

August, 5<sup>th</sup> 2014

Employment Statistics

(corrected at 16:40)

2<sup>nd</sup> quarter of 2014

(Figure 1, on page 2, and figure 3, on page 3, were replaced due to an error in the vertical axis)

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**The unemployment rate estimate for the 2<sup>nd</sup> quarter of 2014 was 13.9%**

The unemployment rate estimated for the 2<sup>nd</sup> quarter of 2014 was 13.9%. This value is down 2.5 percentage points (p.p.) from the same quarter of 2013 and 1.2 p.p. from the previous quarter.

There were 728.9 thousand unemployed people, which corresponds to a year-on-year decrease of 15.9% and to a quarterly decrease of 7.5% (less 137.4 thousand and less 59.2 thousand people, respectively).

There were 4 514.6 thousand employed people, which corresponds to a year-on-year and to a quarterly increase of 2.0% (more 90.0 thousand and 87.7 thousand people, respectively).

The participation rate of the working age population stood at 59.0%, down 0.3 p.p. from the same quarter of 2013 and up 0.3 p.p. from the previous quarter.

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

The Labour Force Survey results for the 2<sup>nd</sup> quarter of 2014 indicate that the labour force (active population) decreased by 0.9% from the same quarter of 2013 (47.4 thousand people) and increased by 0.5% from the previous quarter (28.5 thousand).

The participation rate of the working age population (15 years old and over) stood at 59.0%, having decreased by 0.3 p.p. from the same quarter of 2013 and increased by 0.3 p.p. from the previous quarter.

The participation rate of men (64.8%) exceeded that of women (53.9%) by 10.9 p.p..

Compared to the same quarter of 2013, the participation rate decreased equally for men and women (0.3 p.p.).

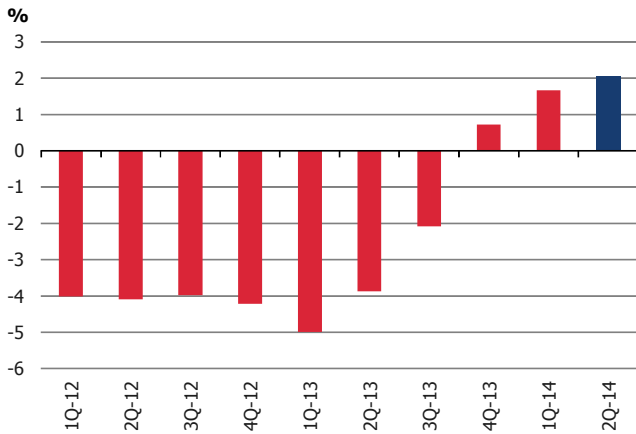
Compared to the previous quarter, the participation rate increased more for men (0.5 p.p.) than for women (0.2 p.p.).

### **2. Employed population**

The employed population increased by 2.0% from both the same quarter of 2013 (90.0 thousand people) and the previous quarter (87.7 thousand).

The year-on-year increase recorded in the 2<sup>nd</sup> quarter of 2014 confirmed the interruption, observed in the 4<sup>th</sup> quarter of 2013, of a period of almost two years of successive decreases in the employed population.

**Figure 1: Employed population year-on-year rate of change**



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

- The increase of 50.4 thousand employed men, which explained 56.0% of the overall increase in employment.
- The increase of 64.7 thousand employed aged 35 to 44 and of 45.2 thousand employed aged 45 to 64. The employment of people aged 25 to 34 increased also, despite its smaller contribution to the overall increase in employment.

The employed population in the remaining age groups remained either almost unchanged (for the young, aged 15 to 24) or decreased (65 years old and over).

- The increase of 153.3 thousand employed having completed the tertiary level of education and of 81.7 thousand having completed the (upper) secondary and post-secondary non-tertiary level of education.

In turn, the number of employed having completed the first or second stages of basic education decreased by 145.0 thousand.

