

May, 16<sup>th</sup> 2012

## Employment Statistics

1<sup>st</sup> quarter of 2012

### Unemployment rate at 14.9 per cent

The unemployment rate estimated for the 1<sup>st</sup> quarter of 2012 was 14.9 per cent. This value is up 2.5 percentage points from the same quarter of 2011 and 0.9 percentage points from the previous quarter.

There were 819.3 thousand unemployed people, which corresponds to an year-on-year increase of 18.9 per cent and to a quarterly increase of 6.3 per cent (more 130.4 thousand and 48.3 thousand people, respectively).

There were 4 662.5 thousand employed people, which corresponds to an year-on-year decrease of 4.2 per cent and to a quarterly decrease of 1.5 per cent (less 203.5 thousand and 72.9 thousand people, respectively).

#### 1. Labour force (active population)

The Labour Force Survey results for the 1<sup>st</sup> quarter of 2012 suggest that the labour force (active population) decreased by 1.3 per cent from the same quarter of 2011 (73.1 thousand people) and by 0.5 per cent from the previous quarter (24.8 thousand).

The participation rate of the working age population (15 years old and over) stood at 60.8 per cent. This rate decreased by 0.7 percentage points (p.p.) from the same quarter of 2011 and by 0.1 p.p. from the previous quarter.

The participation rate of men (66.9 per cent) exceeded that of women (55.2 per cent) by 11.7 p.p..

Compared to the same quarter of 2011, the participation rate decreased both for men (1.2 p.p.) and for women (0.2 p.p.).

Compared to the previous quarter, the participation rate decreased for men (0.5 p.p.) and increased for women (0.4 p.p.).

#### 2. Employed population

The employed population decreased by 4.2 per cent from the same quarter of 2011 (203.5 thousand people) and by 1.5 per cent from the previous quarter (72.9 thousand).

For the year-on-year decrease, the following results contributed most:

- The decrease of 130.6 thousand employed men, which explained 64.2 per cent of the overall decrease in employment.
- The decrease of 135.8 thousand employed aged 15 to 34, which explained 66.7 per cent of the overall decrease in employment.
- The decrease of 276.1 thousand employed having completed the first or second stages of basic education.

The number of employed having completed the (upper) secondary and post-secondary non-tertiary level of education and also the tertiary level of education increased.

- The decrease of 102.1 thousand employed in the services sector and of 91.0 thousand employed in the manufacturing, electricity, gas and water supply, and construction sector. Together, these two sectors of activity were responsible for 94.9 per cent of the overall decrease in employment.

Among the services sector, it stands out the decrease of employment in three activities: wholesale and retail trade; accommodation and food service activities; and education.

- The decrease of 152.1 thousand employees, 106.5 thousand of whom held a temporary job.

The number of self-employed decreased by less (49.1 thousand).

- The decrease of 204.4 thousand full-time workers.

The employment rate (15 years old and over) stood at 51.7 per cent, having decreased by 2.2 p.p. from the same quarter of 2011 and by 0.7 p.p. from the previous quarter.

The employment rate of men (57.0 per cent) exceeded that of women (46.9 per cent) by 10.1 p.p..

Compared to the same quarter of 2011, the employment rate decreased more for men (2.9 p.p.) than for women (1.4 p.p.).

Compared to the previous quarter, the employment rate decreased also more for men (1.1 p.p.) than for women (0.2 p.p.).

### 3. Unemployed population

The unemployed population, estimated at 819.3 thousand people, increased by 18.9 per cent from the

same quarter of 2011 (130.4 thousand people) and by 6.3 per cent from the previous quarter (48.3 thousand).

For the year-on-year increase, the following results contributed most:

- The increase of 73.2 thousand unemployed men and of 57.1 thousand unemployed women.
- The increase of 39.0 thousand unemployed aged 45 and over.

Among the other age groups, the unemployment increased more uniformly (between 30 and 31 thousand people).

- The increase of 60.9 thousand unemployed having completed an education level corresponding to the (upper) secondary or post-secondary non-tertiary education, which explained 46.7 per cent of the overall increase in unemployment.
- The increase of 119.6 thousand unemployed seeking for a new job, which explained 91.7 per cent of the overall increase in unemployment.

Among that group, it stands out the increase of 68.1 thousand unemployed who came from the services sector.

- The increase of 79.4 thousand unemployed seeking a job for less than 12 months, which explained 60.9 per cent of the overall increase in unemployment.

