

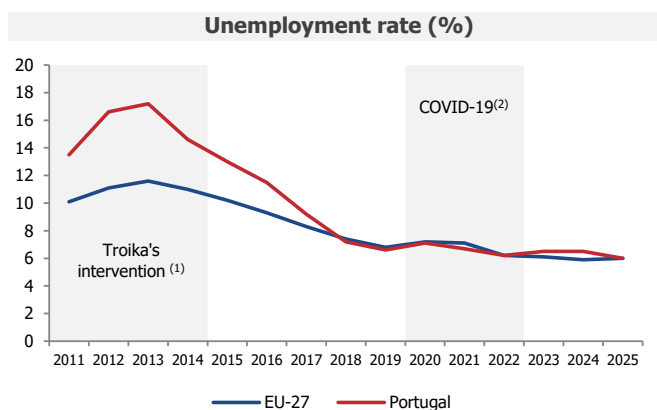
30 April 2026  
LABOUR DAY - 2026

## LABOUR UNDERUTILISATION IS HIGHER AMONG WOMEN AND YOUNG PEOPLE

On Labour Day, Statistics Portugal compares Portugal with other European Union countries in an analysis focusing on supplementary indicators to unemployment, which allow to identify situations where the labour force is underutilised. The unemployment rate is a key labour market indicator, but it does not reflect the full picture. These indicators highlight the scale of the potential labour force that is not being utilised due to mismatches between labour supply and demand or other barriers to accessing the labour market. This situation particularly affects young people and women, groups in which involuntary part-time work and marginal links to the labour market remain more common.

On Labour Day, this comparative analysis with the European Union reinforces the importance of policies focused not only on job creation, but also on ensuring that jobs match the characteristics of the potential workforce.

The **unemployment rate**<sup>1</sup> corresponds to the ratio between the unemployed population and the labour force, which comprises those aged 16 to 89 who, during the reference period, were part of the workforce available to produce goods and services entering the economic cycle (in other words, who were either employed or unemployed).<sup>2</sup>



Source: Eurostat, Labour Force Survey [[une\\_rt\\_a](#)]

### Notes:

<sup>(1)</sup> The Troika's intervention (2011–2014) followed a recession (2010–2013), which arose in the wake of the global financial crisis of 2008.

<sup>(2)</sup> Between 2020 and 2022, there were periods during which movement restrictions were either imposed or recommended as part of the measures to contain the COVID-19 pandemic.

<sup>1</sup> The concepts used in the Labour Force Survey are defined at the International Conference of Labour Statisticians, organised by the International Labour Organisation (ILO), and harmonised at European level by the European Statistical System.

<sup>2</sup> Unless otherwise stated, the reference age group for the indicators presented in this Press Release is 15 to 74 years old, except for Portugal, Spain and Italy, whose lower age limit is 16.

*In recent years, Portugal has had an unemployment rate close to the European Union average (6.0% in both geographies in 2025), reflecting a period of labour market recovery. However, this indicator does not capture all the ways in which people face difficulties in accessing work.*

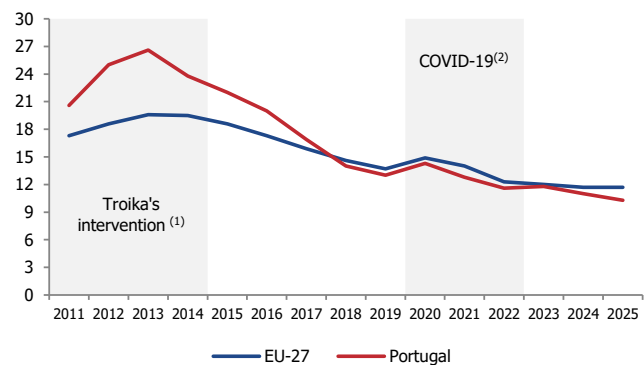
Since an unemployed person is defined as someone aged between 16 and 74 who, during the reference period met **simultaneously** the following situations:

- 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 specific period (reference period or the three previous weeks);
- was available for a paid or unpaid job;

it is understood that if someone is actively seeking work but is not available to start it, or conversely, if they are available but are not actively seeking work, they are classified as being outside the labour market (inactive population), even though they share very similar characteristics with those of an unemployed person.

