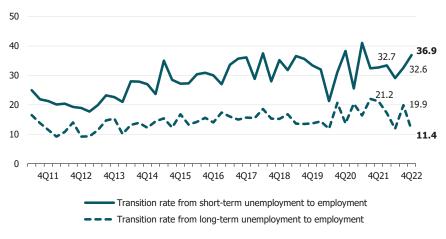
Potential workforce - the group of inactives available to work, but not looking for a job and of inactives searching for a job, but not available to work.

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

Figure 7 shows the quarterly flows from short-term and long-term unemployment to employment (in % of the initial state) referring to the harmonized series since 2011. In the case of the transition from short-term unemployment to employment, there was an increase of 4.3 pp compared to the previous quarter and of 0.2 pp compared to the same quarter of the previous year. The transition from long-term unemployment to unemployment decreased in relation to the two comparison periods: 8.5 pp and 9.8 pp, respectively.



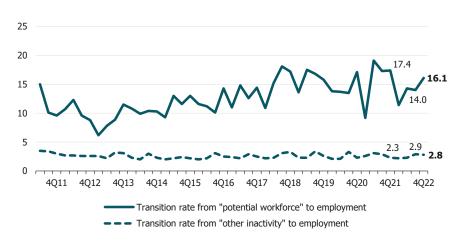
Figure 7. Quarterly flows between unemployment (by duration) and employment (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 4th quarter of 2022.

In the case of flows to employment by type of inactivity (Figure 8), the results indicate an increase of 2.1 pp in the transition from the "potential workforce" to employment between the previous quarter and the current quarter. Compared to the same quarter of the previous year, this flow decreased by 1.3 pp.

Figure 8. Quarterly flows between inactivity (by type) and employment (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 4th quarter of 2022.

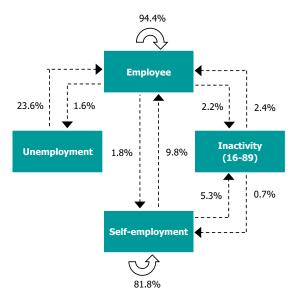
From the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2022, 9.8% (69.3 thousand) of those self-employed became employees. On the other hand, 1.8% (75.7 thousand) of those who were employees moved to self-employment.

In the same period, 23.6% (72.0 thousand) of the unemployed became employees.

Of the total of employees in the  $3^{rd}$  quarter of 2022, 2.2% (92.5 thousand) moved into inactivity in the  $4^{th}$  quarter of 2022, while 5.3% (37.6 thousand) of those who were self-employed moved into inactivity.



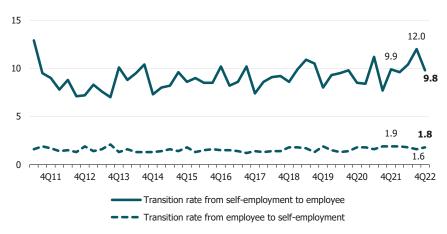
Figure 9. Quarterly flows between professional status, unemployment<sup>1</sup> and inactivity (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 4th quarter of 2022.

According to Figure 10, the percentage of self-employed workers who, in the 4<sup>th</sup> quarter of 2022, moved to employee decreased by 2.2 pp compared to the previous quarter and by 0.1 pp compared to the same period of the previous year.

Figure 10. Quarterly flows by professional status (in % of initial status)

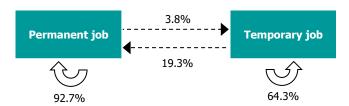


**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2022.

<sup>&</sup>lt;sup>1</sup> Due to low reliability, estimates regarding the flows between self-employment and unemployment are not published (these are transitions with little expression in the labour market).

Of all employees that had a temporary job in the  $3^{rd}$  quarter of 2022, 19.3% (133.8 thousand) moved to a permanent job in the  $4^{th}$  quarter of 2022.

Figure 11. Quarterly flows by permanency of the job (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 4th quarter of 2022.

#### Notes

Permanent job - employees with a permanent job or work contract of unlimited duration. Temporary job - employees with a temporary job or other contractual arrangement of limited duration.

Figure 12 shows that the percentage of employees who had a temporary job and moved to a permanent job in the 4<sup>th</sup> quarter of 2022 remained unchanged from the previous quarter and decreased by 1.0 pp compared to the same quarter of the previous year.

