

August 14, 2012

Employment Statistics

(Rectified version – 17 august, 11:10 AM)

2<sup>nd</sup> quarter of 2012

Correction, in **Table 3**, of the information concerning “persons seeking work but not immediately available” and “persons available to work but not seeking”.

## Unemployment rate at 15.0 per cent

The unemployment rate estimated for the 2<sup>nd</sup> quarter of 2012 was 15.0 per cent. This value is up 2.9 percentage points from the same quarter of 2011 and 0.1 percentage points from the previous quarter.

There were 826.9 thousand unemployed people, which corresponds to an year-on-year increase of 22.5 per cent and to a quarterly increase of 0.9 per cent (more 151.9 thousand and 7.6 thousand people, respectively).

There were 4 688.2 thousand employed people, which corresponds to an year-on-year decrease of 4.2 per cent and to a quarterly increase of 0.6 per cent (less 204.8 thousand and more 25.7 thousand people, respectively).

### 1. Labour force (active population)

The Labour Force Survey results for the 2<sup>nd</sup> quarter of 2012 indicate that the labour force (active population) decreased by 0.9 per cent from the same quarter of 2011 (52.8 thousand people) and increased by 0.6 per cent from the previous quarter (33.5 thousand).

The participation rate of the working age population (15 years old and over) stood at 61.2 per cent. This rate decreased by 0.4 percentage points (p.p.) from the same quarter of 2011 and increased by 0.4 p.p. from the previous quarter.

The participation rate of men (67.4 per cent) exceeded that of women (55.5 per cent) by 11.9 p.p..

Compared to the same quarter of 2011, the participation rate decreased both for men (0.7 p.p.) and for women (0.2 p.p.).

Compared to the previous quarter, the participation rate increased both for men (0.5 p.p.) and for women (0.3 p.p.).

### 2. Employed population

The employed population decreased by 4.2 per cent from the same quarter of 2011 (204.8 thousand people) and increased by 0.6 per cent from the previous quarter (25.7 thousand).

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

- The decrease of 123.4 thousand employed men, which explained 60.3 per cent of the overall decrease in employment.
- The decrease of 116.4 thousand employed aged 25 to 34, which explained 56.8 per cent of the overall decrease in employment.

- The decrease of 248.1 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 137.3 thousand employed in the manufacturing, electricity, gas and water supply, and construction sector and of 70.6 thousand employed in the services sector.

Within the manufacturing, electricity, gas and water supply, and construction sector, it stands out the decrease of 80.8 thousand employed in the construction activities.

Within the services sector, it stands out the decrease of employment in two activities: professional, scientific, and technical activities (35.6 thousand); wholesale and retail trade (22.8 thousand).

- The decrease of 194.0 thousand employees, 89.0 thousand of whom held a temporary job and 80.4 thousand of whom held a permanent job.

The number of self-employed decreased by less (14.0 thousand).

- The decrease of 247.8 thousand full-time workers.

The employment rate (15 years old and over) stood at 52.0 per cent, having decreased by 2.2 p.p. from the same quarter of 2011 and increased by 0.3 p.p. from the previous quarter.

The employment rate of men (57.3 per cent) exceeded that of women (47.2 per cent) by 10.1 p.p..

Compared to the same quarter of 2011, the employment rate decreased more for men (2.7 p.p.) than for women (1.6 p.p.).

Compared to the previous quarter, the employment rate increased similarly for men and women (0.3 p.p.).

The number of underemployed part time workers, estimated at 261.0 thousand, corresponded to 5.6 per cent of total employed population and to 38.6 per cent of part time employed population in the 2<sup>nd</sup> quarter of 2012.

The number of underemployed part time workers increased by 23.5 per cent from the same quarter of 2011 (49.6 thousand) and by 2.0 per cent from the previous quarter (5.2 thousand).

### 3. Unemployed population

The unemployed population, estimated at 826.9 thousand people, increased by 22.5 per cent from the same quarter of 2011 (151.9 thousand people) and by 0.9 per cent from the previous quarter (7.6 thousand).

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

- The increase of 88.9 thousand unemployed men and of 63.0 thousand unemployed women.
- The increase of 50.8 thousand unemployed aged 25 to 34 and of 43.9 thousand unemployed aged 45 and over.

- The increase of 66.2 thousand unemployed having completed an education level corresponding to the (upper) secondary or post-secondary non-tertiary education and of 58.7 thousand unemployed having completed the first or second stages of basic education.

Together, these two levels of education explained 82.2 per cent of the overall increase in unemployment.

- The increase of 136.7 thousand unemployed seeking for a new job, which explained 90.0 per cent of the overall increase in unemployment.

Within that group, it stands out the increase of 85.0 thousand unemployed who came from the services sector.

- The increase of 81.1 thousand unemployed seeking a job for less than 12 months (first or a new job), which explained 53.4 per cent of the overall increase in unemployment.

The unemployed population quarterly increase came mostly from the following groups: men, people aged 45 and over, having completed an education level corresponding to first or second stages of basic education, seeking for a new job (mainly from the manufacturing, electricity, gas and water supply, and construction sector), and seeking a job for 12 months or longer.

The unemployment rate stood at 15.0 per cent, up 2.9 p.p. from the same quarter of 2011 and 0.1 p.p. from the previous quarter.

The unemployment rate of men (15.1 per cent) exceeded that of women (14.9 per cent) by 0.2 p.p..

Both rates increased from the same quarter of the previous year (3.2 p.p. and 2.5 p.p., respectively). From the previous quarter, the unemployment rate of men increased (0.3 p.p.), while that of women decreased (0.2 p.p.).

#### 4. Inactive population

The inactive population aged 15 and over increased by 0.9 per cent from the same quarter of 2011 (30.3 thousand people) and decreased by 1.0 per cent from the previous quarter (36.3 thousand).

The inactivity rate (15 years old and over) stood at 38.8 per cent, having increased by 0.4 p.p. from the same quarter of 2011 and decreased by 0.4 p.p. from the previous quarter.

The inactivity rate of women (44.5 per cent) exceeded that of men (32.6 per cent) by 11.9 p.p..

Compared to the same quarter of 2011, the inactivity rate increased both for men (0.7 p.p.) and for women (0.2 p.p.).

Compared to the previous quarter, the inactivity rate decreased both for men (0.5 p.p.) and for women (0.3 p.p.).

The number of persons seeking work but not immediately available, estimated at 37.7 thousand, corresponded to 1.1 per cent of the inactive population (15 years old and over) in the 2<sup>nd</sup> quarter of 2012.

The number of persons seeking work but not immediately available increased by 19.3 per cent from the same quarter of 2011 (6.1 thousand) and 21.2 per cent from the previous quarter (6.6 thousand).

The number of persons available to work but not seeking, estimated at 217.4 thousand, corresponded to 6.2 per cent of the inactive population (15 years old and over) in the 2<sup>nd</sup> quarter of 2012.

The number of persons available to work but not seeking increased by 47.2 per cent from the same quarter of 2011 (69.7 thousand) and 7.6 per cent from the previous quarter (15.3 thousand).

### 5. Quarterly flows between labour market states

From the 1<sup>st</sup> to the 2<sup>nd</sup> quarter of 2012, 2.7 per cent of the people initially employed moved into unemployment and 4.0 per cent moved into inactivity, with the proportion of employed moving out of this situation totalling 6.7 per cent in the 2<sup>nd</sup> quarter of 2012 (93.3 per cent remained employed).

From the 4<sup>th</sup> quarter of 2011 to the 1<sup>st</sup> quarter of 2012, the percentage of those who left employment had been larger (7.7 per cent).

The flows out of unemployment between the two quarters were, in relative terms, larger than the flows out of employment.

From the total unemployed in the 1<sup>st</sup> quarter of 2012, 30.6 per cent moved out of this labour market state in the 2<sup>nd</sup> quarter of 2012. Out of these, 18.1 per cent became employed and 12.5 per cent moved into inactivity.

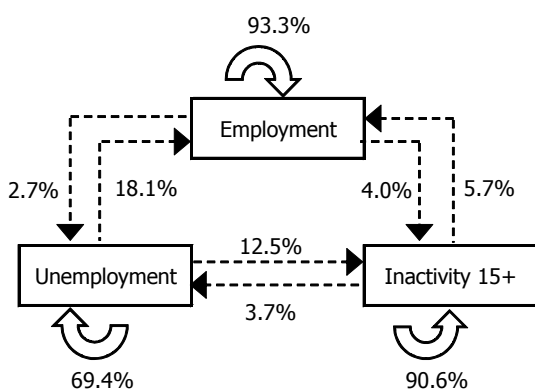
The percentage of people moving from unemployment into employment was larger than the one observed in the flows from the 4<sup>th</sup> quarter of 2011 to the 1<sup>st</sup> quarter of 2012 (it had been 16.9 per cent).

The percentage of people moving from unemployment into inactivity was smaller than the one observed in the flows from the 4<sup>th</sup> quarter of 2011 to the 1<sup>st</sup> quarter of 2012 (it had been 13.8 per cent).

From the total of people aged 15 and over considered to be inactive in the 1<sup>st</sup> quarter of 2012, 5.7 per cent moved into employment and 3.7 per cent moved into unemployment, in the 2<sup>nd</sup> quarter of 2012.

The corresponding flows from the 4<sup>th</sup> quarter of 2011 to the 1<sup>st</sup> quarter of 2012 were similar (5.8 per cent and 3.6 per cent, respectively).

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



### 6. Unemployment rates by NUTS II region

The highest unemployment rates were recorded in *Lisboa* (17.6 per cent), *Algarve* (17.4 per cent), *Região Autónoma da Madeira* (16.8 per cent), *Região Autónoma dos Açores* (15.6 per cent), and *Norte* (15.2 per cent).

The lowest values were observed in *Centro* (11.2 per cent) and *Alentejo* (15.0 per cent).

recorded in *Região Autónoma dos Açores* (1.7 p.p.) and *Lisboa* (1.1 p.p.). The largest decrease was recorded in *Algarve* (2.6 p.p.).

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

Unit: %

|                 | 2Q-2011     | 1Q-2012     | 2Q-2012     |
|-----------------|-------------|-------------|-------------|
| <b>Portugal</b> | <b>12.1</b> | <b>14.9</b> | <b>15.0</b> |
| Norte           | 12.6        | 15.1        | 15.2        |
| Centro          | 9.5         | 11.8        | 11.2        |
| Lisboa          | 13.5        | 16.5        | 17.6        |
| Alentejo        | 11.8        | 15.4        | 15.0        |
| Algarve         | 14.7        | 20.0        | 17.4        |
| R. A. Açores    | 9.7         | 13.9        | 15.6        |
| R. A. Madeira   | 13.5        | 16.1        | 16.8        |

**Source:** INE, Employment Statistics - 2<sup>nd</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* (5.9 p.p.), *Lisboa* (4.1 p.p.), *Região Autónoma da Madeira* (3.3 p.p.), and *Alentejo* (3.2 p.p.).

Compared to the previous quarter, the unemployment rate increased in four regions (*Norte*, *Lisboa*, *Região Autónoma dos Açores*, and *Região Autónoma da Madeira*) and decreased in three regions (*Centro*, *Alentejo*, and *Algarve*). The largest increases were

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

|   | Quarterly levels |                |                | Rates of change |            |
|---|------------------|----------------|----------------|-----------------|------------|
|   | 2Q-2011          | 1Q-2012        | 2Q-2012        | On year         | On quarter |
|   | Thousands        |                |                | %               |            |
| <b>Labour force (active population)</b>   | <b>5,568.0</b>   | <b>5,481.7</b> | <b>5,515.2</b> | <b>-0.9</b>     | <b>0.6</b> |
| Males   | 2,943.5          | 2,888.2        | 2,909.0        | -1.2            | 0.7        |
| Females   | 2,624.5          | 2,593.5        | 2,606.1        | -0.7            | 0.5        |
| 15 to 24  | 427.7            | 426.7          | 421.3          | -1.5            | -1.3       |
| 25 to 34  | 1,399.8          | 1,339.0        | 1,334.3        | -4.7            | -0.4       |
| 35 to 44  | 1,483.0          | 1,484.6        | 1,484.1        | 0.1             | 0          |
| 45 to 64  | 1,965.1          | 1,951.9        | 1,980.5        | 0.8             | 1.5        |
| 65 and over   | 292.4            | 279.5          | 295.0          | 0.9             | 5.5        |
| First and second stages of basic education  | 3,470.1          | 3,256.2        | 3,280.9        | -5.5            | 0.8        |
| (Upper) secondary and post-secondary non-tertiary education   | 1,107.0          | 1,192.1        | 1,177.9        | 6.4             | -1.2       |
| Tertiary education  | 990.8            | 1,033.5        | 1,056.4        | 6.6             | 2.2        |
| <b>Participation rate (%)</b>   | <b>52.3</b>      | <b>51.7</b>    | <b>52.0</b>    |                 |            |
| Males   | 57.2             | 56.3           | 56.7           |                 |            |
| Females   | 47.8             | 47.4           | 47.6           |                 |            |
| <b>Participation rate (15 and over) (%)</b>   | <b>61.6</b>      | <b>60.8</b>    | <b>61.2</b>    |                 |            |
| Males   | 68.1             | 66.9           | 67.4           |                 |            |
| Females   | 55.7             | 55.2           | 55.5           |                 |            |
| <b>Employed population</b>  | <b>4,893.0</b>   | <b>4,662.5</b> | <b>4,688.2</b> | <b>-4.2</b>     | <b>0.6</b> |
| Males   | 2,594.3          | 2,460.9        | 2,470.9        | -4.8            | 0.4        |
| Females   | 2,298.7          | 2,201.6        | 2,217.3        | -3.5            | 0.7        |
| 15 to 24  | 312.2            | 272.3          | 271.6          | -13.0           | -0.3       |
| 25 to 34  | 1,215.8          | 1,113.3        | 1,099.4        | -9.6            | -1.2       |
| 35 to 44  | 1,325.5          | 1,292.9        | 1,303.6        | -1.7            | 0.8        |
| 45 to 64  | 1,748.8          | 1,710.2        | 1,724.6        | -1.4            | 0.8        |
| 65 and over   | 290.8            | 273.8          | 289.1          | -0.6            | 5.6        |
| First and second stages of basic education  | 3,007.3          | 2,753.6        | 2,759.2        | -8.2            | 0.2        |
| (Upper) secondary and post-secondary non-tertiary education   | 975.5            | 991.1          | 980.1          | 0.5             | -1.1       |
| Tertiary education  | 910.2            | 917.7          | 948.9          | 4.3             | 3.4        |
| Agriculture, forestry and fishing (a)   | 495.5            | 477.1          | 498.6          | 0.6             | 4.5        |
| Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) | 1,347.7          | 1,245.4        | 1,210.4        | -10.2           | -2.8       |
| Services (a)  | 3,049.8          | 2,940.0        | 2,979.2        | -2.3            | 1.3        |
| Employees   | 3,862.9          | 3,662.2        | 3,668.9        | -5.0            | 0.2        |
| With a permanent job (work contract of unlimited duration)  | 2,980.6          | 2,928.7        | 2,900.2        | -2.7            | -1.0       |
| With a temporary job (work contract of limited duration) and other contractual arrangements   | 729.4            | 607.3          | 640.4          | -12.2           | 5.5        |
| Other contractual arrangements  | 152.6            | 126.1          | 128.4          | -15.9           | 1.8        |
| Self-employed workers   | 1,002.8          | 968.5          | 988.7          | -1.4            | 2.1        |
| Unpaid family workers and other professional status   | 27.3             | 31.8           | 30.6           | 12.1            | -3.8       |
| Full-time workers   | 4,260.0          | 3,993.7        | 4,012.2        | -5.8            | 0.5        |
| Part-time workers   | 633.0            | 668.7          | 676.0          | 6.8             | 1.1        |
| Underemployed part time workers   | 211.4            | 255.8          | 261.0          | 23.5            | 2.0        |
| <b>Employment rate (15 and over) (%)</b>  | <b>54.2</b>      | <b>51.7</b>    | <b>52.0</b>    |                 |            |
| Males   | 60.0             | 57.0           | 57.3           |                 |            |
| Females   | 48.8             | 46.9           | 47.2           |                 |            |

Source: INE, Employment Statistics - 2<sup>nd</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 |             |
|---|------------------|----------------|----------------|-----------------|-------------|
|   | 2Q-2011          | 1Q-2012        | 2Q-2012        | On year         | On quarter  |
|   | Thousands        |                |                | %               |             |
| <b>Unemployed population</b>  | <b>675.0</b>     | <b>819.3</b>   | <b>826.9</b>   | <b>22.5</b>     | <b>0.9</b>  |
| Males   | 349.2            | 427.3          | 438.1          | 25.5            | 2.5         |
| Females   | 325.8            | 391.9          | 388.8          | 19.3            | -0.8        |
| 15 to 24  | 115.5            | 154.4          | 149.7          | 29.6            | -3.0        |
| 25 to 34  | 184.1            | 225.7          | 234.9          | 27.6            | 4.1         |
| 35 to 44  | 157.5            | 191.8          | 180.5          | 14.6            | -5.9        |
| 45 and over   | 217.9            | 247.4          | 261.8          | 20.1            | 5.8         |
| First and second stages of basic education  | 462.9            | 502.6          | 521.6          | 12.7            | 3.8         |
| (Upper) secondary and post-secondary non-tertiary education   | 131.5            | 200.9          | 197.7          | 50.3            | -1.6        |
| Tertiary education  | 80.6             | 115.8          | 107.6          | 33.5            | -7.1        |
| Looking for a first job   | 66.7             | 83.4           | 81.9           | 22.8            | -1.8        |
| Looking for a new job   | 608.3            | 735.9          | 745.0          | 22.5            | 1.2         |
| Agriculture, forestry and fishing (a) (b)   | 11.5             | 20.2           | 17.3           | 50.4            | -14.4       |
| Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b) | 228.2            | 260.0          | 270.7          | 18.6            | 4.1         |
| Services (a) (b)  | 338.2            | 423.4          | 423.2          | 25.1            | 0           |
| Unemployed by duration of search  |                  |                |                |                 |             |
| Less than 12 months   | 302.6            | 403.1          | 383.6          | 26.8            | -4.8        |
| 12 months or longer (long-term unemployment)  | 372.4            | 416.2          | 443.3          | 19.0            | 6.5         |
| <b>Unemployment rate (%)</b>  | <b>12.1</b>      | <b>14.9</b>    | <b>15.0</b>    |                 |             |
| Males   | 11.9             | 14.8           | 15.1           |                 |             |
| Females   | 12.4             | 15.1           | 14.9           |                 |             |
| Youth (15 to 24)  | 27.0             | 36.2           | 35.5           |                 |             |
| Long-term unemployment rate (%)   | 6.7              | 7.6            | 8.0            |                 |             |
| <b>Inactive population</b>  | <b>5,075.3</b>   | <b>5,125.0</b> | <b>5,085.6</b> | <b>0.2</b>      | <b>-0.8</b> |
| Inactive population (15 and over)   | 3,465.6          | 3,532.2        | 3,495.9        | 0.9             | -1.0        |
| Males   | 1,381.2          | 1,427.9        | 1,405.8        | 1.8             | -1.5        |
| Females   | 2,084.4          | 2,104.3        | 2,090.1        | 0.3             | -0.7        |
| 15 to 24  | 718.2            | 710.2          | 709.7          | -1.2            | -0.1        |
| 25 to 34  | 137.0            | 138.3          | 130.6          | -4.7            | -5.6        |
| 35 to 44  | 135.2            | 149.2          | 152.2          | 12.6            | 2.0         |
| 45 to 64  | 830.9            | 852.0          | 829.1          | -0.2            | -2.7        |
| 65 and over   | 1,644.3          | 1,682.6        | 1,674.2        | 1.8             | -0.5        |
| Students  | 814.5            | 801.8          | 796.7          | -2.2            | -0.6        |
| Fulfilled domestic tasks  | 417.7            | 446.9          | 442.8          | 6.0             | -0.9        |
| Retired   | 1,601.1          | 1,603.4        | 1,575.1        | -1.6            | -1.8        |
| Other inactive  | 632.3            | 680.1          | 681.4          | 7.8             | 0.2         |
| Persons seeking work but not immediately available*   | 31.6             | 31.1           | 37.7           | 19.3            | 21.2        |
| Persons available to work but not seeking*  | 147.7            | 202.1          | 217.4          | 47.2            | 7.6         |
| <b>Inactivity rate (15 and over) (%)</b>  | <b>38.4</b>      | <b>39.2</b>    | <b>38.8</b>    |                 |             |
| Males   | 31.9             | 33.1           | 32.6           |                 |             |
| Females   | 44.3             | 44.8           | 44.5           |                 |             |

Source: INE, Employment Statistics - 2<sup>nd</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.

\* Data corrected in August 17, 2012.

## 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 – 2<sup>nd</sup> quarter of 2012 (“Estatísticas do Emprego – 2<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).