Given this similarity, the analysis of the degree of utilisation of the labour force available to produce goods and services entering the economic circuit (the aforementioned labour force, also known as active population) is complemented by monitoring the level of **labour underutilisation**<sup>3</sup> in the economy.

### Labour underutilisation rate (%)



Source: Eurostat, Labour Force Survey [[lfsi\\_sla\\_a](#)]

*Following the peaks recorded during the financial crisis and the COVID-19 pandemic, labour underutilisation in Portugal has been on a downward trend, standing below the European average by 2025 (10.3% in Portugal compared with 11.7% in the EU-27).*

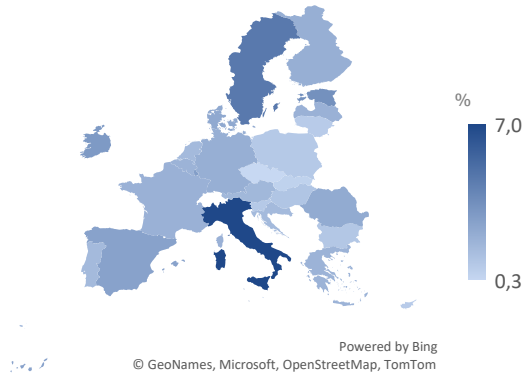
*An analysis of the range of variation in this indicator clearly shows that there is a significant group of the population that is outside the labour market but would like to participate, and which the unemployment rate indicator does not capture.*

The **labour underutilisation** indicator supplements the unemployed population with the **potential labour force**, comprising:

- inactive persons available to work but not seeking a job;
- inactive persons seeking work but not immediately available;
- part-time workers who would like to work more hours and are available to do so (i.e. they are underemployed).

<sup>3</sup> Also known as Labour Market Slack.

### Inactive persons available to work but not seeking a job, 2025

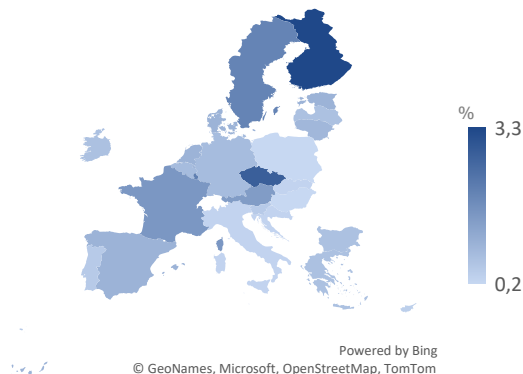


Source: Eurostat, Labour Force Survey [[lfsi\\_sla\\_a](#)]

*This indicator refers to those who wish to work and are available to do so, but who are not actively seeking a job because they believe, for example, that there are no suitable jobs available.*

*In 2025, this subgroup of the potential labour force accounted for 1.7% of the extended labour force in Portugal, below the average of 2.6% across the 27-country European Union.*

### Inactive persons seeking work but not immediately available, 2025



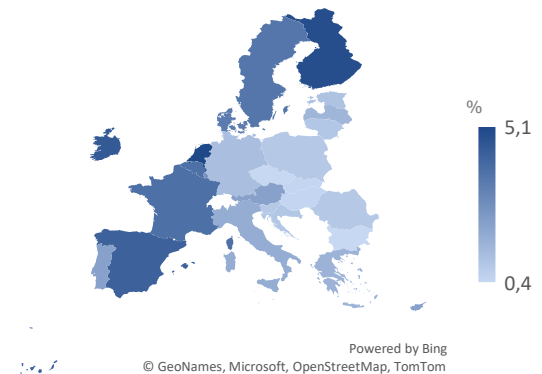
Source: Eurostat, Labour Force Survey [[lfsi\\_sla\\_a](#)]

Note: Malta and Romania have not provided data for 2025.