30 25 20 15 10 4Q18 4011 4012 4014 4015 4016 4017 4019 4020 4021 4Q13 Transition rate from a temporary job to a permanent job Transition rate from a permanent job to a temporary job

Figure 12. Quarterly flows by permanency of the job (in % of initial status)

**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2022.

From the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2022, 18.8% (68.1 thousand) of all workers with a part-time job moved to a full-time job. At the same time, 14.3% (33.8 thousand) of all employees with a part-time job changed to a full-time job.



Figure 13. Quarterly flows between full-time and parttime workers (in % of initial status)

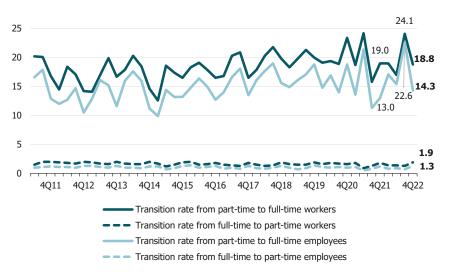
Figure 14. Quarterly flows between full-time and parttime employees (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 4th quarter of 2022.

Compared to the previous quarter, the flow from part-time to full-time workers decreased by 5.3 pp, while in comparison to the same quarter of 2021 the decrease was 0.2 pp. Considering the employees, these flows decreased by 8.3 pp and increased by 1.3 pp compared to the same periods.

Figure 15. Quarterly flows between full-time and part-time workers and employees (in % of initial status)



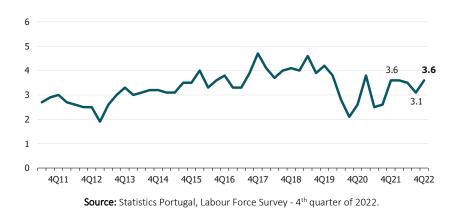
Source: Statistics Portugal, Labour Force Survey - 4th quarter of 2022.

The percentage of persons who remained in employment between the 3<sup>rd</sup> and the 4<sup>th</sup> quarter of 2022, but changed job<sup>2</sup>, was 3.6% (167.7 thousand), having increased by 0.5 pp compared to the previous period and remained unchanged from the same quarter of the previous year.

<sup>&</sup>lt;sup>2</sup> This indicator includes persons who, not having moved directly from one job to another, may have been, within a quarter, temporarily unemployed or inactive before moving to a new job. It excludes, however, persons whose work contracts were renewed with the companies where they worked or with temporary work companies, as they do not constitute a change of employer. The quarterly job-to-job transition rate allows defining the relationship between the employed population moving from one job to another within a quarter and the quarterly flow from employment to employment.

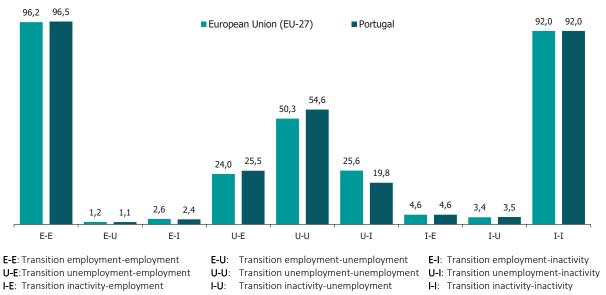


Figure 16. Quarterly job-to-job transition rate (in % of transition employment - employment)



The results of the 3<sup>rd</sup> quarter of 2022, released by Eurostat on 21 December 2022<sup>3</sup>, concerning the quarterly labour market flows of the population aged between 15 and 74, indicate that 25.5% of those who were unemployed in Portugal in the 2<sup>nd</sup> quarter of 2022 moved into employment, this figure being 1.5 pp higher than that of the European Union (24.0%). In the same period, around one in five persons in unemployment in Portugal changed to inactivity (19.8%), while in the European Union this flow was around one in four (25.6%).

Figure 17. Labour market flows in the 3rd quarter of 2022 in the European Union (EU-27) and Portugal (population aged 15 to 74; in % of initial status)



Source: Eurostat, Transitions in labour market status in the EU, 2022Q2-2022Q3 (population aged 15-74; in % of initial status) [LFSI\_LONG\_Q].

