

February, 16th 2012

Employment Statistics
4th quarter of 2011

Unemployment rate at 14.0%

The unemployment rate estimated for the 4th quarter of 2011 was 14.0%. This value is up 1.6 percentage points from the previous quarter.

The number of unemployed was 771.0 thousand, which corresponds to a quarter-on-quarter increase of 11.8% (more 81.4 thousand persons).

The number of employed was 4 735.04thousand, which corresponds to a quarter-on-quarter decrease of 2.4% (less 118.3 thousand persons).

The annual average unemployment rate was 12.7% in 2011 and the unemployed population was 706.1 thousand.

1. Labour force (active population)

The Labour Force Survey results for the 4th quarter of 2011 indicate that the labour force (active population) in Portugal decreased by 0.7% (corresponding to 36.9 thousand individuals), when compared with the previous quarter.

The participation rate of the working age population (15 years old and over) was estimated at 60.9%. This rate decreased by 0.4 percentage points (p.p.) from the previous quarter. The male working age participation rate (67.4%) exceeded that of women (54.8%) by 12.6 p.p.. Compared with the previous quarter, the male working age participation rate decreased 0.8 p.p. and that of women decreased 0.2 p.p..

The 2011 average of the participation rate was 61.3%.

2. Employed population

In the 4th quarter of 2011, the employed population, totalling 4,735.4 thousand individuals, decreased by 2.4% (118.3 thousand individuals), compared with the previous quarter.

The following results have contributed to the above-mentioned quarterly decrease:

- The decrease in employment for men (82.5 thousand individuals), which explained 69.7% of the overall decrease in employment.
- The decrease of 79.5 thousand employed individuals aged 15 to 34. The number of the employed from the other age groups decreased also, but its contribution to the overall decrease was smaller.
- The decrease of 104.5 thousand employed individuals having completed the first or second stages of basic education. The number of employed individuals having completed the (upper) secondary

and post-secondary non-tertiary level of education decreased by less (13.9 thousand). The number of employed having completed the tertiary level of education remained unchanged.

- The decrease in employment in manufacturing, electricity, gas and water supply, and construction (58.0 thousand individuals), which explained 49.0% of the overall decrease in employment. In the services sector, the employment decreased by less (34.4 thousand), as for the agriculture, hunting, forestry, and fishing sector (26.0 thousand).
- The decrease in the number of employees, by 93.4 thousand individuals. The number of self-employed decreased by less (26.7 thousand). Among the employees, the major decrease was recorded for those holding a temporary job (66.1 thousand).
- The decrease in the number of full-time workers, which corresponded to 112.1 thousand individuals and explained 94.8% of the overall decrease in employment.

The employment rate (15 years and over) stood at 52.4%, in the 4th quarter of 2011. This value was smaller than the one recorded in the previous quarter by 1.3 p.p.. The employment rate of men (58.1%) exceeded that of women (47.1%) by 11.0 p.p.. Compared with the previous quarter, the employment rate of men decreased by 1.9 p.p. and that of women decreased by 0.8 p.p..

The 2011 average of the employment rate (15 years old and over) was 53.5%.

3. Unemployed population

The unemployed population in Portugal, estimated at 771.0 thousand individuals in the 4th quarter of 2011, increased by 11.8% (81.4 thousand individuals), when compared with the previous quarter.

The following results have contributed to the quarterly increase in the unemployed population:

- The increase in the number of unemployed men (50.7 thousand individuals), which explained 62.3% of the overall increase in unemployment. The number of unemployed women increased by less (30.6 thousand).
- The increase in unemployment of individuals aged 25 to 34 and in young unemployment (15 to 24 years old), by a total amount of 54.1 thousand. The number of the unemployed from the other age groups increased also, but its contribution to the overall increase was smaller.
- The increase in the number of unemployed individuals having completed an education level corresponding to the first and second stages of basic education (35.8 thousand) and the (upper) secondary or post-secondary non-tertiary education (31.9 thousand). Among the individuals who completed the tertiary level of education, the unemployment increase was smaller (13.7 thousand).
- The increase in the number of unemployed seeking for a new job (76.8 thousand individuals), which explained 94.3% of the overall increase in unemployment. That increase came essentially from the services sector (44.1 thousand).

- The increase in the number of unemployed seeking a job for 12 months or longer, by 49.1 thousand individuals, which explained 60.3% of the overall increase in unemployment.

The unemployment rate was estimated at 14.0%, in the 4th quarter of 2011. This value is up 1.6 p.p. from the previous quarter. This increase resulted from the combination of the decrease in employment (of 2.4%) with the increase in unemployment (of 11.8%), corresponding to 118.3 thousand and to 81.4 thousand individuals, respectively.

The unemployment rate of women (14.1%) exceeded that of men (13.9%) by 0.2 p.p.. Both rates increased from the previous quarter (1.2 p.p. and 1.9 p.p., respectively).

The estimated annual average of the unemployed population stood at 706.1 thousand individuals in 2011 and the unemployment rate at 12.7%.

4. Inactive population

In the 4th quarter of 2011, the inactive population aged 15 and over increased by 1.2%, when compared with the previous quarter, corresponding to 42.8 thousand individuals.

The inactivity rate (15 and over) reached 39.1% (0.4 p.p. above the observed value for the previous quarter).

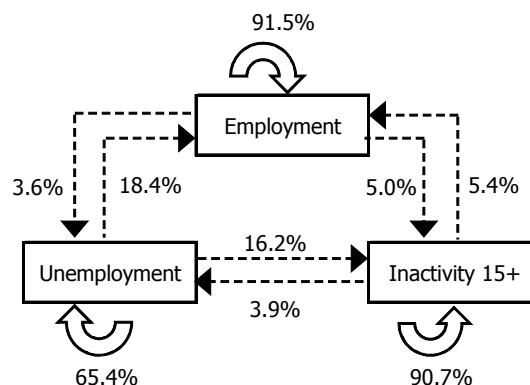
The inactivity rate of women (45.2%) exceeded that of men (32.6%) by 12.6 p.p.. Compared with the previous quarter, the inactivity rate of women increased by 0.2 p.p. and that of men increased by 0.8 p.p..

The 2011 average of the inactivity rate (15 years old and over) was 38.7%.

5. Quarterly flows between labour market states

From the 3rd to the 4th quarter of 2011, 3.6% of the individuals initially employed moved into unemployment and 5.0% moved into inactivity, with the proportion of employees moving out of this situation totalling 8.6% in the 4th quarter of 2011 (91.5% remained employed). From the 2nd to the 3rd quarter of 2011, the percentage of those who left employment was smaller (7.6%).

**Quarterly flows between labour force states
(as a % of initial state)**



The flows out of unemployment between the two quarters were, in relative terms, larger than the flows out of employment. From the individuals who were unemployed in the 3rd quarter of 2011, 34.6% moved out of this labour market state in the 4th quarter of 2011. Out of these, 18.4% became employed and 16.2% moved into inactivity. The percentage of individuals moving from unemployment into employment was smaller than the one observed in the flows from the 2nd to the 3rd quarter of 2011 (it had

been 20.7%). Similarly, the percentage of individuals moving from unemployment into inactivity was also smaller (it had been 16.6%).

From the total of individuals aged 15 and over considered to be inactive in the 3rd quarter of 2011, 5.4% moved into employment and 3.9% moved into unemployment, in the 4th quarter of 2011. The proportion of those moving from inactivity into employment was smaller than the one observed in the flows from the 2nd to the 3rd quarter of 2011 (it had been 6.8%). The percentage of individuals moving from inactivity into unemployment was larger (it had been 3.7%).

6. Unemployment rates by NUTS II region

In the 4th quarter of 2011, the highest unemployment rates were recorded in NUTS II regions *Algarve* (17.5%), *Região Autónoma dos Açores* (15.1%), *Lisboa* (14.7%), and *Norte* (14.1%). The lowest values were observed in *Centro* (12.6%), *Alentejo* (13.1%), and *Região Autónoma da Madeira* (13.5%).

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

	Quarterly level			Annual level	Rate of change (on quarter)
	2Q-2011	3Q-2011	4Q-2011	2011	4Q-2011
	%				p.p.
Portugal	12.1	12.4	14.0	12.7	1.6
Norte	12.6	12.7	14.1	13.0	1.4
Centro	9.5	9.4	12.6	10.3	3.2
Lisboa	13.5	14.6	14.7	14.1	0.1
Alentejo	11.8	12.3	13.1	12.4	0.8
Algarve	14.7	13.3	17.5	15.6	4.2
R. A. Açores	9.7	11.6	15.1	11.5	3.5
R. A. Madeira	13.5	14.3	13.5	13.8	-0.8

Source: INE, Employment Statistics - 4th quarter of 2011.

Compared to the previous quarter, and similarly to the overall picture in Portugal, the unemployment rate increased in all regions, excepting *Região Autónoma da Madeira*, where it decreased. The largest increases were recorded in *Algarve* (4.2 p.p.), *Região Autónoma dos Açores* (3.5 p.p.), and *Centro* (3.2 p.p.).

Concerning the annual averages, the higher unemployment rates for 2011 were recorded in *Algarve* (15.6%), *Lisboa* (14.1%), *Região Autónoma da Madeira* (13.8%), and *Norte* (13.0%). The smallest rates were observed in *Centro* (10.3%), *Região Autónoma dos Açores* (11.5%), and *Alentejo* (12.4%).

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

	Quarterly level			Annual level	Rate of change (on quarter)
	2Q-2011	3Q-2011	4Q-2011	2011	4Q-2011
	Thousand individuals				%
Labour force (active population)	5,568.0	5,543.4	5,506.5	5,543.2	- 0.7
Males	2,943.5	2,952.4	2,920.6	2,940.5	- 1.1
Females	2,624.5	2,591.0	2,585.8	2,602.6	- 0.2
15 to 24	427.7	460.6	441.4	443.8	- 4.2
25 to 34	1,399.8	1,384.9	1,378.5	1,389.8	- 0.5
35 to 44	1,483.0	1,464.4	1,465.5	1,471.3	0.1
45 to 64	1,965.1	1,952.1	1,945.2	1,955.7	- 0.4
65 and over	292.4	281.4	275.9	282.6	- 2.0
First and second stages of basic education	3,470.1	3,395.3	3,326.6	3,421.5	- 2.0
(Upper) secondary and post-secondary non-tertiary education	1,107.0	1,144.8	1,162.9	1,120.1	1.6
Tertiary education	990.8	1,003.2	1,017.0	1,001.5	1.4
Participation rate (%)	52.3	52.1	51.7	52.1	
Males	57.2	57.3	56.7	57.1	
Females	47.8	47.1	47.0	47.4	
Participation rate (15 and over) (%)	61.6	61.3	60.9	61.3	
Males	68.1	68.2	67.4	68.0	
Females	55.7	55.0	54.8	55.2	
Employed population	4,893.0	4,853.7	4,735.4	4,837.0	- 2.4
Males	2,594.3	2,597.4	2,514.9	2,574.5	- 3.2
Females	2,298.7	2,256.3	2,220.5	2,262.5	- 1.6
15 to 24	312.2	322.2	285.1	310.3	- 11.5
25 to 34	1,215.8	1,203.5	1,161.1	1,195.0	- 3.5
35 to 44	1,325.5	1,307.7	1,295.0	1,310.1	- 1.0
45 to 64	1,748.8	1,742.2	1,721.9	1,741.9	- 1.2
65 and over	290.8	278.1	272.3	279.7	- 2.1
First and second stages of basic education	3,007.3	2,947.1	2,842.6	2,956.7	- 3.5
(Upper) secondary and post-secondary non-tertiary education	975.5	997.7	983.8	970.7	- 1.4
Tertiary education	910.2	908.9	909.0	909.7	o
Agriculture, forestry and fishing (a)	495.5	478.5	452.5	478.5	- 5.4
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,347.7	1,332.3	1,274.3	1,322.7	- 4.4
Services (a)	3,049.8	3,043.0	3,008.6	3,035.9	- 1.1
Employees	3,862.9	3,838.5	3,745.1	3,815.2	- 2.4
With a permanent job (work contract of unlimited duration)	2,980.6	2,966.7	2,951.1	2,967.5	- 0.5
With a temporary job (work contract of limited duration) and other contractual arrangements	729.4	725.8	659.7	707.2	- 9.1
Other contractual arrangements	152.6	146.1	134.2	140.5	- 8.1
Self-employed workers	1,002.8	988.0	961.4	992.4	- 2.7
Unpaid family workers and other professional status	27.3	27.2	29.0	29.4	6.6
Full-time workers	4,260.0	4,214.6	4,102.5	4,193.8	- 2.7
Part-time workers	633.0	639.2	632.9	643.3	- 1.0
Employment rate (15 and over) (%)	54.2	53.7	52.4	53.5	
Males	60.0	60.0	58.1	59.5	
Females	48.8	47.9	47.1	48.0	

Source: INE, Employment Statistics - 4th 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 level			Annual level	Rate of change (on quarter)
	2Q-2011	3Q-2011	4Q-2011	2011	4Q-2011
	Thousand individuals				%
Unemployed population	675.0	689.6	771.0	706.1	11.8
Males	349.2	355.0	405.7	366.0	14.3
Females	325.8	334.7	365.3	340.1	9.1
15 to 24	115.5	138.3	156.3	133.5	13.0
25 to 34	184.1	181.3	217.4	194.7	19.9
35 to 44	157.5	156.7	170.4	161.3	8.7
45 and over	217.9	213.3	226.9	216.6	6.4
First and second stages of basic education	462.9	448.2	484.0	464.8	8.0
(Upper) secondary and post-secondary non-tertiary education	131.5	147.2	179.1	149.4	21.7
Tertiary education	80.6	94.3	108.0	91.9	14.5
Looking for a first job	66.7	75.6	80.2	73.8	6.1
Looking for a new job	608.3	614.0	690.8	632.3	12.5
Agriculture, forestry and fishing (a) (b)	11.5	14.8	16.6	14.0	12.2
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	228.2	219.0	246.8	228.5	12.7
Services (a) (b)	338.2	355.7	399.8	362.2	12.4
Unemployed by duration of search					
Less than 12 months	302.6	333.2	365.6	331.3	9.7
12 months or longer (long-term unemployment)	372.4	356.4	405.5	374.9	13.8
Unemployment rate (%)	12.1	12.4	14.0	12.7	
Males	11.9	12.0	13.9	12.4	
Females	12.4	12.9	14.1	13.1	
Youth (15 to 24)	27.0	30.0	35.4	30.1	
Long-term unemployment rate (%)	6.7	6.4	7.4	6.8	
Inactive population	5,075.3	5,105.3	5,147.3	5,103.5	0.8
Inactive population (15 and over)	3,465.6	3,496.3	3,539.1	3,494.1	1.2
Males	1,381.2	1,375.2	1,409.5	1,385.8	2.5
Females	2,084.4	2,121.1	2,129.5	2,108.2	0.4
15 to 24	718.2	679.1	692.0	699.0	1.9
25 to 34	137.0	144.7	143.7	143.5	- 0.7
35 to 44	135.2	156.4	157.9	148.3	1.0
45 to 64	830.9	853.3	869.6	845.2	1.9
65 and over	1,644.3	1,662.8	1,675.8	1,658.1	0.8
Students	814.5	760.7	796.2	795.7	4.7
Fulfilled domestic tasks	417.7	431.1	441.3	432.7	2.4
Retired	1,601.1	1,606.0	1,593.3	1,594.1	- 0.8
Other inactive	632.3	698.4	708.3	671.5	1.4
Inactivity rate (15 and over) (%)	38.4	38.7	39.1	38.7	
Males	31.9	31.8	32.6	32.0	
Females	44.3	45.0	45.2	44.8	

Source: INE, Employment Statistics - 4th 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.

o Figure that corresponds to less than half the 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, though 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 – 4th quarter 2011 (“Estatísticas do Emprego – 4^o trimestre de 2011”).

Participation rate

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

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

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).

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

Unemployment rate

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

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

Long term unemployment rate

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

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

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).

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

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.

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

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

May, 16th 2012.

The publication Employment Statistics – 4th quarter of 2011 (“Estatísticas do Emprego – 4^o trimestre de 2011”) associated with this press release is available, free of charge, at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.