*Although smaller in number, this group faces time-related or structural constraints (such as*

*participating in education or training, care responsibilities, own illness or disability) that delay their integration into the labour market. In 2025, the number of inactive people seeking work but not immediately available represented 0.5% of the extended labour force in Portugal and 0.9% on average across the 27-country European Union.*

### Underemployed part-time workers, 2025



Source: Eurostat, Labour Force Survey [[lfsi\\_sla\\_a](#)]

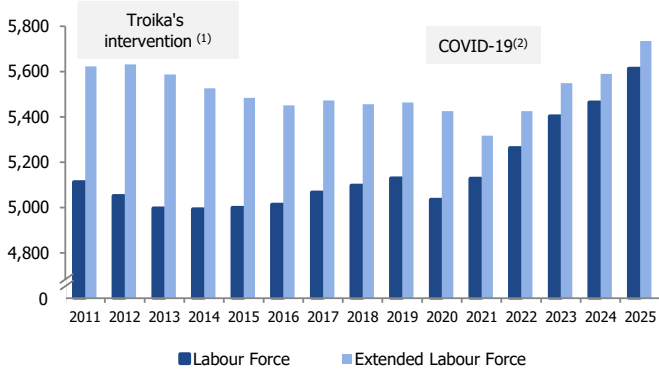
*In 2025, underemployment among part-time workers was the largest group within the potential labour force in Portugal, accounting for 2.2% of the extended labour force, close to the European average of 2.4%.*

*This indicator highlights limitations in employment intensity, reflecting the existence of jobs with fewer working hours than desired.*

The sum of the labour force (which comprises the employed population, including underemployed part-time workers, and the unemployed population) and the two groups of inactive members of the potential labour force (inactive persons seeking work but not immediately available; inactive persons available to work but not seeking a job) is referred to as the **extended labour force**. This indicator is used as the denominator in the ratios of supplementary

indicators to unemployment, representing the total potential labour force available in a country.

**Labour Force and Extended Labour Force**  
of those aged 16 to 89 (thousands)



Source: Statistics Portugal, Labour Force Survey

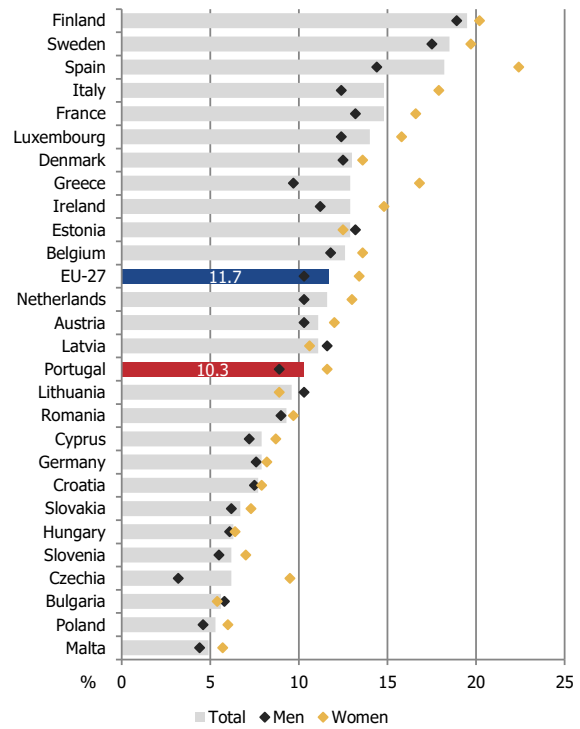
Notes: Values for Portugal.

*In periods of financial crisis, the number of people in employment decreases and the number of unemployed increases. However, due to the scarcity of job opportunities and the mismatch between the skills and knowledge that companies are looking for and those of job seekers, levels of labour underutilisation also increase.*

*In 2013, the year in which Portugal's unemployment rate reached an all-time high (17.2%), the labour force accounted for 89% of the extended labour force. By 2025, this value had risen to 98%, reflecting a substantial improvement in the utilisation of the potential labour force.*

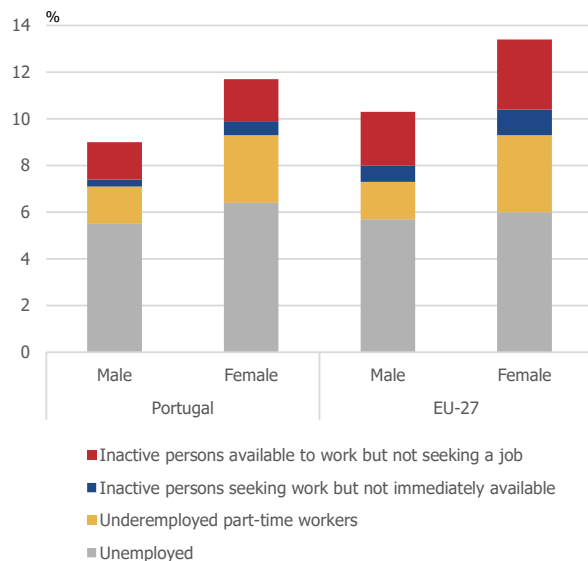
By understanding the concepts involved and the available indicators, it is possible to gain a broader perspective of the labour market, placing Portugal within the European context and identifying the population groups most affected by labour underutilisation.