 $<sup>^3</sup>$  The European Union Labour Market Flows for the  $4^{th}$  quarter of 2022 will be released by Eurostat on 17 March 2023. For Portugal, those aged 15 in the  $2^{nd}$  quarter of 2022 are included in the inactivity into inactivity flow (remain in inactivity).



#### Annual flows

Of those who were in employment in 2021, 94.3% (4,536.2 thousand) remained in that state in 2022, while 1.8% (84.9 thousand) moved into unemployment and 4.0% (191.2 thousand) changed into inactivity (Figures 18 and 19 and Table 1 in the annex).

At the same time, 35.0% (118.6 thousand) of unemployed persons remained unemployed, while 46.7% (158.3 thousand) moved to employment and 18.3% (62.0 thousand) to inactivity.

As a result, the net flow of employment (that is, total inflows minus total outflows) was positive and estimated at 96.4 thousand persons (as the annual change of the employed population in 2022). On the other hand, the net flow of unemployment was negative and estimated at 24.9 thousand persons (as the annual change of the unemployed population in 2022), as the number of people who moved into unemployment (195.4 thousand) was lower than the number of those who left that state (220.3 thousand).

Figure 18. Annual labour market flows (thousand persons)

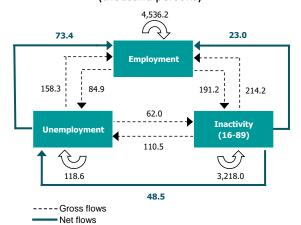
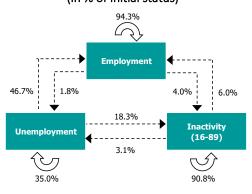


Figure 19. Annual labour market flows (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2022.

Figures 20 and 21 show that 48.4% (78.4 thousand) of unemployed men and 45.2% (79.8 thousand) of unemployed women in 2021 moved into employment in 2022.

In the same period, 18.9% (30.7 thousand) of men and 17.7% (31.3 thousand) of women in unemployment moved into inactivity.



Figure 20. Unemployment annual flows - Males (in % of initial status)

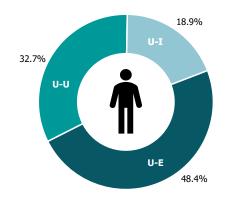
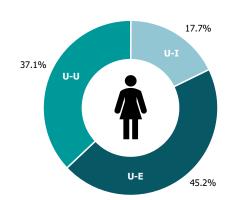


Figure 21. Unemployment annual flows - Females (in % of initial status)



**U-E**: Transition unemployment-employment

Source: Statistics Portugal, Labour Force Survey - 2022.

Figure 22 shows the annual changes and net flows into unemployment since the beginning of the 2011 series, thus allowing the identification of the flows that most contribute to the increase or decrease in unemployment. It can be seen that in 2012, 2013 and 2020 the net flow was positive, which resulted from the fact that the inflows into unemployment from employment or inactivity were higher than the outflows from unemployment to those states. These years correspond to the 2012 financial crisis, whose maximum impact on unemployment in Portugal was felt in 2013, and to the first year of the COVID-19 pandemic (2020).

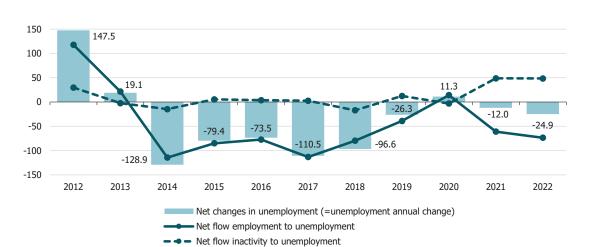


Figure 22. Annual net flows into unemployment (thousand persons)

Source: Statistics Portugal, Labour Force Survey - 2022.



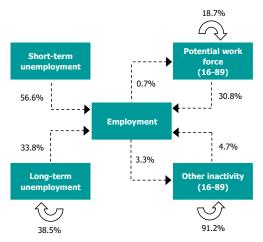
Figure 23 shows that 56.6% of the short-term unemployed and 30.8% of those belonging to the "potential workforce" moved into employment in 2022. In the same period, 33.8% of the long-term unemployed and 4.7% of other inactive also moved into employment.

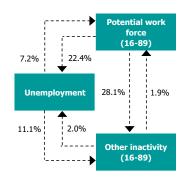
According to Figure 24, 22.4% of all those in the "potential workforce" in 2021 moved into unemployment in 2022.

