

May, 18<sup>th</sup> 2011

## Employment Statistics

1<sup>st</sup> quarter of 2011

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### Labour Force Survey results for the 1<sup>st</sup> quarter of 2011 with the adoption of a new methodology

According to the new methodology announced in due course, the main Labour Force Survey results for the 1<sup>st</sup> quarter of 2011 are the following:

- The number of employed people was estimated to be 4 866.0 thousand.
- The number of unemployed people was estimated to be 688.9 thousand.
- The unemployment rate was 12.4%.

Statistics Portugal starts the dissemination of Labour Force Survey results from: a new data collection mode associated to the use of telephone interviews; a change in the questionnaire; and the adoption of new field work supervision technologies.

In view of these changes, the results released for the 1<sup>st</sup> quarter of 2011 are not directly comparable with the results published for the previous quarters, entailing a series break.

The results of several tests lead by Statistics Portugal suggest that the continuation of the previous collection mode would have produced the following results: number of employed people – 4 945.7 thousand; number of unemployed people – 633.3 thousand; unemployment rate – 11.4%.

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#### **1. New Labour Force Survey data series, beginning in the 1<sup>st</sup> quarter of 2011**

As previously announced<sup>1</sup>, Statistics Portugal releases, in the 1<sup>st</sup> quarter of 2011, Labour Force Survey (LFS) estimates from a new data collection mode, beginning a new series of data.

The main changes introduced by the new collection mode were the interviews done by telephone, the

adaptation of the questionnaire to telephone interviews, and the use of new field work supervision technologies.

The new data collection mode is a mixed mode (the first interview is done face-to-face by an interviewer visiting the household and the other five interviews are done by telephone, if and only if the household agrees and provides a valid telephone number, fix or mobile; otherwise, interviews are done face-to-face), which replaces the collection mode in use until the 4<sup>th</sup> quarter of 2010 (all interviews were done face-to-face).

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<sup>1</sup> See the note to users in the publication Employment Statistics – 4<sup>th</sup> quarter of 2011 (“Estatísticas do Emprego – 4<sup>o</sup> trimestre de 2010”), chapter 6 (p. 63-66).

The remaining Labour Force Survey characteristics remain unchanged, namely its objectives, periodicity, sample, rotation pattern, classifications<sup>2</sup>, concepts, and active population reference age<sup>3</sup>.

Given the series break, Statistics Portugal provides additional estimates, for the 1<sup>st</sup> quarter of 2011, calculated under the hypothesis the previous collection mode was kept in use. These estimates, providing a common observation point, can be used to evaluate the scale effects produced by the transition to the new data collection mode.

## 2. Labour force (active population)

The labour force (active population) in Portugal, in the 1<sup>st</sup> quarter of 2011, was estimated to be 5 554.8 thousand individuals (if the previous collection mode had been continued, this estimate would have been 5 579.0 thousand).

The active population distribution by age group was the following: 8.0% belonged to the 15 to 24 years old age group, 25.1% to the 25 to 34 years old, 26.5% to the 35 to 44 years old, 35.3% to the 45 to 64 years old, and 5.1% to the 65 years old and over.

The active population distribution by level of education was the following: 62.9% completed the first or second stages of basic education, 19.2% completed the (upper) secondary and post-secondary non-tertiary

level of education, and 17.9% completed the tertiary level of education.

The working age participation rate (15 years old and over) was 61.5%. The working age male participation rate (68.1%) exceeded that of women (55.4%) by 12.7 p.p. (percentage points).

## 3. Employed population

The employed population in Portugal, in the 1<sup>st</sup> quarter of 2011, was estimated to be 4 866.0 thousand individuals (if the previous collection mode had been continued, this estimate would have been 4 945.7 thousand).

The employed population distribution by age group was the following: 6.6% belonged to the 15 to 24 years old age group, 24.7% to the 25 to 34 years old, 27.0% to the 35 to 44 years old, 36.1% to the 45 to 64 years old, and 5.7% to the 65 years old and over.

The employed population distribution by level of education was the following: 62.3% completed the first or second stages of basic education, 19.0% completed the (upper) secondary and post-secondary non-tertiary level of education, and 18.7% completed the tertiary level of education.

The working age employment rate (15 years old and over) was 53.9%. The working age male employment rate (59.9%) exceeded that of women (48.3%) by 11.6 p.p..

The number of employees in Portugal was estimated to be 3 814.3 thousand individuals, in the 1<sup>st</sup> quarter of 2011, totalling 78.4% of total employed. The number of self-employed was 1 017.6 thousand individuals, which

<sup>2</sup> Except the adoption of the ISCO-08, which replaces the ISCO-88 in use until the 4<sup>th</sup> quarter of 2010.

<sup>3</sup> Except the age restriction for the unemployed, 15 to 74, which replaces the 15 years old and over in use until the 4<sup>th</sup> quarter of 2010.

corresponds to 20.9% of total employed, and the number of unpaid family workers was 34.1 thousand individuals, which amounts to 0.7% of total employed.

Among the employees, 77.9% hold a permanent contract, 18.7% hold a temporary contract, and 3.4% were under other contractual arrangements.

In the 1<sup>st</sup> quarter of 2011, 86.3% of the employed worked full-time and 13.7% worked part-time.

The employed population distribution by sector of economic activity was the following: 10.0% worked in the agriculture, hunting, forestry, and fishing sector, 27.5% in the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector (16.8% in manufacturing activities and 9.2% in construction), and 62.5% in services.

#### 4. Unemployed population

The unemployed population in Portugal, in the 1<sup>st</sup> quarter of 2011, was estimated to be 688.9 thousand individuals (if the previous collection mode had been continued, this estimate would have been 633.3 thousand).

The unemployed population distribution by age group was the following: 18.0% belonged to the 15 to 24 years old age group, 28.5% to the 25 to 34 years old, 23.3% to the 35 to 44 years old, and 30.3% to the 45 years old and over.

The unemployed population distribution by level of education was following: 67.4% completed the first or second stages of basic education, 20.3% completed the (upper) secondary and post-secondary non-tertiary

level of education, and 12.3% completed the tertiary level of education.

The unemployment rate was 12.4% (if the previous collection mode had been continued, this rate would have been 11.4%).

The unemployment rate of women (12.8%) exceeded that of men (12.0%) by 0.8 percentage points.

The youth unemployment rate (15 to 24 years old) was 27.8%. The number of unemployed aged 15 to 24 corresponded to 18.0% of total unemployed and to 10.8% of total population aged 15 to 24.

The number of unemployed seeking a first job amounted 10.5% of total unemployed and the number of unemployed seeking a new job corresponded to 89.5% of total unemployed. From those unemployed seeking a new job (and who had stopped work within the last 8 years), 60.4% came from the services sector, 37.4% from the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector, and 2.2% from the agriculture, hunting, forestry, and fishing sector.

The number of unemployed seeking a job for 12 months or longer – long-term unemployment – corresponded to 53.0% of total unemployed (29.3% were seeking a job for two years or longer). The long-term unemployment rate (measured by the ratio between the number of unemployed seeking a job for 12 months or longer and the active population) was 6.6%.

## 5. Inactive population

The inactive population in Portugal, in the 1<sup>st</sup> quarter of 2011, was 5 086.1 thousand individuals. The inactive population aged 15 and over was 3 475.2 thousand individuals (if the previous collection mode had been continued, this estimate would have been 3 451.1 thousand), corresponding to 68.3% of total inactive.

In the 1<sup>st</sup> quarter of 2011, 60.4% of the inactive aged 15 and over were women and 39.6% were men.

The inactive aged 15 and over distribution by inactivity status was following: 23.3% were students, 12.7% fulfilled domestic tasks, 45.3% were retired, and 18.6% were classified as other inactive.

The inactivity rate was 38.5%.

## 6. Unemployment rates by NUTS II region

In the 1<sup>st</sup> quarter of 2011, the highest unemployment rates were recorded in NUTS II regions *Algarve* (17.0%), *Região Autónoma da Madeira* (13.9%), *Lisboa* (13.6%), *Norte* (12.8%), and *Alentejo* (12,5%), all above the global average (12.4%). The lowest values were observed in *Região Autónoma dos Açores* (9.5%) and *Centro* (9.7%).

**Table 1: Unemployment rates by NUTS II region (NUTS-2002)**

	Unit: % 1Q-2011
<b>Portugal</b>	<b>12.4</b>
Norte	12.8
Centro	9.7
Lisboa	13.6
Alentejo	12.5
Algarve	17.0
R. A. Açores	9.5
R. A. Madeira	13.9

Source: INE, Employment Statistics - 1<sup>st</sup> quarter of 2011.

**Table 2: Main indicators - active and employed population - Portugal**

	Quarterly levels	Shares
	1Q-2011	
	Thousand individuals	%
<b>Labour force (active population)</b>	<b>5,554.8</b>	<b>100.0</b>
Males	2,945.6	53.0
Females	2,609.2	47.0
First and second stages of basic education	3,494.1	62.9
(Upper) secondary and post-secondary non-tertiary education	1,065.8	19.2
Tertiary education	994.9	17.9
15 to 24	445.6	8.0
25 to 34	1,395.9	25.1
35 to 44	1,472.5	26.5
45 to 64	1,960.3	35.3
65 and over	280.6	5.1
<b>Participation rate (%)</b>	<b>52.2</b>	
Males	57.2	
Females	47.5	
<b>Participation rate (15 and over) (%)</b>	<b>61.5</b>	
Males	68.1	
Females	55.4	
<b>Employed population</b>	<b>4,866.0</b>	<b>100.0</b>
Males	2,591.5	53.3
Females	2,274.5	46.7
15 to 24	321.6	6.6
25 to 34	1,199.8	24.7
35 to 44	1,312.0	27.0
45 to 64	1,754.8	36.1
65 and over	277.6	5.7
First and second stages of basic education	3,029.7	62.3
(Upper) secondary and post-secondary non-tertiary education	925.8	19.0
Tertiary education	910.5	18.7
Agriculture, forestry and fishing (a)	487.4	10.0
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,336.4	27.5
Services (a)	3,042.1	62.5
Employees	3,814.3	78.4
With a permanent job (work contract of unlimited duration)	2,971.4	77.9
With a temporary job (work contract of limited duration) and other contractual arrangements	713.8	18.7
Other contractual arrangements	129.1	3.4
Self-employed workers	1,017.6	20.9
Unpaid family workers and other professional status	34.1	0.7
Full-time workers	4,198.1	86.3
Part-time workers	667.9	13.7
<b>Employment rate (15 and over) (%)</b>	<b>53.9</b>	
Males	59.9	
Females	48.3	

**Source:** INE, Employment Statistics - 1<sup>st</sup> quarter of 2011.

**Notes:**

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

o Figure that corresponds to less than half the absolute value of the unit used.

- Null.

**Table 3: Main indicators - unemployed and inactive population - Portugal**

	Quarterly levels	Shares
	1Q-2011	
	Thousand individuals	%
<b>Unemployed population</b>	<b>688.9</b>	<b>100.0</b>
Males	354.1	51.4
Females	334.8	48.6
15 to 24	123.9	18.0
25 to 34	196.1	28.5
35 to 44	160.4	23.3
45 and over	208.4	30.3
First and second stages of basic education	464.4	67.4
(Upper) secondary and post-secondary non-tertiary education	140.0	20.3
Tertiary education	84.5	12.3
Looking for a first job	72.6	10.5
Looking for a new job	616.3	89.5
Agriculture, forestry and fishing (a) (b)	13.2	1.9
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	220.0	31.9
Services (a) (b)	355.3	51.6
Unemployed by duration of search		
Less than 12 months	323.6	47.0
12 months or longer (long-term unemployment)	365.2	53.0
<b>Unemployment rate (%)</b>	<b>12.4</b>	
Males	12.0	
Females	12.8	
Youth (15 to 24)	27.8	
Long-term unemployment rate (%)	6.6	
<b>Inactive population</b>	<b>5,086.1</b>	
Inactive population (15 and over)	3,475.2	100.0
Males	1,377.4	39.6
Females	2,097.9	60.4
15 to 24	706.9	20.3
25 to 34	148.5	4.3
35 to 44	143.6	4.1
45 to 64	827.0	23.8
65 and over	1,649.2	47.5
Students	811.4	23.3
Fulfilled domestic tasks	440.6	12.7
Retired	1,576.0	45.3
Other inactive	647.2	18.6
<b>Inactivity rate (15 and over) (%)</b>	<b>38.5</b>	
Males	31.9	
Females	44.6	

Source: INE, Employment Statistics - 1<sup>st</sup> quarter of 2011.

**Notes:**

(a) The previous employment experience of unemployed individuals looking for a new job is characterized only for those who had stopped work within the last 8 years. Therefore, the sum of the number of unemployed individuals looking for a new job by economic activity of the last job does not correspond to the total unemployed individuals looking for a new job.

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

absolute value of the unit used.

- Null.

## 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. 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, based on independent estimates of the population, calculated from the definitive results of the 2001 Census.

## SOME CONCEPTS

For additional concepts see the publication Employment Statistics – 1<sup>st</sup> quarter 2011 (“Estatísticas do Emprego – 1<sup>o</sup> trimestre de 2011”).

### Participation rate

Rate that is defined as the ratio of the labour force (active population) to total population.

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

### Participation rate (15 and over)

Rate that is defined as the ratio of the labour force to working age population (aged 15 years old and over).

$$\text{P.R. (\%)} = (\text{Labour force} / \text{Population aged 15 years old and over}) \times 100$$

### Unemployment rate

Rate that is defined as the ratio of the unemployed population to total labour force.

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

### Long term unemployment rate

Rate that is defined as the ratio of the population unemployed for 12 months or over to total labour force.

$$\text{U.R. (\%)} = (\text{Population unemployed for 12 months or over} / \text{Labour force}) \times 100$$

### Employment rate (15 and over)

Rate that is defined as the ratio of the employed population to working age population (aged 15 years old and over).

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

### Inactivity rate (aged 15 and over)

Rate that is defined as the ratio of inactive working age population (aged 15 years old and over) to total working age population.

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

### Year-on-year rate of 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 rate of change, considering a seasonal stable pattern, is not affected by this type of fluctuation, but may, however, be influenced by specific effects in a given quarter.

### Quarterly rate of change

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

### Annual rate of change

The annual change compares the average level of the variable for the four quarters of the last year over the average level of the variable for the four quarters of the previous year. Being an average, this indicator is less sensible to sporadic effects in the variable.

## DATE SCHEDULED FOR THE NEXT PRESS RELEASE

August, 17<sup>th</sup> 2011.

The publication Employment Statistics – 1<sup>st</sup> quarter of 2011 (“Estatísticas do Emprego – 1<sup>o</sup> trimestre de 2011”) associated with this press release is available, free of charge, at [http://www.ine.pt/portal/paqe/portal/PORTAL\\_INE/Publicacoes](http://www.ine.pt/portal/paqe/portal/PORTAL_INE/Publicacoes).