**Labour underutilisation rate by sex, 2025**



Source: Eurostat, Labour Force Survey [lfsi\_sla\_a]

**Labour underutilisation rate by sex, 2025**

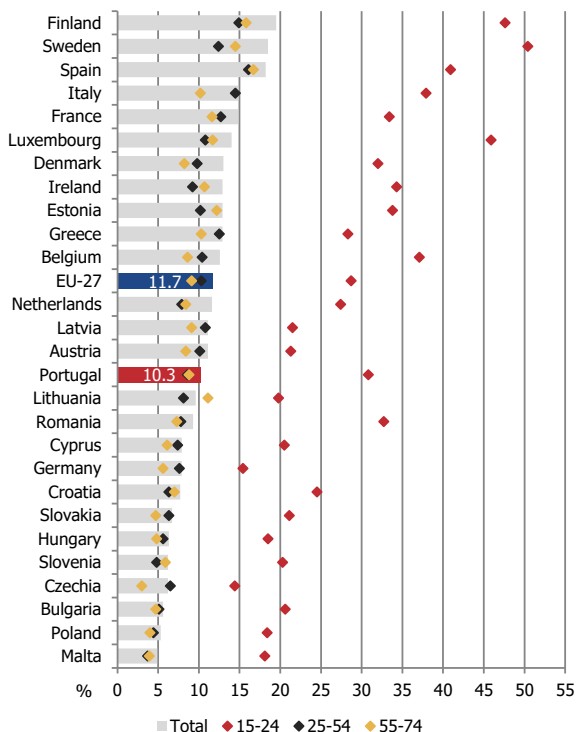


Source: Eurostat, Labour Force Survey [lfsi\_sla\_a]

The unemployment rate is usually higher for women than for men. In 2025, in Portugal, the rates stood at 6.4% and 5.5%, respectively. In terms of labour underutilisation, these differences are accentuated, with women's labour underutilisation rates being higher than those of men in 23 of the 27 countries, with differences reaching 8.0 percentage points in Spain.

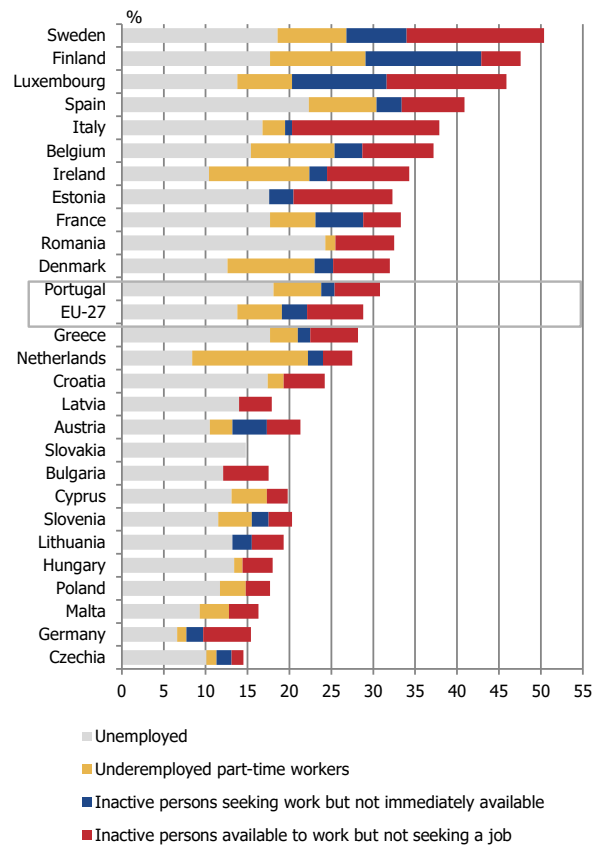
In the case of Portugal, the difference stems from the greater prevalence of involuntary part-time work (underemployment) among women comparing to men and their lower availability for work, reflecting structural inequalities.