In addition, 28.1% of those who were in the "potential workforce" in 2021 moved to the other inactivity in 2022, which means that they no longer actively search for a job and are not available to start working in the reference period, thus staying further away from the labour market.

Figure 23. Annual flows between employment, unemployment (by duration) and type of inactivity (in % of initial status)

Figure 24. Annual flows between unemployment and type of inactivity (in % of initial status)





**Source:** Statistics Portugal, Labour Force Survey - 2022.

#### Notes:

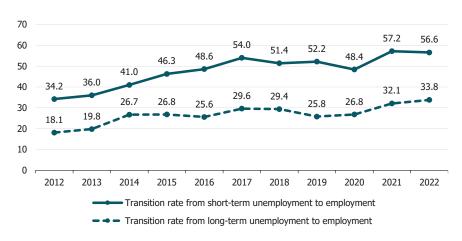
Potential workforce - the group of inactives available to work, but not looking for a job and of inactives searching for a job, but not available to work.

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

Figure 25 shows the quarterly flows from short-term and long-term unemployment to employment (in % of the initial state) referring to the harmonized series since 2011. In the case of the transition from short-term unemployment to employment, there was a decrease of 0.6 pp compared to the previous year. On the other hand, the transition from long-term unemployment to unemployment increased by 1.7 pp compared to the same period.



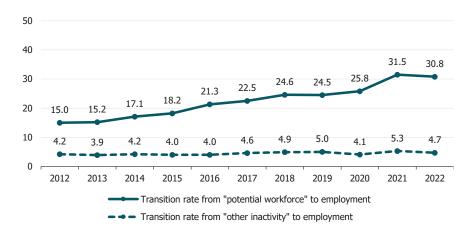
Figure 25. Annual flows between unemployment (by duration) and employment (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2022.

In the case of flows to employment by type of inactivity (Figure 26), there was a decrease of 0.7 pp in the transition from the "potential workforce" to employment from 2021 to 2022.

Figure 26. Annual flows between inactivity (by type) and employment (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2022.

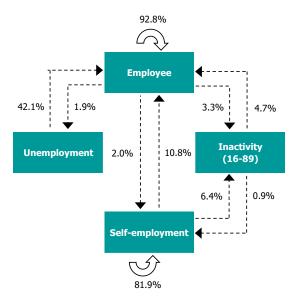
From 2021 to 2022, 10.8% (76.0 thousand) of self-employed became employees. On the other hand, 2.0% (82.9 thousand) of those who were employees moved to self-employment.

In the same period, 42.1% (142.5 thousand) of unemployed persons became employees.

Of the total of employees in 2021, 3.3% (132.7 thousand) moved into inactivity in 2022, while 6.4% (45.3 thousand) of the self-employed moved into inactivity.



Figure 27. Annual flows between professional status, unemployment and inactivity (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2022.

The percentage of self-employed workers moving to employee status between 2021 and 2022 increased by 0.3 pp (Figure 28).

15 12.8 11.5 11.5 11.2 10.8 10.5 10.0 10 2.0 2.0 2.0 2.0 1.9 1.8 1.8 1.8 2012 2013 2016 2017 2021 2022 Transition rate from self-employment to employee Transition rate from employee to self-employment

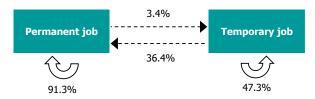
Figure 28. Annual flows by professional status (in % of initial status)

**Source:** Statistics Portugal, Labour Force Survey - 2022.

Of the total employees that had a temporary job in 2021, 36.4% (250.6 thousand) moved to a permanent job in 2022.



Figure 29. Annual flows by permanency of the job (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2022.

#### Notes:

Permanent job - employees with a permanent job or work contract of unlimited duration. Temporary job - employees with a temporary job or other contractual arrangement of limited duration.

The percentage of employees who had a temporary job and moved to a permanent job in 2022 increased by 0.8 pp compared to the previous year (Figure 30).

Figure 30. Annual flows by permanency of the job (in % of initial status)



**Source:** Statistics Portugal, Labour Force Survey – 2022.

From 2021 to 2022, 26.9% (102.3 thousand) of workers with a part-time job moved to a full-time job. At the same time, 24.4% (59.6 thousand) of employees with a part-time job changed to a full-time job.

Figure 31. Annual flows between full-time and parttime workers (in % of initial status)

1.9%

26.9%

**Full-time** 

workers



Figure 32. Annual flows between full-time and parttime employees (in % of initial status)

Source: Statistics Portugal, Labour Force Survey - 2022.

Compared to the previous year, the flow from part-time to full-time workers decreased by 0.7 pp, while for the employees this flow increased by 1.9 pp.

Figure 33. Annual flows between full-time and part-time workers and employees (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2022.

The percentage of persons who remained in employment between 2021 and 2022, but changed job<sup>4</sup>, was 8.2% (370.8 thousand), having increased by 0.5 pp compared to the previous period.

14 — 10.8 10.8 10.8 8.7 9.0 8.7 7.7 8.2 8 7.3 6.5 7.2 7.9 8.7 9.0 7.7 8.2

Figure 34. Annual job-to-job transition rate (in % of transition employment - employment)

Source: Statistics Portugal, Labour Force Survey - 2022.

2017

2018

2019

2020

2021

2016

LABOUR MARKET FLOW STATISTICS – 4th quarter of 2022

2022

2

2012

2013

2014

2015

<sup>&</sup>lt;sup>4</sup> This indicator includes persons who, not having moved directly from one job to another, may have been, within a quarter, temporarily unemployed or inactive before moving to a new job. It excludes, however, persons whose work contracts were renewed with the companies where they worked or with temporary work companies, as they do not constitute a change of employer. The quarterly job-to-job transition rate allows defining the relationship between the employed population moving from one job to another within a quarter and the quarterly flow from employment to employment.



Table 1. Quarterly and annual labour market flows - Main results

Portugal	Quarterly value			Annual value		Rate of change		
	4Q-2021	3Q-2022	4Q-2022	2021	2022	On year	On quarter	Annual
Flows	Thousands					%		
Transition employment - employment	4,684.1	4,731.7	4,704.7	4,380.1	4,536.2	0.4	-0.6	3.6
Transition employment - unemployment	62.7	55.1	83.4	110.4	84.9	32.9	51.2	-23.1
Transition employment - inactivity	131.3	114.9	141.1	193.2	191.2	7.5	22.7	-1.0
Transition unemployment - employment	86.5	78.1	80.0	171.3	158.3	-7.5	2.4	-7.6
Transition unemployment - unemployment	168.2	160.9	161.3	109.6	118.6	-4.1	0.2	8.1
Transition unemployment - inactivity	64.0	59.8	64.5	69.9	62.0	0.8	7.9	-11.3
Transition inactivity - employment	108.4	119.4	118.3	260.9	214.2	9.1	-0.9	-17.9
Transition inactivity - unemployment	99.7	89.7	98.0	118.7	110.5	-1.7	9.2	-6.9
Transition inactivity - inactivity	3,305.6	3,284.5	3,247.7	3,285.3	3,218.0	-1.8	-1.1	-2.0
Flows	In % of initial status					pp		
Permanência no emprego	96.0	96.5	95.4	93.5	94.3	-0.6	-1.1	0.8
Do emprego para o desemprego	1.3	1.1	1.7	2.4	1.8	0.4	0.6	-0.6
Do emprego para a inatividade	2.7	2.3	2.9	4.1	4.0	0.2	0.6	-0.1
Do desemprego para o emprego	27.1	26.1	26.2	48.8	46.7	-0.9	0.1	-2.1
Permanência no desemprego	52.8	53.9	52.7	31.3	35.0	-0.1	-1.2	3.7
Do desemprego para a inatividade	20.1	20.0	21.1	19.9	18.3	1.0	1.1	-1.6
Da inatividade para o emprego	3.1	3.4	3.4	7.1	6.0	0.3	-	-1.1
Da inatividade para o desemprego	2.8	2.6	2.8	3.2	3.1	-	0.2	-0.1
Permanência na inatividade	94.1	94.0	93.8	89.6	90.8	-0.3	-0.2	1.2

**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2022.

### **TECHNICAL NOTE**

The main purpose of the Labour Force Survey (LFS) is to classify the population in terms of their participation in labour market. It is a quarterly sample survey, addressed to all persons living in private dwellings in the national territory, which provides quarterly and annual results.