- The increase of 144.1 thousand employed in the services sector. The number of employed in the manufacturing, electricity, gas and water supply and construction sector increased also (20.7 thousand), in spite of its smaller contribution to the overall increase in employment. Within this sector, it stands out the employment increase in the manufacturing (40.9 thousand).

On the other side, the number of employed in the agriculture, forestry and fishing sector decreased (74.8 thousand).

- The increase of 152.5 thousand employees, which was explained, to a large extent, by the increase of 132.8 thousand who held a permanent job, as the number of employees holding a temporary job or in other contractual arrangements increased by less (15.0 thousand and 4.6 thousand, respectively).

The number of self-employed, on the contrary, decreased (54.7 thousand).

- The increase of 154.4 thousand full-time workers.

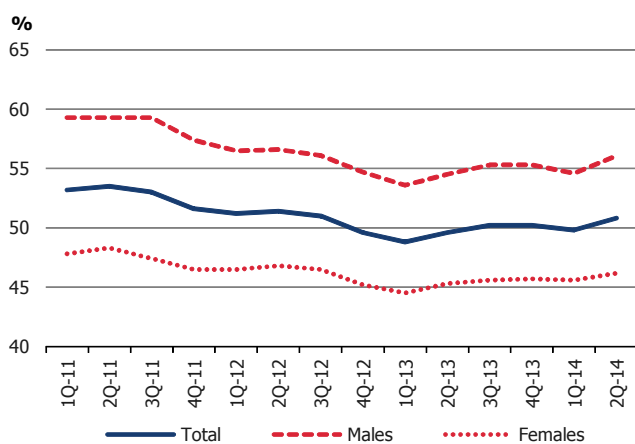
The number of part-time workers, in turn, decreased (64.4 thousand).

In terms of the quarterly change, the employed population increase came mostly from the increase in the following groups: men; people aged 25 and over; having completed the tertiary level of education;

employed in the services sector; as employees; and working full-time.

The employment rate (15 years old and over) stood at 50.8%, having increased by 1.2 p.p. from the same quarter of 2013 and by 1.0 p.p. from the previous quarter.

**Figure 2: Employment rate by gender**



The employment rate of men (56.1%) exceeded that of women (46.2%) by 9.9 p.p..

Compared to the same quarter of 2013, the employment rate increased more for men (1.6 p.p.) than for women (0.9 p.p.).

Similarly, compared to the previous quarter, the employment rate also increased more for men (1.5 p.p.) than for women (0.6 p.p.).

The number of underemployed part time workers, estimated at 252.2 thousand, corresponded to 5.6% of total employed population and to 42.6% of part time employed population (note that the number of part-time workers, in the same period, corresponded to 13.1% of total employed population).

The number of underemployed part time workers decreased by 5.4% from the same quarter of 2013 (14.3 thousand) and increased by 3.0% from the previous quarter (7.3 thousand).

### 3. Unemployed population

The unemployed population, estimated at 728.9 thousand people, decreased by 15.9% from the same quarter of 2013 (137.4 thousand people) and by 7.5% from the previous quarter (59.2 thousand).

**Figure 3: Unemployed population year-on-year rate of change**



The year-on-year percentual decrease recorded in the 2<sup>nd</sup> quarter of 2014 was larger than those observed in the three previous quarters, which came to interrupt the one and half year period characterized by successive year-on-year increases in the unemployed population.

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

- The decrease of 81.4 thousand unemployed men, which explained 59.2% of the overall decrease in unemployment.
- The decrease of unemployed of all age groups, especially of those aged 35 to 44 (50.5 thousand).
- The decrease of 116.8 thousand unemployed having completed an education level corresponding to the first or second stages of basic education, which explained 85.0% of the overall decrease in unemployment.
- The decrease of 142.5 thousand unemployed seeking for a new job.

Within this group, it stands out the decrease of 75.3 thousand unemployed who came from the manufacturing, electricity, gas and water supply and construction sector and of 65.4 thousand who came from the services sector, as the decrease in the number of those who came from the agriculture, forestry and fishing sector was much lower.

- The decrease of 91.8 thousand unemployed seeking a job for less than 12 months.