#### Labour underutilisation rate by age group, 2025



Source: Eurostat, Labour Force Survey [[lfsi\\_sla\\_a](#)]

#### Labour underutilisation of young people (aged 15 to 24), 2025



Source: Eurostat, Labour Force Survey [[lfsi\\_sla\\_a](#)]

Note: Only the indicators available in the Eurostat database at the time this analysis was prepared are presented for this age group and the year under review.

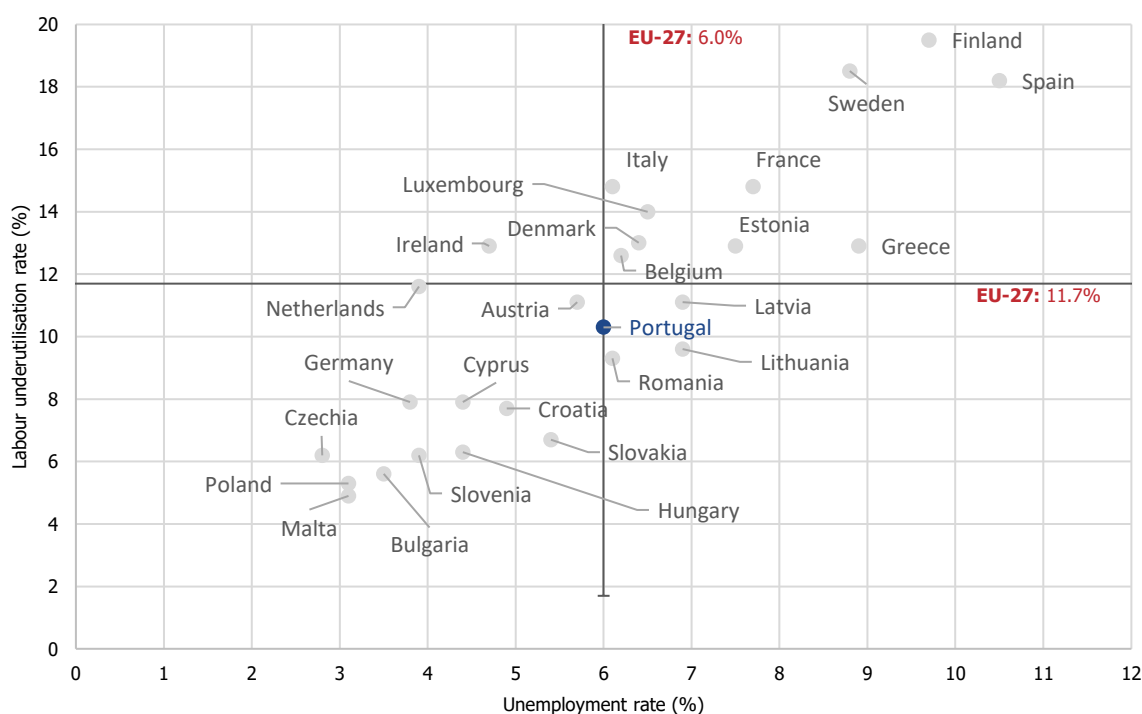
As with the youth unemployment rate, youth labour underutilisation rates are very high, and do not come close to those observed in the 25–54 or 55–74 age groups. In countries such as Spain, Luxembourg, Finland and Sweden, more than 40% of the extended labour force aged 15 to 24 is underutilised.

An analysis of the structure of this indicator in these countries suggests that, in Spain, the high rate of labour underutilisation is linked to the level of unemployment; in Luxembourg, the two groups of inactive people within the potential labour force are just as significant as the unemployment; in Finland,

*all supplementary indicators, except that of inactive persons available to work but not seeking a job, have an identical impact on the observed labour underutilisation; whereas in Sweden, this group of inactive people and that of the unemployed are the key factors contributing to the high level of labour underutilisation.*

*In Portugal, the labour underutilisation rate for young people stood at 30.8% in 2025, above the European average of 28.7%, with more than half of this value explained by the level of unemployment.*

### Unemployment vs Labour underutilisation, 2025

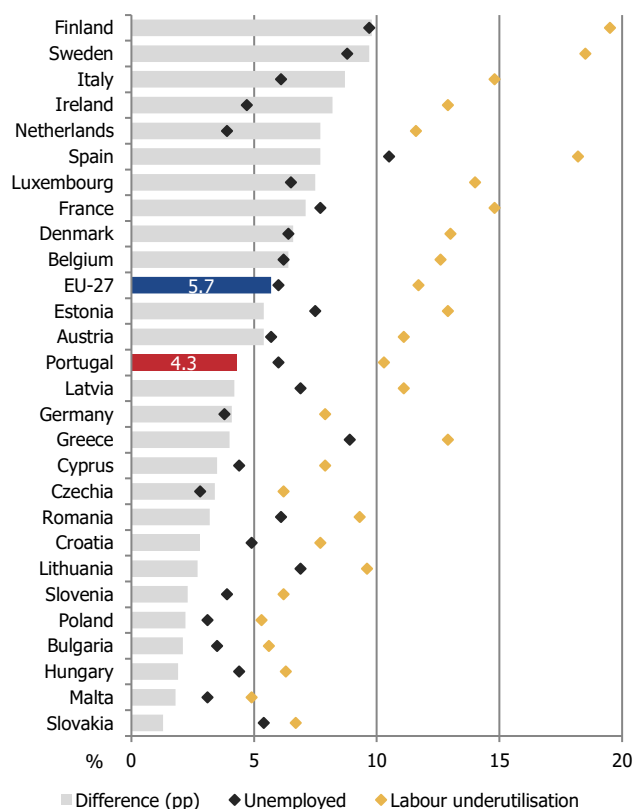


Source: Eurostat, Labour Force Survey [[lfsi\\_sla\\_a](#)] and [[une\\_rt\\_a](#)]

*Comparing the unemployment rate with the labour underutilisation rate allows countries to be grouped into four categories separated by the EU-27 averages, which stood at 6.0% and 11.7% respectively in 2025.*

*It is thus clear that Finland and Spain are the countries with the highest ratios for both indicators, whilst Malta and Czechia are at the end of the opposite quadrant (lowest values for both indicators). Portugal is at the average for the unemployment rate, but below the average for the labour underutilisation rate.*

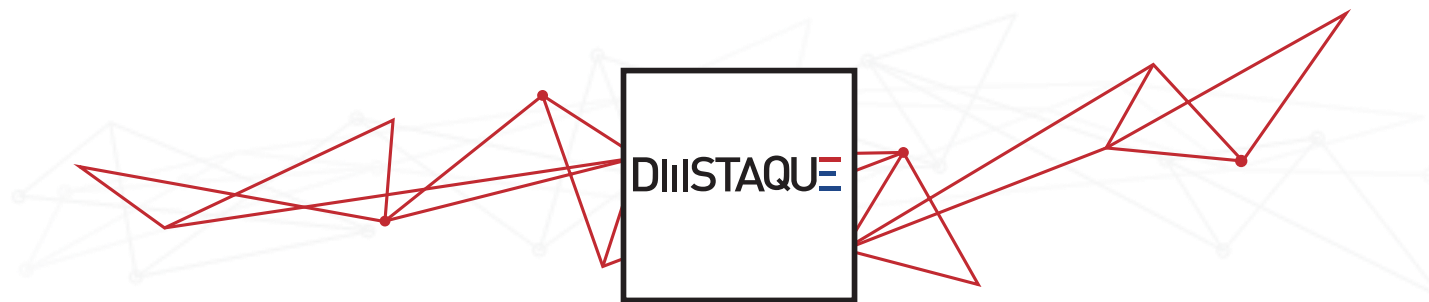
### Unemployment vs Labour underutilisation, 2025



Source: Eurostat, Labour Force Survey [[lfsi\\_sla\\_a](#)]

*In 2025, the difference between the unemployment rate and the labour underutilisation rate ranged from 1.3 pp in Slovakia to 9.8 pp in Finland, underscoring the importance of supplementary indicators to unemployment in analysing the degree of labour force utilisation in a country.*

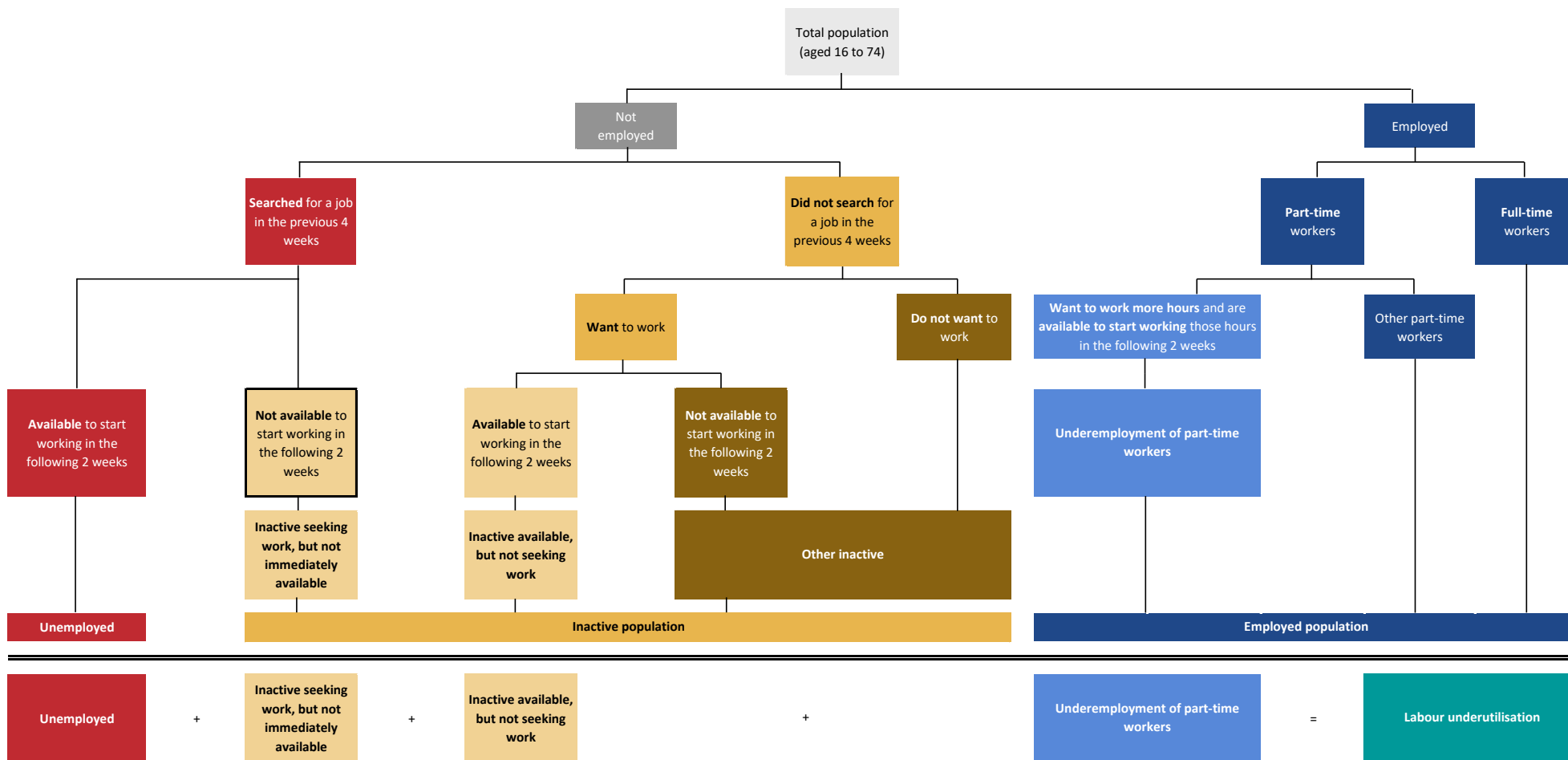
*In Portugal, the difference was 4.3 pp, below the European average (5.7 pp).*



PRESS RELEASE



**Criteria used when classifying the population aged 16 to 74 by labour status**



### For more information...



The results of the Labour Force Survey are released monthly and quarterly, with the next releases taking place on 6 and 13 May 2026. The last releases were on 4 February ([Employment Statistics - 4<sup>th</sup> quarter 2025](#)), 11 February ([Labour Market Flow Statistics - 4<sup>th</sup> quarter 2025](#)) and 29 April 2026 ([Monthly Employment and Unemployment Estimates - March 2026](#)).

In the [database](#) of Statistics Portugal website ([www.ine.pt](http://www.ine.pt)), under the theme 'Labour Market', several statistical indicators based on these sources of information are also available. It is also possible to provide information on request, although this is subject to an assessment of the feasibility and reliability.

For more detailed information consult the methodological document (only in Portuguese) of the [Labour Force Survey](#), both available at <https://smi.ine.pt/> (tab *Documentação metodológica; tema "Labour market"*).