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. It should be noticed 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 3<sup>rd</sup> quarter of 2022, to suspend the face-to-face collection mode, replacing it exclusively by telephone interviews.

The LFS sample (consisting of private dwellings as usual residence) is divided into six subsamples (rotations), and in each quarter a subsample is replaced by a new one (selected under the same design) after being observed for six consecutive



quarters. This rotation design introduces a longitudinal component, thus allowing the follow-up of persons who remain in the sample for a maximum period of one and a half year.

Estimates of **quarterly flows** between labour market states are calculated taking into account the subsample of persons who responded simultaneously to the reference quarter and the previous quarter, which represents about 5/6 of the quarterly sample size. Considering that the scope of the flows refers to persons aged between 16 and 89 years old in the reference quarter, persons aged 15 years old in the previous quarter are included in the subsample and are classified as inactive. Persons aged 89 years old in the previous quarter and that have turned 90 years old in the reference quarter are excluded from the subsample. For this reason, the quarterly change in the employed population may not exactly match the net flow of employment published in this press release. However, this fact does not affect the analyzes carried out

Estimates of **annual flows** between labour market states are derived from the average of the four flows that result from the comparison of each quarter of the reference year with the corresponding quarter of the previous year. The respective subsamples are made up of persons aged between 16 and 89 who responded in the first and fifth wave plus those who responded in the second and sixth wave, which represent, in total, about 1/3 of the quarterly sample size. As in the quarterly flows, persons aged 15 years old in the previous year are included in the subsample and classified as inactive. Those who turned 90 years old in the reference year are excluded from the subsample.

The weighting factors of persons in the subsample of quarterly flows and in the four subsamples of annual flows are calculated, in a first step, from the cross-sectional weights of the reference quarter and the cross-sectional weights of the four quarters of the reference year, respectively. These weights are adjusted according to the estimates of the resident population by NUTS III region in the reference quarter or in the four quarters of the reference year to compensate the sample size reduction. In a second step, these weights are calibrated according to the estimates of the resident population by NUTS II region, sex and ten-year age groups in the reference quarter (quarterly flows) or in the four quarters of the reference year (annual flows). In order to ensure the consistency of the estimates of quarterly flows with the quarterly estimates (reference and previous quarter), as well as the consistency of the estimates of annual flows with the estimates of the annual averages (reference year and previous), the weights are also calibrated according to:

- i) estimates of the employed, unemployed and inactive population by sex and ten-year age groups in the reference quarter or in the four quarters of the reference year;
- ii) estimates of the employed, unemployed and inactive population by sex in the previous quarter or in the four quarters of the previous year;
- iii) estimates of the resident population by NUTS II region, sex and ten-year age groups in the reference quarter or in the four quarters of the reference year;
- iv) estimates of the employed population by professional status in the reference quarter and in the previous quarter, as well as in the four quarters of the reference year and the previous year;
- v) estimates of employees by type of work contract in the reference quarter and in the previous quarter, as well as in the four quarters of the reference year and the previous year;
- vi) estimates of the total employed population and employees by full-time or part-time job in the reference quarter and in the previous quarter, as well as in the four quarters of the reference year and the previous year;



- vii) estimates of the unemployed population by duration of unemployment in the reference quarter and in the previous quarter, as well as in the four quarters of the reference year and the previous year;
- viii) estimates of the inactive population by type of inactivity in the reference quarter and in the previous quarter, as well as in the four quarters of the reference year and the previous year.

The estimates for the 2011 series are comparable with the series started in 2021, as described in the note attached to the <a href="Press Release">Press Release</a> of 12 May 2021, and the resident population estimates are calculated from the final results of the 2011 Census.

For reasons of consistency, quarterly or annual changes in the total population (movements in and out of scope: natural balance and the net migration) are reflected in the inactive population of the previous quarter or the four quarters of the previous year, respectively. For this reason, the estimates of flows referring to the inactive population aged 16 to 89 may not exactly match with those published in the Statistics Portugal website.

Due to rounding, the totals in tables and figures 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 the Statistics Portugal website..

The complete series of quarterly flows since 2011 can be found in the Excel files attached to the Press Release and that these are updated quarterly on 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.

**Inactive:** person aged below 16, above 89, 16 to 89 who, during the reference period, could not be considered active, *i.e.*, was neither employed nor unemployed.

Next Press Release - 17 May 2023