The unemployed population quarterly increase came mostly from the following groups: women, people aged 35 and over, having completed an education level corresponding to the (upper) secondary or post-secondary non-tertiary education and to the first and second stages of basic education, seeking for a

new job (mainly from the services sector), and seeking a job for less than 12 months.

The unemployment rate stood at 14.9 per cent, up 2.5 p.p. from the same quarter of 2011 and 0.9 p.p. from the previous quarter.

The unemployment rate of women (15.1 per cent) exceeded that of men (14.8 per cent) by 0.3 p.p.. Both rates increased from the same quarter of the previous year (2.3 p.p. and 2.8 p.p., respectively) and from the previous quarter (1.0 p.p. and 0.9 p.p., respectively).

#### 4. Inactive population

The inactive population aged 15 and over increased by 1.6 per cent from the same quarter of 2011 (57.0 thousand people) and decreased by 0.2 per cent from the previous quarter (6.9 thousand).

The inactivity rate (15 years old and over) stood at 39.2 per cent, having increased by 0.7 p.p. from the same quarter of 2011 and by 0.1 p.p. from the previous quarter.

The inactivity rate of women (44.8 per cent) exceeded that of men (33.1 per cent) by 11.7 p.p..

Compared to the same quarter of 2011, the inactivity rate increased both for men (1.2 p.p.) and for women (0.2 p.p.).

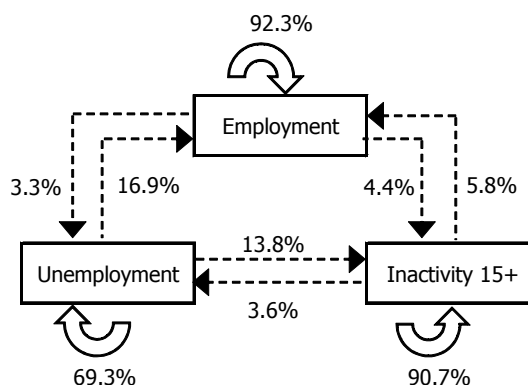
Compared to the previous quarter, the inactivity rate increased for men (0.5 p.p.) and decreased for women (0.4 p.p.).

#### 5. Quarterly flows between labour market states

From the 4<sup>th</sup> quarter of 2011 to the 1<sup>st</sup> quarter of 2012, 3.3 per cent of the people initially employed moved into unemployment and 4.4 per cent moved into inactivity, with the proportion of employed moving out of this situation totalling 7.7 per cent in the 1<sup>st</sup> quarter of 2012 (92.3 per cent remained employed).

From the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2011, the percentage of those who left employment had been larger (8.6 per cent).

**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 people who were unemployed in the 4<sup>th</sup> quarter of 2011, 30.7 per cent moved out of this labour market state in the 1<sup>st</sup> quarter of 2012. Out of these, 16.9 per cent became employed and 13.8 per cent moved into inactivity.

The percentage of people moving from unemployment into employment was smaller than the one observed in

the flows from the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2011 (it had been 18.4 per cent).

Similarly, the percentage of people moving from unemployment into inactivity was smaller than the one observed in the flows from the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2011 (it had been 16.2 per cent).

From the total of people aged 15 and over considered to be inactive in the 4<sup>th</sup> quarter of 2011, 5.4 per cent moved into employment and 3.6 per cent moved into unemployment, in the 1<sup>st</sup> quarter of 2012.

The proportion of people moving from inactivity into employment was larger than the one observed in the flows from the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2011 (it had been 5.8 per cent).

The percentage of people moving from inactivity into unemployment was smaller (it had been 3.9 per cent).

## 6. Unemployment rates by NUTS II region

The highest unemployment rates were recorded in *Algarve* (20.0 per cent), *Lisboa* (16.5 per cent), *Região Autónoma da Madeira* (16.1 per cent), *Alentejo* (15.4 per cent), and *Norte* (15.1 per cent).

The lowest values were observed in *Centro* (11.8 per cent) and *Região Autónoma dos Açores* (13.9 per cent).

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

Unit: %

	1Q-2011	4Q-2011	1Q-2012
<b>Portugal</b>	<b>12.4</b>	<b>14.0</b>	<b>14.9</b>
Norte	12.8	14.1	15.1
Centro	9.7	12.6	11.8
Lisboa	13.6	14.7	16.5
Alentejo	12.5	13.1	15.4
Algarve	17.0	17.5	20.0
R. A. Açores	9.5	15.1	13.9
R. A. Madeira	13.9	13.5	16.1

**Source:** INE, Employment Statistics - 1<sup>st</sup> quarter of 2012.

Compared to the same quarter of 2011, and similarly to the overall picture in Portugal, the unemployment rate increased in all regions. The largest increases were recorded in *Região Autónoma dos Açores* (4.4 p.p.), *Algarve* (3.0 p.p.), *Alentejo* and *Lisboa* (2.9 p.p. in both regions).