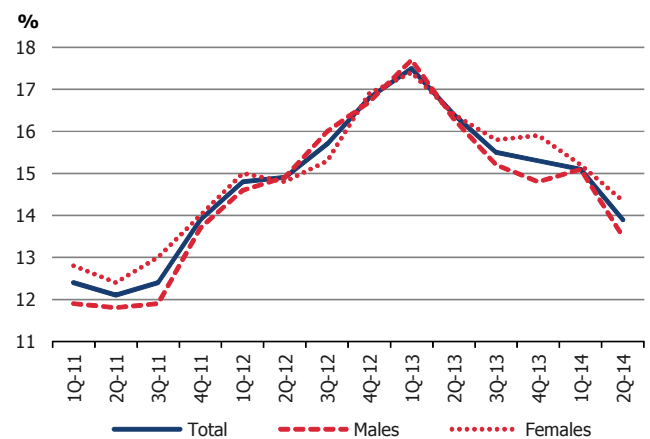
The number of unemployed seeking a job for 12 months and over decreased also, in spite of its smaller contribution to the overall decrease in unemployment (45.6 thousand).

The unemployed population quarterly decrease came mostly from the following groups: men; people aged 35 to 44; having completed an education level corresponding to the (upper) secondary and post-secondary non-tertiary level of education and to

the first or second stages of basic education; seeking a new job (who were formerly in the services sector); and seeking a job for less than 12 months.

The unemployment rate stood at 13.9%, down 2.5 p.p. from the same quarter of 2013 and down 1.2 p.p. from the previous quarter. This indicator decreased by the fifth consecutive quarter since the beginning of the current LFS series (1<sup>st</sup> quarter of 2011).

**Figure 4: Unemployment rate by gender**



The unemployment rate of men (13.5%) was lower than that of women (14.3%) by 0.8 p.p..

The unemployment rate of men decreased by 2.8 p.p. from the same quarter of 2013, while that of women decreased by 2.1 p.p..

From the previous quarter, the unemployment rate of men decreased by 1.6 p.p., while that of women decreased by 0.9 p.p..

#### 4. Inactive population

The inactive population decreased by 0.3% from the same quarter of 2013 (15.4 thousand people) and by 0.8% from the previous quarter (40.9 thousand).

The inactive population aged 15 and over increased by 0.5% from the same quarter of 2013 (17.0 thousand people) and decreased by 0.9% from the previous quarter (32.8 thousand).

The inactivity rate (15 years old and over) stood at 41.0%, having increased by 0.3 p.p. from the same quarter of 2013 and decreased by 0.3 p.p. from the previous quarter.

The inactivity rate of women (46.1%) exceeded that of men (35.2%) by 10.9 p.p..

Compared to the same quarter of 2013, the inactivity rate increased by the same amount for men and women (0.3 p.p.).

Compared to the previous quarter, the inactivity rate decreased more for men (0.5 p.p.) than for women (0.2 p.p.).

The number of persons seeking work but not immediately available, estimated at 28.4 thousand, corresponded to 0.8% of the inactive population aged 15 and over.

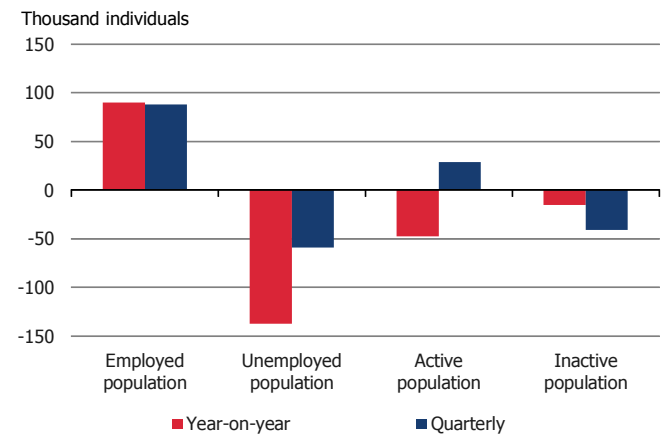
The number of persons seeking work but not immediately available decreased by 12.9% from the same quarter of 2013 (4.2 thousand) and increased by 10.1% from the previous quarter (2.6 thousand).

The number of persons available to work but not seeking, estimated at 256.6 thousand, corresponded to 7.0% of the inactive population aged 15 and over.

The number of persons available to work but not seeking decreased by 5.5% from the same quarter of 2013 (14.9 thousand) and by 7.2% from the previous quarter (20.0 thousand).

Figure 5 exhibits a summary of the observed changes in this quarter (year-on-year and quarterly) by labour status, as described above in this press release.

**Figure 5: Change in the employed, unemployed, active and inactive population**



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

From the 1<sup>st</sup> to the 2<sup>nd</sup> quarter of 2014, 2.1% of the people initially employed moved into unemployment and 3.4% moved into inactivity, with the proportion of employed moving out of this situation totalling around 5.5% in the 2<sup>nd</sup> quarter of 2014 (94.5% remained employed).

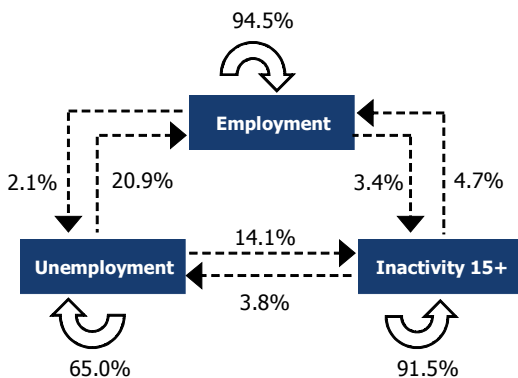
The flows out of unemployment between the two quarters were, in relative terms, larger than the flows out of employment.

From the total unemployed in the 1<sup>st</sup> quarter of 2014, 35.0% moved out of this labour market state in the 2<sup>nd</sup>

quarter of 2014. Out of these, 20.9% became employed and 14.1% moved into inactivity.

The largest decreases were recorded in *Lisboa* (4.1 p.p.), *Alentejo* (3.3 p.p.), *Algarve* (3.1 p.p.) and *Região Autónoma da Madeira* (2.7 p.p.).

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



From the total of people aged 15 and over considered to be inactive in the 1<sup>st</sup> quarter of 2014, 4.7% moved into employment and 3.8% moved into unemployment, in the 2<sup>nd</sup> quarter of 2014.

**6. Unemployment rates by NUTS II region**

In the 2<sup>nd</sup> quarter of 2014, the unemployment rate was higher than the national average in five NUTS II regions of the country: *Região Autónoma dos Açores* (16.0%), *Região Autónoma da Madeira* (15.7%), *Lisboa* (15.1%), *Norte* (15.0%) and *Alentejo* (14.0%).

There were only two regions recording unemployment rates below the national average: *Centro* (10.4%) and *Algarve* (13.5%).

Compared to the same quarter of 2013, and similarly to the overall picture in Portugal, the unemployment rate decreased in all regions, except in *Região Autónoma dos Açores*, where it remained unchanged.

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

	2Q-2013	1Q-2014	2Q-2014
<b>Portugal</b>	<b>16.4</b>	<b>15.1</b>	<b>13.9</b>
Norte	17.1	15.8	15.0
Centro	11.4	11.0	10.4
Lisboa	19.2	16.4	15.1
Alentejo	17.3	16.0	14.0
Algarve	16.6	18.3	13.5
R. A. Açores	16.0	18.0	16.0
R. A. Madeira	18.4	16.4	15.7

Source: INE, Labour Force Survey - 2<sup>nd</sup> quarter of 2014.

Note: Values calibrated by using the population estimates calculated from the final results of Census 2011.

Compared to the previous quarter, and also similarly to the overall picture in Portugal, the unemployment rate decreased in all regions.

The largest decreases were recorded in *Algarve* (4.8 p.p.), *Alentejo* and *Região Autónoma dos Açores* (2.0 p.p. in both regions) and *Lisboa* (1.3 p.p.).

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

	Quarterly level			Rate of change	
	2Q-2013	1Q-2014	2Q-2014	On year	On quarter
	Thousands			%	
<b>Labour force (active population)</b>	<b>5,290.9</b>	<b>5,215.0</b>	<b>5,243.5</b>	<b>-0.9</b>	<b>0.5</b>
Males	2,726.5	2,676.4	2,695.5	-1.1	0.7
Females	2,564.4	2,538.6	2,548.0	-0.6	0.4
15 to 24	377.9	377.9	363.4	-3.8	-3.8
25 to 34	1,165.4	1,129.6	1,133.2	-2.8	0.3
35 to 44	1,443.5	1,459.8	1,457.8	1.0	-0.1
45 to 64	2,022.6	2,011.1	2,030.1	0.4	0.9
65 and over	281.4	236.6	259.0	-8.0	9.5
First and second stages of basic education	3,061.3	2,801.9	2,799.5	-8.6	-0.1
(Upper) secondary and post-secondary non-tertiary education	1,197.1	1,267.8	1,259.3	5.2	-0.7
Tertiary education	1,032.5	1,145.2	1,184.7	14.7	3.4
<b>Participation rate (%)</b>	<b>50.6</b>	<b>50.1</b>	<b>50.4</b>		
Males	54.8	54.2	54.7		
Females	46.8	46.4	46.6		
<b>Participation rate (15 and over) (%)</b>	<b>59.3</b>	<b>58.7</b>	<b>59.0</b>		
Males	65.1	64.3	64.8		
Females	54.2	53.7	53.9		
<b>Employed population</b>	<b>4,424.6</b>	<b>4,426.9</b>	<b>4,514.6</b>	<b>2.0</b>	<b>2.0</b>
Males	2,281.6	2,273.4	2,332.0	2.2	2.6
Females	2,143.1	2,153.4	2,182.6	1.8	1.4
15 to 24	236.6	236.3	234.1	-1.1	-0.9
25 to 34	949.2	933.5	953.8	0.5	2.2
35 to 44	1,225.9	1,271.2	1,290.6	5.3	1.5
45 to 64	1,735.8	1,754.2	1,781.0	2.6	1.5
65 and over	277.2	231.7	255.1	-8.0	10.1
First and second stages of basic education	2,520.9	2,351.8	2,375.9	-5.8	1.0
(Upper) secondary and post-secondary non-tertiary education	992.3	1,053.4	1,074.0	8.2	2.0
Tertiary education	911.4	1,021.6	1,064.7	16.8	4.2
Agriculture, forestry and fishing (a)	483.4	392.1	408.6	-15.5	4.2
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,053.2	1,055.7	1,073.9	2.0	1.7
Services (a)	2,888.0	2,979.1	3,032.1	5.0	1.8
Employees	3,442.9	3,512.9	3,595.4	4.4	2.3
With a permanent job (work contract of unlimited duration)	2,697.4	2,781.4	2,830.2	4.9	1.8
With a temporary job (work contract of limited duration)	615.1	609.3	630.1	2.4	3.4
Other contractual arrangements	130.5	122.2	135.1	3.5	10.6
Self-employed workers	950.3	891.4	895.6	-5.8	0.5
Unpaid family workers	31.5	22.5	23.6	-25.1	4.9
Full-time workers	3,768.7	3,840.1	3,923.1	4.1	2.2
Part-time workers	655.9	586.8	591.5	-9.8	0.8
Underemployed part-time workers	266.5	244.9	252.2	-5.4	3.0
<b>Employment rate (15 and over) (%)</b>	<b>49.6</b>	<b>49.8</b>	<b>50.8</b>		
Males	54.5	54.6	56.1		
Females	45.3	45.6	46.2		

Source: INE, Labour Force Survey - 2<sup>nd</sup> quarter of 2014.

**Notes:**

Values calibrated by using the population estimates calculated from the final results of Census 2011.

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

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

	Quarterly level			Rate of change	
	2Q-2013	1Q-2014	2Q-2014	On year	On quarter
	Thousands			%	
<b>Unemployed population</b>	<b>866.3</b>	<b>788.1</b>	<b>728.9</b>	<b>-15.9</b>	<b>-7.5</b>
Males	444.9	402.9	363.5	-18.3	-9.8
Females	421.3	385.2	365.5	-13.2	-5.1
15 to 24	141.4	141.6	129.3	-8.6	-8.7
25 to 34	216.2	196.1	179.4	-17.0	-8.5
35 to 44	217.7	188.7	167.2	-23.2	-11.4
45 and over	291.0	261.8	253.0	-13.1	-3.4
First and second stages of basic education	540.4	450.1	423.6	-21.6	-5.9
(Upper) secondary and post-secondary non-tertiary education	204.8	214.4	185.3	-9.5	-13.6
Tertiary education	121.0	123.6	120.1	-0.7	-2.8
Looking for a first job	84.1	86.4	89.3	6.2	3.4
Looking for a new job	782.1	701.7	639.6	-18.2	-8.8
Agriculture, forestry and fishing (a) (b)	20.5	19.2	13.0	-36.6	-32.3
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	283.9	220.6	208.6	-26.5	-5.4
Services (a) (b)	450.3	428.2	384.9	-14.5	-10.1
Unemployed by duration of search					
Less than 12 months	329.4	287.2	237.6	-27.9	-17.3
12 months or longer (long-term unemployment)	536.9	500.9	491.3	-8.5	-1.9
<b>Unemployment rate (%)</b>	<b>16.4</b>	<b>15.1</b>	<b>13.9</b>		
Males	16.3	15.1	13.5		
Females	16.4	15.2	14.3		
Youth (15 to 24)	37.4	37.5	35.6		
Long-term	10.1	9.6	9.4		
<b>Inactive population</b>	<b>5,165.7</b>	<b>5,191.2</b>	<b>5,150.3</b>	<b>-0.3</b>	<b>-0.8</b>
Inactive population (15 and over)	3,625.9	3,675.7	3,642.9	0.5	-0.9
Males	1,461.0	1,486.8	1,463.0	0.1	-1.6
Females	2,164.8	2,188.8	2,179.8	0.7	-0.4
15 to 24	737.6	727.0	740.0	0.3	1.8
25 to 34	134.8	133.4	118.8	-11.9	-10.9
35 to 44	164.1	137.7	135.7	-17.3	-1.5
45 to 64	824.4	840.5	824.4	0.0	-1.9
65 and over	1,765.0	1,837.0	1,823.9	3.3	-0.7
Students	820.3	810.9	813.7	-0.8	0.3
Fulfilled domestic tasks	424.2	440.0	425.8	0.4	-3.2
Retired	1,624.8	1,677.5	1,666.3	2.6	-0.7
Other inactive	756.6	747.3	737.0	-2.6	-1.4
Persons seeking work but not immediately available	32.6	25.8	28.4	-12.9	10.1
Persons available to work but not seeking	271.5	276.6	256.6	-5.5	-7.2
<b>Inactivity rate (15 and over) (%)</b>	<b>40.7</b>	<b>41.3</b>	<b>41.0</b>		
Males	34.9	35.7	35.2		
Females	45.8	46.3	46.1		

Source: INE, Labour Force Survey - 2<sup>nd</sup> quarter of 2014.

**Notes:**

Values calibrated by using the population estimates calculated from the final results of Census 2011.

(a) The previous employment experience of the unemployed looking for a new job is characterized only for those who had stopped working 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.



## 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.

Most of the characteristics observed in this survey report to the situation in one pre-defined week (from Monday to Sunday), known as reference week. The reference weeks are uniformly distributed throughout the quarters and years. The interviews usually take place in the week following the reference week.

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 by using the population estimates calculated from the final results of Census 2011.

### 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 2014 (“Estatísticas do Emprego – 2º trimestre de 2014”) 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).

**Next Press Release:** 5 November 2014.