Compared to the previous quarter, the unemployment rate increased in all regions, excepting *Centro* and *Região Autónoma dos Açores*. The largest increases were recorded in *Região Autónoma da Madeira* (2.6 p.p.), *Algarve* (2.5 p.p.), and *Alentejo* (2.3 p.p.).

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

	Quarterly levels			Rates of change	
	1Q-2011	4Q-2011	1Q-2012	On year	On quarter
	Thousands			%	
<b>Labour force (active population)</b>	<b>5,554.8</b>	<b>5,506.5</b>	<b>5,481.7</b>	<b>-1.3</b>	<b>-0.5</b>
Males	2,945.6	2,920.6	2,888.2	-1.9	-1.1
Females	2,609.2	2,585.8	2,593.5	-0.6	0.3
15 to 24	445.6	441.4	426.7	-4.2	-3.3
25 to 34	1,395.9	1,378.5	1,339.0	-4.1	-2.9
35 to 44	1,472.5	1,465.5	1,484.6	0.8	1.3
45 to 64	1,960.3	1,945.2	1,951.9	-0.4	0.3
65 and over	280.6	275.9	279.5	-0.4	1.3
First and second stages of basic education	3,494.1	3,326.6	3,256.2	-6.8	-2.1
(Upper) secondary and post-secondary non-tertiary education	1,065.8	1,162.9	1,192.1	11.9	2.5
Tertiary education	994.9	1,017.0	1,033.5	3.9	1.6
<b>Participation rate (%)</b>	<b>52.2</b>	<b>51.7</b>	<b>51.7</b>		
Males	57.2	56.7	56.3		
Females	47.5	47.0	47.4		
<b>Participation rate (15 and over) (%)</b>	<b>61.5</b>	<b>60.9</b>	<b>60.8</b>		
Males	68.1	67.4	66.9		
Females	55.4	54.8	55.2		
<b>Employed population</b>	<b>4,866.0</b>	<b>4,735.4</b>	<b>4,662.5</b>	<b>-4.2</b>	<b>-1.5</b>
Males	2,591.5	2,514.9	2,460.9	-5.0	-2.1
Females	2,274.5	2,220.5	2,201.6	-3.2	-0.9
15 to 24	321.6	285.1	272.3	-15.3	-4.5
25 to 34	1,199.8	1,161.1	1,113.3	-7.2	-4.1
35 to 44	1,312.0	1,295.0	1,292.9	-1.5	-0.2
45 to 64	1,754.8	1,721.9	1,710.2	-2.5	-0.7
65 and over	277.6	272.3	273.8	-1.4	0.6
First and second stages of basic education	3,029.7	2,842.6	2,753.6	-9.1	-3.1
(Upper) secondary and post-secondary non-tertiary education	925.8	983.8	991.1	7.1	0.7
Tertiary education	910.5	909.0	917.7	0.8	1.0
Agriculture, forestry and fishing (a)	487.4	452.5	477.1	-2.1	5.4
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,336.4	1,274.3	1,245.4	-6.8	-2.3
Services (a)	3,042.1	3,008.6	2,940.0	-3.4	-2.3
Employees	3,814.3	3,745.1	3,662.2	-4.0	-2.2
With a permanent job (work contract of unlimited duration)	2,971.4	2,951.1	2,928.7	-1.4	-0.8
With a temporary job (work contract of limited duration) and other contractual arrangements	713.8	659.7	607.3	-14.9	-7.9
Other contractual arrangements	129.1	134.2	126.1	-2.3	-6.0
Self-employed workers	1,017.6	961.4	968.5	-4.8	0.7
Unpaid family workers and other professional status	34.1	29.0	31.8	-6.7	9.7
Full-time workers	4,198.1	4,102.5	3,993.7	-4.9	-2.7
Part-time workers	667.9	632.9	668.7	0.1	5.7
<b>Employment rate (15 and over) (%)</b>	<b>53.9</b>	<b>52.4</b>	<b>51.7</b>		
Males	59.9	58.1	57.0		
Females	48.3	47.1	46.9		

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			Rates of change	
	1Q-2011	4Q-2011	1Q-2012	On year	On quarter
	Thousands			%	
<b>Unemployed population</b>	<b>688.9</b>	<b>771.0</b>	<b>819.3</b>	<b>18.9</b>	<b>6.3</b>
Males	354.1	405.7	427.3	20.7	5.3
Females	334.8	365.3	391.9	17.1	7.3
15 to 24	123.9	156.3	154.4	24.6	-1.2
25 to 34	196.1	217.4	225.7	15.1	3.8
35 to 44	160.4	170.4	191.8	19.6	12.6
45 and over	208.4	226.9	247.4	18.7	9.0
First and second stages of basic education	464.4	484.0	502.6	8.2	3.8
(Upper) secondary and post-secondary non-tertiary education	140.0	179.1	200.9	43.5	12.2
Tertiary education	84.5	108.0	115.8	37.0	7.2
Looking for a first job	72.6	80.2	83.4	14.9	4.0
Looking for a new job	616.3	690.8	735.9	19.4	6.5
Agriculture, forestry and fishing (a) (b)	13.2	16.6	20.2	53.0	21.7
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	220.0	246.8	260.0	18.2	5.3
Services (a) (b)	355.3	399.8	423.4	19.2	5.9
Unemployed by duration of search					
Less than 12 months	323.6	365.6	403.1	24.6	10.3
12 months or longer (long-term unemployment)	365.2	405.5	416.2	14.0	2.6
<b>Unemployment rate (%)</b>	<b>12.4</b>	<b>14.0</b>	<b>14.9</b>		
Males	12.0	13.9	14.8		
Females	12.8	14.1	15.1		
Youth (15 to 24)	27.8	35.4	36.2		
Long-term unemployment rate (%)	6.6	7.4	7.6		
<b>Inactive population</b>	<b>5,086.1</b>	<b>5,147.3</b>	<b>5,125.0</b>	<b>0.8</b>	<b>-0.4</b>
Inactive population (15 and over)	3,475.2	3,539.1	3,532.2	1.6	-0.2
Males	1,377.4	1,409.5	1,427.9	3.7	1.3
Females	2,097.9	2,129.5	2,104.3	0.3	-1.2
15 to 24	706.9	692.0	710.2	0.5	2.6
25 to 34	148.5	143.7	138.3	-6.9	-3.8
35 to 44	143.6	157.9	149.2	3.9	-5.5
45 to 64	827.0	869.6	852.0	3.0	-2.0
65 and over	1,649.2	1,675.8	1,682.6	2.0	0.4
Students	811.4	796.2	801.8	-1.2	0.7
Fulfilled domestic tasks	440.6	441.3	446.9	1.4	1.3
Retired	1,576.0	1,593.3	1,603.4	1.7	0.6
Other inactive	647.2	708.3	680.1	5.1	-4.0
<b>Inactivity rate (15 and over) (%)</b>	<b>38.5</b>	<b>39.1</b>	<b>39.2</b>		
Males	31.9	32.6	33.1		
Females	44.6	45.2	44.8		

Source: INE, Employment Statistics - 1<sup>st</sup> quarter of 2012.

**Notes:**

(a) The previous employment experience of the unemployed 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 looking for a new job by economic activity of the last job does not correspond to the total unemployed 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

### Participation rate

Ratio between the labour force (active population) and the total population.

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

### Participation rate (15 and over)

Ratio between the labour force and the working age total population (15 and over).

$$\text{P.R. (\%)} = (\text{Labour force} / \text{Total population 15 and over}) \times 100$$

### Unemployment rate

Ratio between the unemployed population and the labour force.

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

### Long term unemployment rate

Ratio between the unemployed population seeking employment for 12 months and over and the labour force.

$$\text{U.R. (\%)} = (\text{Unemployed population seeking employment for 12 months and over} / \text{Labour force}) \times 100$$

### Employment rate (15 and over)

Ratio between the employed population and the working age total population (15 and over).

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

### Inactivity rate (15 and over)

Ratio between the working age inactive population (15 and over) and the working age total population (15 and over).

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

### On year rate of change

The on year (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.

### On quarter rate of change

The on quarter (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.

The publication Employment Statistics – 1<sup>st</sup> quarter of 2012 (“Estatísticas do Emprego – 1<sup>o</sup> trimestre de 2012”) associated with this press release is available, free of charge, at [http://www.ine.pt/portal/page/portal/PORTAL\\_INE/Publicacoes](http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes).