

04 November 2020

## Employment Statistics

3<sup>rd</sup> quarter of 2020

### Unemployed population increased 45,1% from the previous quarter

The unemployment rate stood at 7.8%, up 2.2 percentage points (pp) from the previous quarter and up 1.7 pp from a year earlier.

The unemployed population, estimated at 404.1 thousand people, has increased by 45.1% (125.7 thousand) from the previous quarter, which corresponds to the highest quarterly rate of change of the data series started in 2011, and by 24.9% (80.7 thousand) from the 3<sup>rd</sup> quarter of 2019.

The employed population, 4,799.9 thousand people, has increased by 1.5% (68.7 thousand) from the previous quarter, but has decreased by 3.0% (147.9 thousand) from the year before. At the same time, the employed population absent from work in the reference week has decreased by 24.4% (263.3 thousand) from the previous quarter and has increased by 6.5% (49.4 thousand) from the 3<sup>rd</sup> quarter of 2019. Similarly, the volume of hours actually per week worked has quarterly increased by 17.4%, while having decreased by 7.2% from a year earlier.

The labour underutilisation was estimated at 813.7 thousand people, having increased by 8.7% (65.0 thousand) from the previous quarter and by 21.9% (146.0 thousand) from the previous year. The labour underutilisation rate stood at 14.9% and has increased by 0.9 pp from the previous quarter and by 2.7 pp from a year earlier. The increase in the labour underutilisation was mainly explained by the increase in unemployment.

The inactive population aged 15 and over (3,700.9 thousand people) has decreased by 4.8% (185.8 thousand) from the previous quarter and has increased by 3.0% (108.5 thousand) from the 3<sup>rd</sup> quarter of 2019. The quarterly decrease corresponds to the highest absolute quarterly change ever observed in a 3<sup>rd</sup> quarter of the data series started in 2011. The transition from inactivity to unemployment reflected the easing of mobility and social contact restrictions existent in the 2<sup>nd</sup> quarter due to the pandemic, allowing for a greater easiness in active labour search and availability to work, two criteria whose compliance is needed to be classified as unemployed.

The information in this Press Release is influenced by the current situation determined by the pandemic COVID-19, either by the natural disturbance associated with the impact of the pandemic in obtaining primary information or by the behavioural changes resulting from the measures adopted to safeguard public health (for more, see page 13).

Despite the circumstances caused by the COVID-19 pandemic, Statistics Portugal calls for best collaboration from enterprises, households and public bodies in responding to Statistics Portugal's requests. The quality of official statistics, particularly their ability to identify the impacts of the COVID-19 pandemic, crucially depends on this collaboration for which Statistics Portugal thanks you for in advance.

## A. General results

### 1. Labour force (active population)

The Labour Force Survey results for the 3<sup>rd</sup> quarter of 2020 indicate that the labour force (active population), estimated at 5,204.0 thousand people, has increased by 3.9% (194.4 thousand) from the previous quarter and decreased by 1.3% (67.2 thousand) from the same quarter of 2019.

The participation rate of the working age population (15 years old and over) stood at 58.4%, having increased by 2.1 percentage points (pp) from the prior quarter and decreased by 1.1 pp from the 3<sup>rd</sup> quarter of 2019.

The participation rate of men (63.4%) was 9.3 pp higher than that of women (54.1%). Both have increased from the previous quarter (1.9 pp and 2.3 pp, respectively) and both have decreased from a year earlier (1.5 pp and 0.6 pp, respectively).

### 2. Employed population

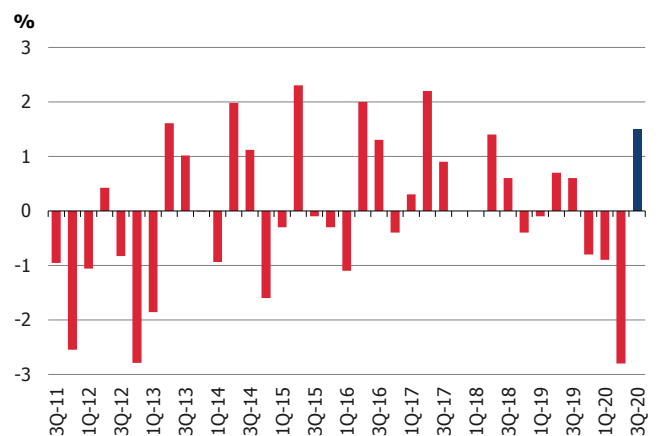
#### 2.1. Quarterly changes

The employed population (4,799.9 thousand people) increased by 1.5% (68.7 thousand) from the previous quarter, as has happened in the majority of third quarters since 2011.

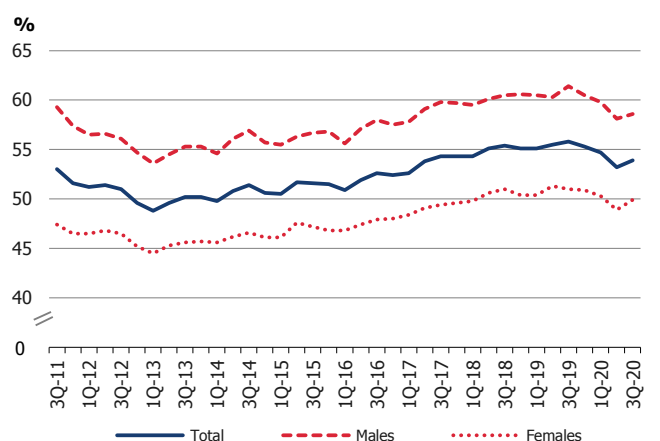
That change was explained by the increases recorded mainly in the following groups: women (47.3 thousand; 2.0%); aged 45 to 64 (65.4 thousand; 3.1%); having completed the (upper) secondary and post-secondary non-tertiary education (30.9 thousand; 2.2%) or the tertiary education (28.8 thousand; 2.0%); employed in

the services sector (42.2 thousand; 1.3%) – 44.3% of this reduction occurred in the group composed by the activities of wholesale and retail trade, repair of motor vehicles and motorcycles, (18.7 thousand; 2.9%); working as employees (68.7 thousand; 1.7%) with permanent contracts (45.2 thousand; 1.4%); and working full-time (39.5 thousand; 0.9%).

**Figure 1: Employed population quarterly rate of change**



**Figure 2: Employment rate by sex**



The employment rate (15 years old and over) stood at 53.9% and increased by 0.7 pp from the previous quarter.

The employment rate of men (58.6%) exceeded that of women (49.9%) by 8.7 pp, having both rates increased from the 2nd quarter 2020 (0.5 pp and 1.0 pp, respectively).

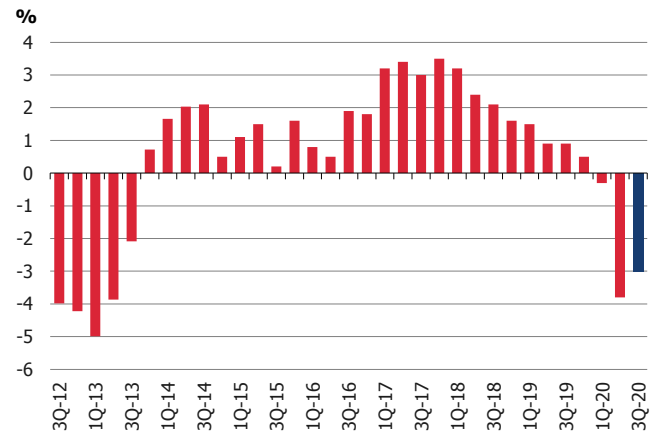
## 2.2. Year-on-year changes

From the same quarter of 2019, the employed population has decreased by 3.0% (147.9 thousand), interrupting the series of positive year-on-year changes observed in this quarter since 2014.

The year-on-year change in the employed population came mostly from the employment decrease in the following groups: men (110.2 thousand; 4.3%); people aged 15 to 24 (74.2 thousand; 23.2%); having completed, at most, an education level corresponding to the first or second stages of basic education (199.8 thousand; 9.3%); employed in the services sector (116.4 thousand; 3.4%), especially in the accommodation and food services activities (49.3 thousand; 14.8%); working as employees (121.9 thousand; 3.0%) with a temporary contract (134.3 thousand; 18.9%); and working full-time (142.9 thousand; 3.2%).

The employment rate (15 years old and over) has decreased by 1.9 pp from the same quarter of 2019, with the men's rate decreasing more than that of women (2.8 pp and 1.1 pp, respectively).

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



## 3. Unemployed population

### 3.1. Quarterly changes

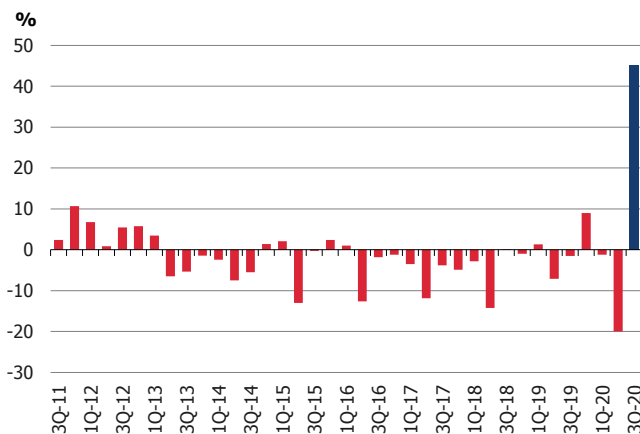
The unemployed population (404.1 thousand people) has increased by 45.1% (125.7 thousand) from the previous quarter. Never in the data series started in 2011 had such a large variation rate been observed.

The unemployed population change came from the increases observed in all groups under analysing, mainly the following: women (66.7 thousand; 48.5%); people aged 45 or over (43.6 thousand; 45.6%); who have completed, at most, an education level corresponding to the first or second stages of basic education (50.6 thousand; 49.0%); looking for a new job (118.5 thousand; 46.8%), having been formerly mainly in the services sector (88.0 thousand; 49.3%); seeking a job for less than 12 months (78.4 thousand; 44.8%).

The unemployment rate for the 3<sup>rd</sup> quarter of 2020 stood at 7.8%<sup>1</sup>, which corresponds to an increase by 2.2 pp from the 2<sup>nd</sup> quarter of 2020.

The unemployment rate of men (7.6%) was lower than that of women (7.9%) by 0.3 pp, having both rates increased from the previous quarter (2.1 pp and 2.3 pp, respectively).

**Figure 4: Unemployed population quarterly rate of change**

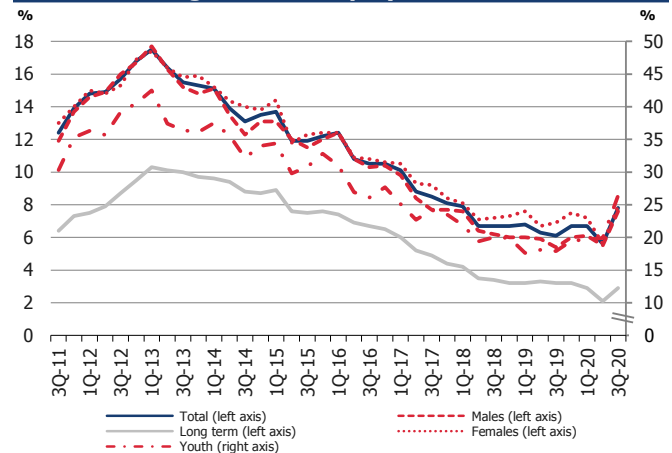


The youth (15 to 24 years old) unemployment rate was estimated at 26.4%, up 6.5 pp from the 2<sup>nd</sup> quarter of 2020.

The share of unemployed people looking for a job for 12 months or longer (long-term unemployment) was 37.3%, up 0.2 pp from the previous quarter.

<sup>1</sup> This unemployment rate was calculated for those aged 15 and over (in line with the concepts in force of the International Labour Organization). The unemployment rate for the moving quarter centered in August 2020 (which corresponds to the 3<sup>rd</sup> quarter 2020), published in the Press Release of September 2020 (released in 29-10-2020), was calculated for the age subgroup of those aged 15 to 74 (as in the Eurostat News Release). This rate (not seasonally adjusted) was 7.9%.

**Figure 5: Unemployment rate**



### 3.2. Year-on-year changes

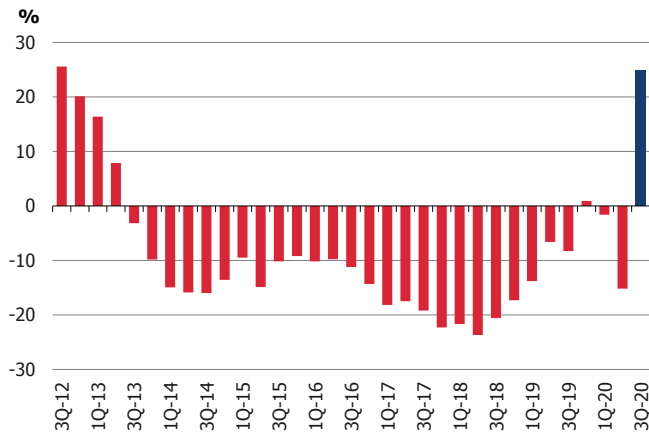
From the same quarter of 2019, the unemployed population has increased by 24.9% (80.7 thousand), contradicting the year-on-year decreases usually observed since the 3<sup>rd</sup> quarter of 2013.

That change was mainly explained by the increases recorded in the following groups: men (54.9 thousand; 38.0%); people aged 25 to 34 (38.1 thousand; 58.4%); having completed the (upper) secondary and post-secondary non-tertiary education (49.5 thousand; 50.8%); looking for a new job (87.5 thousand; 30.8%), having been formerly mainly in the services sector (76.6 thousand; 40.3%); seeking a job for less than 12 months (99.2 thousand; 64.4%).

From the same quarter of 2019, the unemployment rate increased by 1.7 pp, more for men (2.2 pp) than for women (1.0 pp).

The unemployment rate of young people aged 15 to 24 has increased by 8.5 pp and the share of unemployed people looking for a job for 12 months or longer (long-term unemployment) has decreased by 15.1 pp.

**Figure 6: Unemployed population year-on-year rate of change**



#### 4. Inactive population

The inactive population, estimated at 5,087.4 thousand people in the 3<sup>rd</sup> quarter of 2020 has decreased by 3.6% (188.9 thousand) from the previous quarter and has increased by 2.0% (97.5 thousand) from the same quarter of 2019.

The inactive population aged 15 and over (3,700.9 thousand people, accounting for 72.7% of total inactive population) has decreased by 4.8% (185.8 thousand) from the previous quarter and has increased by 3.0% (108.5 thousand) from the 3<sup>rd</sup> quarter of 2019.

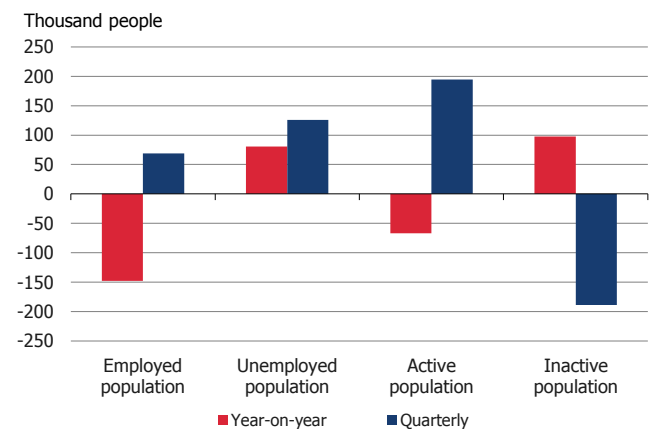
The inactivity rate (15 years old and over) stood at 41.6%, having decreased by 2.1 pp from the previous quarter and increased by 1.1 pp from the same period of 2019.

The inactivity rate of women (45.9%) exceeded that of men (36.6%) by 9.3 pp, having them both decreased from the previous quarter: the former by 2.3 pp and the latter by 1.9 pp. From a year earlier, the inactivity

rate of women has increased by 0.6 pp and that of men by 1.5 pp.

Figure 7 exhibits a summary of the observed changes in the 3<sup>rd</sup> quarter of 2020 (quarterly and year-on-year) by labour market status, as described in items 1 to 4 of this Press Release.

**Figure 7: Change in the employed, unemployed, active and inactive population**



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

##### 5.1. Gross and net flows (number of persons)

###### *Employment*

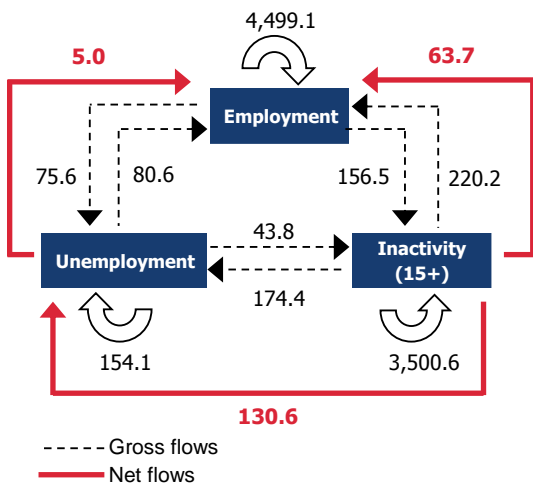
From the 2<sup>nd</sup> to the 3<sup>rd</sup> quarter of 2020, 75.6 thousand persons moved from employment (E) to unemployment (U) and 156.5 thousand moved from employment to inactivity (aged 15 and over; I). Therefore, the number of persons moving out of employment, within a quarter, was 232.1 thousand.

At the same time, the employment inflows from unemployment were 80.6 thousand persons, while those from inactivity were 220.2 thousand. Hence, the

number of persons moving into employment, within this quarter, was 300.8 thousand.

As a consequence, between the two quarters there was a positive net flow into employment (that is, total inflows minus total outflows) of 68.7 thousand persons (which corresponds to the employed population quarterly change).

**Diagram 1: Quarterly flows between labour force status (Thousand people)**



### Unemployment

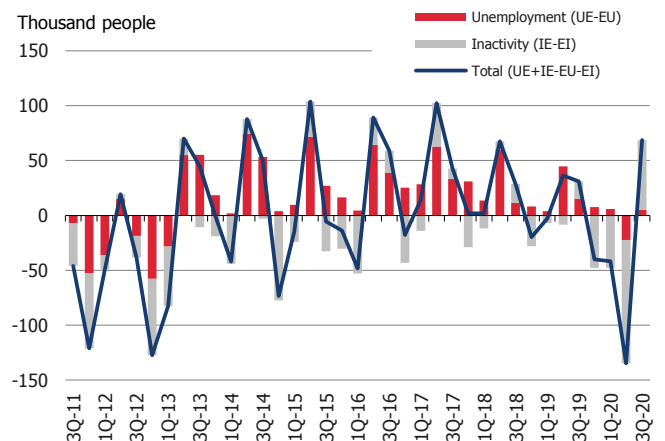
Similarly, the net flow into unemployment was positive and comprised 125.7 thousand people (which corresponds to the unemployed population quarterly change), and resulted from the number of people becoming unemployed (250.0 thousand) being higher than the total of those leaving that status (124.4 thousand).

The unemployment inflows from employment (75.6 thousand) were smaller than those from inactivity (174.4 thousand). On the other hand, the unemployment outflows to employment

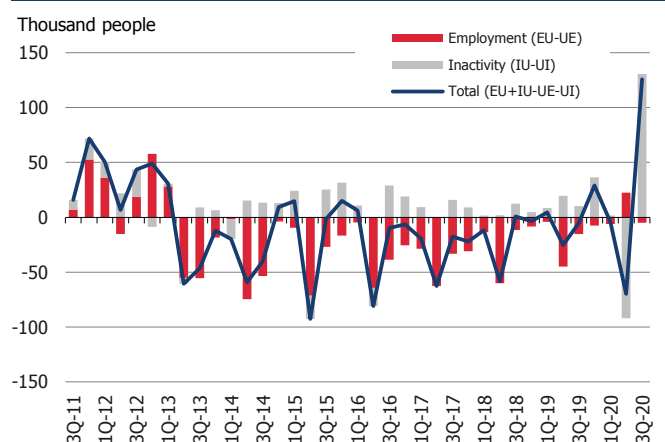
(80.6 thousand) were almost twice as those to inactivity (43.8 thousand).

The next figures exhibit the quarterly developments of the net employment and unemployment flows, from the 2<sup>nd</sup> quarter of 2011 onwards, and their decomposition into the two components that explain them: net flows between employment and unemployment and net flows between employment and inactivity (Figure 8); net flows between unemployment and employment and net flows between unemployment and inactivity (Figure 9).

**Figure 8: Net employment quarterly flows (inflows - outflows = quarterly change)**



**Figure 9: Net unemployment quarterly flows (inflows - outflows = quarterly change)**





From these estimates analysis, it is possible to conclude, for the 3<sup>rd</sup> quarter of 2020, that:

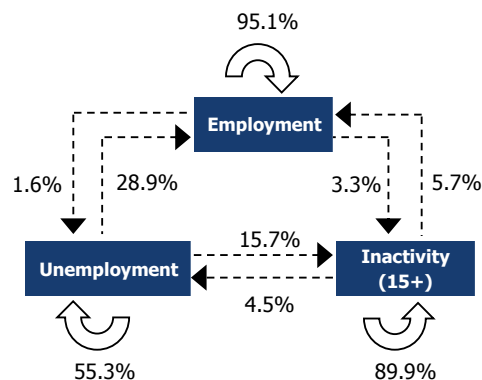
- The employment quarterly increase (68.7 thousand) resulted from the positive net flow between employment and inactivity (63.7 thousand) and between employment and unemployment (5.0 thousand). This is, in net terms, there were more entries into employment from those two labour market statuses, with emphasis on inactivity.
- Also the unemployment increase between quarters (125.7 thousand) was explained by the positive net flow between unemployment and inactivity (130.7 thousand) having more than compensate the negative net flow between unemployment and employment (5.0 thousand). In other words, in net terms, the inflows to unemployment from inactivity more than compensated for the unemployment outflows to employment.

## 5.2. Transition rates (%)

From the 2<sup>nd</sup> to the 3<sup>rd</sup> quarter of 2020, 1.6% of the people initially employed moved into unemployment and 3.3% moved into inactivity, with the proportion of employed persons moving out of this situation totalling 4.9% in the 3<sup>rd</sup> quarter of 2020 (95.1% remained employed; which corresponds to 4,499.1 thousand people, as in Diagram 1).

From the total of unemployed persons in the 2<sup>nd</sup> quarter of 2020, 44.7% moved out of this labour market state in the 3<sup>rd</sup> quarter of 2020: 28.9% became employed and 15.7% moved into inactivity. These figures are in line with those observed in the quarters prior to the beginning of the COVID-19 pandemic.

**Diagram 2: Quarterly flows between labour force status (in % of initial status)**



From the total of people aged 15 and over considered to be inactive in the 2<sup>nd</sup> quarter of 2020, 5.7% moved into employment and 4.5% moved into unemployment in the 3<sup>rd</sup> quarter of 2020. Never, in the data series started in 2011, such a large proportion of people moving from inactivity to unemployment had been observed between two consecutive quarters, which may be explained by the relief of the mobility restrictions measures (see section B of this Press Release).

## 6. Unemployment rates by NUTS II region

In the 3<sup>rd</sup> quarter of 2020, the unemployment rate was higher than the national average in four NUTS II regions of the country: *Área Metropolitana de Lisboa* (9.5%), *Região Autónoma da Madeira* (8.6%), *Algarve* (8.5%) and *Norte* (7.9%).

In *Região Autónoma dos Açores* (6.7%), *Alentejo* (6.2%) and *Centro* (5.8%) the unemployment rates stood below that value.

Compared to the previous quarter, the unemployment rate has increased in all regions. The two largest quarterly increases were observed in *Área*

*Metropolitana de Lisboa* (3.0 pp) and in *Alentejo* (2.9 pp).

**Table 1: Unemployment rates by NUTS II region (NUTS-2013)**

	3Q-2019	2Q-2020	3Q-2020
<b>Portugal</b>	<b>6.1</b>	<b>5.6</b>	<b>7.8</b>
Norte	6.6	5.6	7.9
Centro	4.8	4.7	5.8
Área Metropolitana de Lisboa	6.4	6.5	9.5
Alentejo	7.0	3.3	6.2
Algarve	5.3	7.4	8.5
Região Autónoma dos Açores	7.3	4.9	6.7
Região Autónoma da Madeira	6.9	6.7	8.6

Unit: %

Source: Statistics Portugal, Labour Force Survey - 3<sup>rd</sup> quarter of 2020.

When comparing to a year earlier, the unemployment rate has increased in five regions and decreased in other two. The two largest year-on-year increases were observed in *Algarve* (3.2 pp) and *Área Metropolitana de Lisboa* (3.1 pp), while the only two decreases were verified in *Região Autónoma dos Açores* (0.6 pp) and in *Alentejo* (0.8 pp).

## 7. Supplementary indicators to unemployment and the labour underutilisation

The labour underutilisation is an indicator that aggregates the unemployed population, the underemployment of part-time workers, the inactive seeking work but not immediately available, and the inactive available but not seeking work<sup>2</sup>. This indicator is supplemented by its corresponding rate – the labour underutilisation rate<sup>3</sup>.

<sup>2</sup> For a more detail definition of these indicators, read the publication "*Estatísticas do Emprego – 2.º trimestre de 2012*" (only available in Portuguese) – chapter 4 (Concepts) and 6 (Theme under analysis) available at: <http://www.ine.pt/xurl/pub/143643471>

<sup>3</sup> See concepts in the technical note.

With this indicator, Statistics Portugal provides its data users a broader measure of the labour underutilisation than the more restrictive measure given by the unemployment rate<sup>4</sup>.

In the 3<sup>rd</sup> quarter of 2020, the labour underutilisation was estimated at 813.7 thousand people and the corresponding rate was 14.9%.

The labour underutilisation increased by 8.7% (65.0 thousand) from the previous quarter and by 21.9% (146.0 thousand) from the previous year. By component, the following is observed:

- The unemployed population was estimated at 404.1 thousand people and, as previously mentioned, increased by 45.1% (125.7 thousand) from the previous quarter and by 24.9% (80.7 thousand) from the same quarter of 2019. The unemployment rate was 7.8%, up 2.2 pp from the previous quarter and up 1.7 pp from the 3<sup>rd</sup> quarter of 2019.
- The number of underemployed part-time workers was 158.6 thousand people, 19.5% (25.9 thousand) more than in the previous quarter and 12.0% (17.1 thousand) more than in the same quarter of 2019.
- The number of inactive persons seeking work but not immediately available stood at 17.7 thousand,

<sup>4</sup> The labour underutilisation rate corresponds, with the due adaptations to the European context and to the information obtained from the Labour Force Survey (named *Inquérito ao Emprego* in Portugal), to the U6 measure regularly published by the US Bureau of Labour Statistics in addition to the official unemployment rate (U3). Eurostat also regularly publishes this indicator for the European Union countries under the designation *Labour market slack*, following the ILO recommendation set in the Resolution concerning statistics of work, employment and labour underutilization of the 19<sup>th</sup> International Conference of Labour Statisticians, but does it for the age group 15 to 74.



which corresponds to the second lowest estimate of the data series started in 2011. It has decreased by 30.4% (7.7 thousand) from the 2<sup>nd</sup> quarter of 2020 and by 23.2% (5.3 thousand) from the 3<sup>rd</sup> quarter of 2019.

- The number of inactive persons available to work but not seeking (233.3 thousand) has decreased by 25.2% (78.8 thousand) from the previous quarter, while increasing by 29.8% (53.6 thousand) from the same quarter of 2019.

Albeit the labour underutilisation quarterly increase in the 3<sup>rd</sup> quarter of 2020, the unemployed population and the labour underutilisation have displayed downwards trends from the 1<sup>st</sup> quarter of 2013 until the 3<sup>rd</sup> quarter of 2019, having decreased in total 65.1% and 54.6%, respectively (corresponding to 603.0 thousand and 801.9 thousand people in each case). These reductions were also observed in the correspondent rates, having the unemployment rate dropped from 17.5% to 6.1% and the labour underutilisation rate from 26.4% to 12.0%.

Between the 3<sup>rd</sup> quarter of 2019 and the 1<sup>st</sup> quarter of 2020, a very slight increase in both the unemployed population and the labour underutilisation was observed. However, between the 1<sup>st</sup> and the 2<sup>nd</sup> quarters of 2020, due to the COVID-19 pandemic, the unemployed population decreased, which was more than compensated by the sharp increase in the number of inactive people available to work, but who are not looking for a job, steeping the upwards trend of the labour underutilisation. Between the 2<sup>nd</sup> and the 3<sup>rd</sup> quarters of 2020, was observed an inversion in the unemployed population trend, which increased strongly and more than compensated the decrease in the number of inactive people available to work, but who are not looking for a job, justifying therefore the upwards trend of the labour underutilisation.

**Figure 10: Labour underutilisation components**

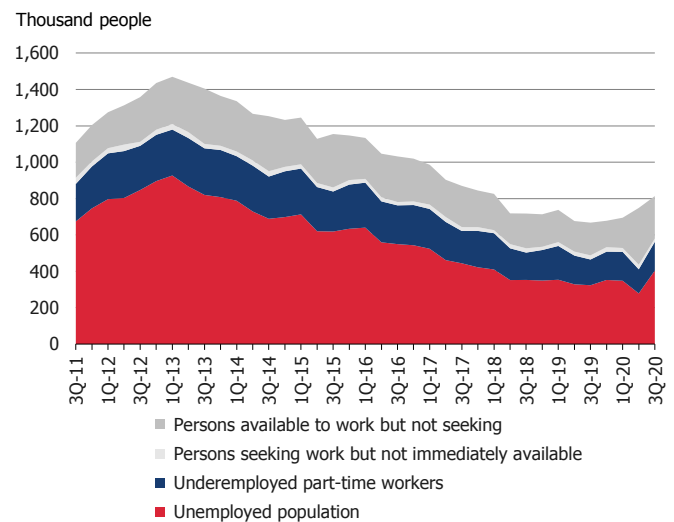


Table 2: Labour underutilisation by component			
Portugal	Quarterly level		
	3Q-2019	2Q-2020	3Q-2020
<b>Number</b>	<b>Thousands</b>		
<b>Total</b>	<b>667.7</b>	<b>748.7</b>	<b>813.7</b>
Unemployed population	323.4	278.4	404.1
Underemployed part-time workers	141.5	132.7	158.6
Persons seeking work but not immediately available	23.0	25.4	17.7
Persons available to work but not seeking	179.7	312.1	233.3
<b>Rate</b>	<b>%</b>		
Unemployment rate	6.1	5.6	7.8
Labour underutilisation rate	12.2	14.0	14.9

Source: Statistics Portugal, Labour Force Survey - 3<sup>rd</sup> quarter of 2020.

## 8. Young people not in employment, education or training

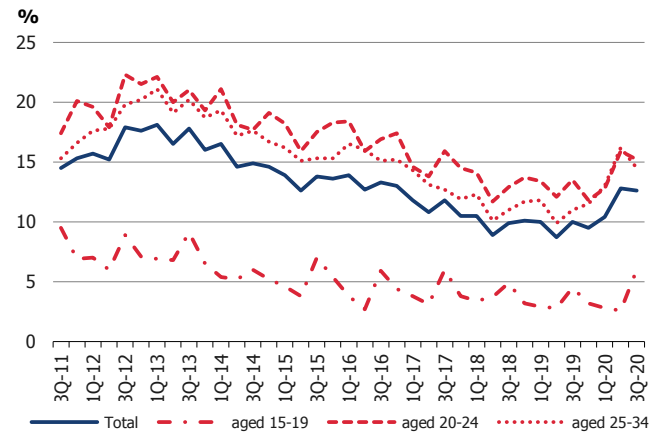
In the 3<sup>rd</sup> quarter of 2020, from the total of 2,207.3 thousand young people aged 15 to 34, 12.6% (279.2 thousand) were not in employment, education or training. Half of them were classified as part of the inactive population (50.2%), while the remaining ones were considered to be unemployed (49.8%).

From the previous quarter, the rate of young people not in employment, education or training has decreased by 0.2 pp (3.7 thousand). This change resulted from the decrease for women (0.5 pp; 5.3 thousand), among the age groups of those aged 25 to 34 (1.7 pp; 18.8 thousand) and those aged 20 to 24 (0.7 pp; 3.2 thousand), and for those with tertiary education (2.1 pp; 9.1 thousand).

The quarterly decrease of the population aged 15 to 34 who were not in employment, education or training was due to the decrease among those in the inactive population (35.8 thousand), which was not compensated by the increase among those in the unemployed population (32.0 thousand).

On the other hand, the rate of young people not in employment, education or training has increased from the 3<sup>rd</sup> quarter of 2019 (2.6 pp; 59.0 thousand). The growth resulted mainly from the increase for men (5.1 pp; 56.3 thousand), in the age group of those aged 25 to 34 (3.5 pp; 39.7 thousand) and among those who have completed the (upper) secondary or post-secondary non-tertiary education (3.9 pp; 37.6 thousand).

**Figure 11: Rate of young people aged 15 to 34 not in employment, education or training by age group**



**Table 3: Young people aged 15 to 34 not in employment, education or training**

Portugal	Quarterly level		
	3Q-2019	2Q-2020	3Q-2020
<b>Number</b>	<b>Thousands</b>		
Total	<b>220.2</b>	<b>282.9</b>	<b>279.2</b>
Males	86.9	141.6	143.2
Females	133.2	141.3	136.0
15 to 19	24.8	14.2	32.5
20 to 24	73.4	88.3	85.1
25 to 34	121.9	180.4	161.6
First and second stages of basic education	78.9	94.6	98.8
(Upper) secondary and post-secondary non-tertiary education	85.5	122.0	123.1
Tertiary education	55.7	66.3	57.2
Unemployed population	102.7	107.0	139.0
Inactive population	117.5	176.0	140.2
<b>Rate</b>	<b>%</b>		
Total	<b>10.0</b>	<b>12.8</b>	<b>12.6</b>
Males	7.9	12.8	13.0
Females	12.2	12.8	12.3
15 to 19	4.5	2.6	6.0
20 to 24	13.5	15.9	15.2
25 to 34	11.0	16.2	14.5
First and second stages of basic education	10.5	12.7	14.4
(Upper) secondary and post-secondary non-tertiary education	9.4	13.7	13.3
Tertiary education	10.3	11.7	9.6
<b>Proportion of</b>			
Unemployed population	46.6	37.8	49.8
Inactive population	53.4	62.2	50.2

Source: Statistics Portugal, Labour Force Survey - 3<sup>rd</sup> quarter of 2020.

**Table 4: Main indicators - active and employed population**

Portugal	Quarterly level			Rate of change	
	3Q-2019	2Q-2020	3Q-2020	On year	On quarter
	Thousands			%	
<b>Labour force (active population)</b>	<b>5,271.2</b>	<b>5,009.6</b>	<b>5,204.0</b>	<b>-1.3</b>	<b>3.9</b>
Males	2,679.2	2,543.6	2,624.0	-2.1	3.2
Females	2,592.0	2,466.0	2,580.0	-0.5	4.6
15 to 24	389.9	300.4	334.2	-14.3	11.2
25 to 34	1,004.2	955.1	994.8	-0.9	4.2
35 to 44	1,349.6	1,290.4	1,292.4	-4.2	0.2
45 to 64	2,258.9	2,211.1	2,319.8	2.7	4.9
65 and over	268.5	252.6	262.7	-2.2	4.0
First and second stages of basic education (at most)	2,281.7	2,032.4	2,092.0	-8.3	2.9
Upper secondary and post-secondary non-tertiary education	1,546.6	1,485.5	1,557.9	0.7	4.9
Tertiary education	1,442.8	1,491.8	1,554.1	7.7	4.2
<b>Participation rate (%)</b>	<b>51.4</b>	<b>48.7</b>	<b>50.6</b>		
Males	55.3	52.5	54.1		
Females	47.8	45.3	47.4		
<b>Participation rate (15 and over) (%)</b>	<b>59.5</b>	<b>56.3</b>	<b>58.4</b>		
Males	64.9	61.5	63.4		
Females	54.7	51.8	54.1		
<b>Employed population</b>	<b>4,947.8</b>	<b>4,731.2</b>	<b>4,799.9</b>	<b>-3.0</b>	<b>1.5</b>
Males	2,534.4	2,402.8	2,424.2	-4.3	0.9
Females	2,413.4	2,328.4	2,375.7	-1.6	2.0
15 to 24	320.2	240.6	246.0	-23.2	2.2
25 to 34	939.0	881.8	891.4	-5.1	1.1
35 to 44	1,285.6	1,240.7	1,219.2	-5.2	-1.7
45 to 64	2,138.9	2,118.8	2,184.2	2.1	3.1
65 and over	264.1	249.2	258.9	-2.0	3.9
First and second stages of basic education	2,137.9	1,929.0	1,938.1	-9.3	0.5
(Upper) secondary and post-secondary non-tertiary education	1,449.2	1,380.0	1,410.9	-2.6	2.2
Tertiary education	1,360.7	1,422.1	1,450.9	6.6	2.0
Agriculture, forestry and fishing (a)	275.3	260.0	262.3	-4.7	0.9
Manufacturing, electricity, gas and water supply and construction (a)	1,212.2	1,169.5	1,193.6	-1.5	2.1
Services (a)	3,460.3	3,301.7	3,343.9	-3.4	1.3
Employees	4,128.2	3,937.6	4,006.3	-3.0	1.7
With a permanent job (work contract of unlimited duration)	3,282.0	3,266.6	3,311.8	0.9	1.4
With a temporary job (work contract of limited duration)	712.3	578.9	578.0	-18.9	-0.2
Other contractual arrangements	134.0	92.1	116.5	-13.0	26.5
Self-employed workers	804.5	780.3	775.1	-3.7	-0.7
Unpaid family workers	15.0	13.3	§	§	§
Full-time workers	4,457.5	4,275.1	4,314.6	-3.2	0.9
Part-time workers	490.3	456.1	485.2	-1.0	6.4
Underemployed part-time workers	141.5	132.7	158.6	12.0	19.5
<b>Employment rate (15 and over) (%)</b>	<b>55.8</b>	<b>53.2</b>	<b>53.9</b>		
Males	61.4	58.1	58.6		
Females	51.0	48.9	49.9		

Source: Statistics Portugal, Labour Force Survey - 3<sup>rd</sup> quarter of 2020.

**Note:**

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

**Conventional signs:**

§ Extremely unreliable value.

**Table 5: Main indicators - unemployed and inactive population**

Portugal	Quarterly level			Rate of change	
	3Q-2019	2Q-2020	3Q-2020	On year	On quarter
	Thousands			%	
<b>Unemployed population</b>	<b>323.4</b>	<b>278.4</b>	<b>404.1</b>	<b>24.9</b>	<b>45.1</b>
Males	144.9	140.9	199.8	38.0	41.9
Females	178.6	137.6	204.3	14.4	48.5
15 to 24	69.7	59.8	88.2	26.5	47.5
25 to 34	65.2	73.2	103.3	58.4	41.1
35 to 44	64.0	49.7	73.2	14.3	47.4
45 and over	124.4	95.7	139.3	12.0	45.6
First and second stages of basic education (at most)	143.9	103.3	153.9	7.0	49.0
Upper secondary and post-secondary non-tertiary education	97.4	105.5	146.9	50.8	39.3
Tertiary education	82.1	69.6	103.3	25.7	48.3
Looking for a first job	39.0	24.9	32.1	-17.7	28.6
Looking for a new job	284.5	253.5	372.0	30.8	46.8
Agriculture, forestry and fishing (a) (b)	§	§	§	§	§
Manufacturing, electricity, gas and water supply and construction (a) (b)	63.4	59.8	88.5	39.7	47.9
Services (a) (b)	189.7	178.3	266.3	40.3	49.3
Unemployed by duration of search					
Less than 12 months	154.2	175.0	253.4	64.4	44.8
12 months or longer (long-term unemployment)	169.3	103.4	150.7	-11.0	45.7
<b>Unemployment rate (%)</b>	<b>6.1</b>	<b>5.6</b>	<b>7.8</b>		
Males	5.4	5.5	7.6		
Females	6.9	5.6	7.9		
Youth (15 to 24)	17.9	19.9	26.4		
Long-term	3.2	2.1	2.9		
<b>Inactive population</b>	<b>4,989.9</b>	<b>5,276.3</b>	<b>5,087.4</b>	<b>2.0</b>	<b>-3.6</b>
Inactive population (15 and over)	3,592.4	3,886.7	3,700.9	3.0	-4.8
Males	1,448.5	1,593.0	1,515.7	4.6	-4.9
Females	2,143.9	2,293.7	2,185.2	1.9	-4.7
15 to 24	699.6	795.3	762.3	9.0	-4.1
25 to 34	105.0	156.2	116.0	10.4	-25.8
35 to 44	111.3	146.6	134.0	20.4	-8.6
45 to 64	679.8	748.2	646.3	-4.9	-13.6
65 and over	1,996.6	2,040.3	2,042.3	2.3	0.1
Students	753.5	817.2	790.6	4.9	-3.2
Fulfilled domestic tasks	363.1	366.5	343.8	-5.3	-6.2
Retired	1,818.8	1,883.1	1,876.0	3.1	-0.4
Other inactive	657.1	819.8	690.5	5.1	-15.8
Persons seeking work but not immediately available	23.0	25.4	17.7	-23.2	-30.4
Persons available to work but not seeking	179.7	312.1	233.3	29.8	-25.2
<b>Inactivity rate (15 and over) (%)</b>	<b>40.5</b>	<b>43.7</b>	<b>41.6</b>		
Males	35.1	38.5	36.6		
Females	45.3	48.2	45.9		

Source: Statistics Portugal, Labour Force Survey - 3<sup>rd</sup> quarter of 2020.

**Notes:**

(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 7 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.

**Conventional signs:**

§ Extremely unreliable value.

## **B. The impact of the COVID-19 pandemic on the results of the Labour Force Survey published in this Press Release**

Since mid-March 2020, some measures have been taken to safeguard the public health due to COVID-19 pandemic, which have affected the normal functioning of the labour market and, therefore, the employment statistics for the 3<sup>rd</sup> quarter of 2020.

In particular, the declaration of a state of emergency at March 18<sup>th</sup>, which was in force until the end of April and led to the temporary closure of several enterprises and restricted the free movement of persons, was accompanied by the closure of schools, which led many parents to stay at home (even if they could not work remotely from there) to take care of their children. At the same time, measures have been taken to protect workers' jobs, such as the new layoff regime with simpler rules.

This had an impact in the classification of people according to their Labour Status, particularly during the state of emergency<sup>5</sup>. Persons previously classified as unemployed and those who actually lost their jobs were (correctly, from a statistical point of view) classified as inactive if they have not actively search for a job<sup>6</sup> due to restrictions on mobility, reduction or even interruption of the normal channels of information on job vacancies as a result of the partial or even total closure of a very significant proportion of enterprises. Also, the non-availability to start working in the reference week or in the two following weeks, if they had found a job, because they had to take care of children or other dependents or because they fell ill due to the pandemic, leads those persons to be now part of the inactive population.

Likewise, persons previously classified as employed failed to meet the criteria of the International Labour Organization (ILO), whose operationalisation is harmonised within the European Union together with Eurostat, and those criteria are required to be part of the employed population (for more details, see the concept of employed in the Technical Note). Therefore, those persons were considered as not employed (this is, as unemployed or as inactive). This was the case of persons who were absent from work due to a reduction in the economic activity or to layoff for an estimated duration of more than 3 months, while earning a salary of less than 50% of the usual one. Nonetheless, the measures taken to safeguard the public health due to COVID-19 pandemic covered a large number of people potentially in this situation, which kept them in the employed population.

With the gradual ending of the stay-at-home order after May, it was possible the reopening of various economic activities<sup>7</sup> while the self-isolation duty became not as restrictive as before, which may have made possible the fulfilment

<sup>5</sup> For a detailed analysis, see section B. The impact of the COVID-19 pandemic on the results of the Labour Force Survey in the Press Release "Employment Statistics – 2<sup>nd</sup> quarter 2020", available at <https://www.ine.pt/xurl/dest/415270375>.

<sup>6</sup> Essential criterion for their classification as unemployed; for more details, see the concept of unemployed in the Technical Note.

<sup>7</sup> For more information on the impact of the pandemic on the economy in the 3<sup>rd</sup> quarter of 2020, see the Synthesis INE@COVID-19 for the months of July, August and September. They are available at [https://www.ine.pt/xportal/xmain?xpgid=ine\\_covid\\_dossier\\_hist&xpid=INE&xlang=en](https://www.ine.pt/xportal/xmain?xpgid=ine_covid_dossier_hist&xpid=INE&xlang=en).



of the criteria of active job search and willingness to start working, essential for the flow between the inactive population and the unemployed population.

In fact, it is visible in the 3<sup>rd</sup> quarter of 2020 the steep increase in the unemployment rate (2.2 pp) as a result of the rapid quarterly increase of the unemployed population (45.1%; 125.7 thousand), which in turn was due to the transition of persons from inactivity to unemployment by fulfilling the criteria above mentioned, as stated in the analysis presented in chapters 5 and 7 of this Press Release. At the same time, the gradual ending of the pandemic containment measures had also an impact in employment level being possible to observe a slight increase in the employed population (1.5%; 68.7 thousand), as described in chapter 2.

Given the above, the increase of the employed and of the unemployed populations observed in the 3<sup>rd</sup> quarter of 2020 can be partially explained by the current social and economic environment associated with COVID-19 and was reflected in the increase of the active population and in its (almost<sup>8</sup>) equivalent decrease of the inactive population. These changes cannot be dissociated from the particular dynamics observed in the 2<sup>nd</sup> quarter of 2020. To better understand the impact of the COVID-19 pandemic in the labour market, Statistics Portugal releases below some complementary indicators, namely indicators on absences from work, hours actually worked, and the evolution of some inactive groups.

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<sup>8</sup> The changes in the active population and in the inactive population are not necessarily symmetrical. They are also influenced by the total population change that results from the natural balance and the net migration.

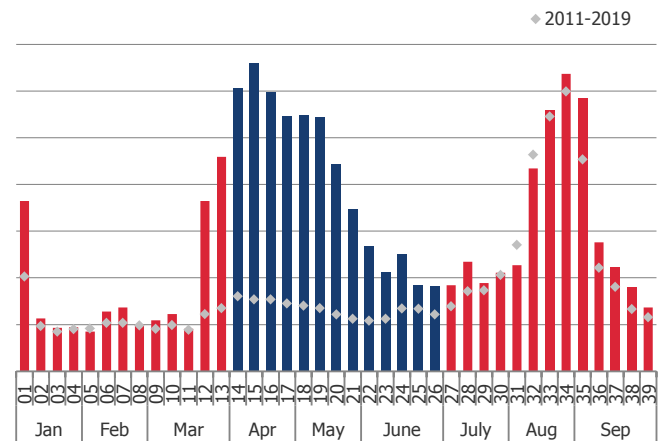
**I. Population aged 15 and over absent from work in the reference week**

In the 3<sup>rd</sup> quarter of 2020, the population aged 15 and over absent from work in the reference week, estimated at 828.8 thousand people, has decreased by 25.9% (289.1 thousand) from the previous quarter and has increased by 7.9% (61.0 thousand) from the same quarter of the previous year. That estimate corresponds to the second highest value since 2011, but in line with the estimates verified in the third quarters of each year (which usually correspond to the longest vacation period for a large part of the population).

Analysing absences by reference weeks, since 2011 there are systematically two peaks evident in each year (variable with seasonal component): one corresponding to weeks 32 to 35 (August and beginning of September) and another to weeks 51 and 52 (end of December), which sometimes also covers the 1<sup>st</sup> week of the following year.

After an atypical second quarter, in the 3<sup>rd</sup> quarter of 2020 the evolution of the employed population absent from work was in line with the one observed in the equivalent weeks of preceding years. In fact, there is an almost juxtaposition, in the weeks 27 to 39, between what happened in 2020 and the average weekly absences verified between 2011 and 2019.

**Figure I: Employed population absent from work in the reference week - 2020 and 2011-2019 average**

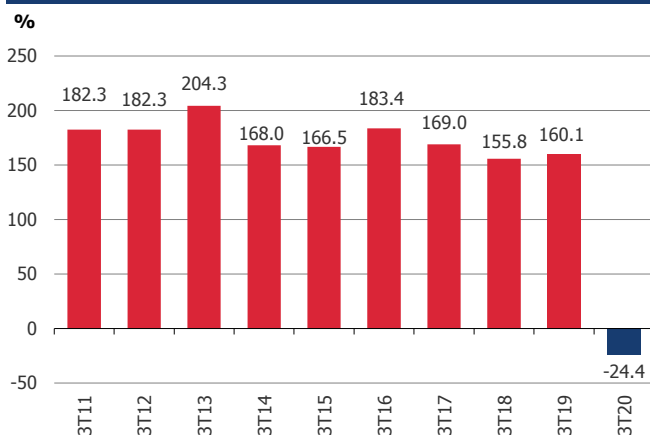


The vast majority (98.3%) of the population aged 15 and over absent from work in the reference week was classified, according to the Labour Force Survey criteria, as employed. This happens because they maintain a formal link to employment which is assessed by the reason of absence and by one or two additional criteria that may be needed (total absence duration and income received from work). Of the remaining, almost all (12.1 thousand people) were classified as inactive. This group has decreased by 66.9% (24.5 thousand) from the previous quarter, but still remains above the usual values observed since 2011 (average of 3.9 thousand inactive persons aged 15 and over absent from work in the 3<sup>rd</sup> quarters of the data series).

Focusing the analysis on the employed population absent from work in the reference week, it was estimated at 814.9 thousand people and represents 17.0% of total employed population. That population has decreased by 24.4% (263.3 thousand) from the previous quarter and has increased by 6.5% (49.4 thousand) from the 3<sup>rd</sup> quarter of 2019. The quarterly decrease, which corresponded to the only negative quarterly decrease of this indicator in a third

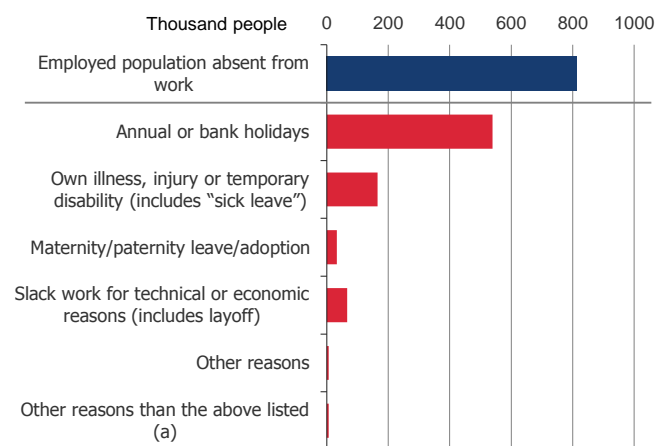
quarter since 2011, was a result of the atypical estimates verified on the 2<sup>nd</sup> quarter, where the highest level of employed population absent from work in the reference week since the beginning of the data series was observed.

**Figure II: Quarterly rate of change in the 3<sup>rd</sup> quarters of each year of the employed population absent from work in the reference week**



Analysing the absence reason, according to a set of pre-defined reasons, it was found that, as in the other third quarters, the “annual or bank holidays” followed by “own illness, injury or temporary disability” were the two main reasons for the absence (representing 66.1% and 20.2% of absences, respectively). The “slack work for technical or economic reasons (it includes the contract temporary suspension and layoff)” motive, which had been the main reason pinpointed in the 2<sup>nd</sup> quarter, was now the third most mentioned indicated by a number of respondents equivalent to less than a one tenth of the previous quarter (66.2 thousand). Nonetheless, the decrease in the number of those mentioning this reason (90.3%; 613.9 thousand) was the main reason for the quarterly decrease in the employed population absent in the quarter under analysis.

**Figure III: Employed population absent from work by reason of absence in the 3<sup>rd</sup> quarter of 2020**



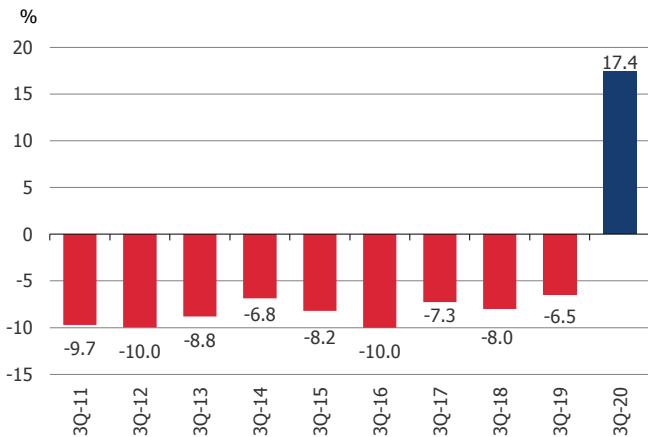
**Note:**

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: parental leave; flexible (working time banking) or variable working hours; bad weather; strike or other labour dispute; school education or training; seasonal work; unpaid leave.

**II. Hours actually worked**

In the 3<sup>rd</sup> quarter of 2020, an average of 4 hours more per week were actually worked than in the previous quarter and 1 hour less than in a year earlier. These changes led to a quarterly increase of 17.4% and to a year-on-year decrease of 7.2% of the volume of hours actually worked. The quarterly positive change corresponds to the second largest absolute change since 2011 and contradicts the negative quarterly changes usually observed in the third quarters. The observed quarterly change is a consequence of the volume of actually worked hours being particularly low in the 2<sup>nd</sup> quarter of 2020.

**Figure IV: Quarterly rate of change in the 3<sup>rd</sup> quarters of each year of the volume of hours actually worked**



Considering the explanations previously given (chapter I), it is understood that it is possible to be part of the employed population without having actually worked in the reference week. By opposition, it is also possible to distinguish and analyse the other subgroup of the employed population: the employed population who actually worked in the reference week.

In the 3<sup>rd</sup> quarter of 2020, this subgroup – estimated at 3,984.9 thousand people – has increased by 9.1% (331.9 thousand) from the previous quarter and decreased by 4.7% (197.3 thousand) from a year earlier. Among those who have worked, 86.6% stated to have worked the same number of hours usually worked, 4.4% more hours and 9.0% fewer hours.

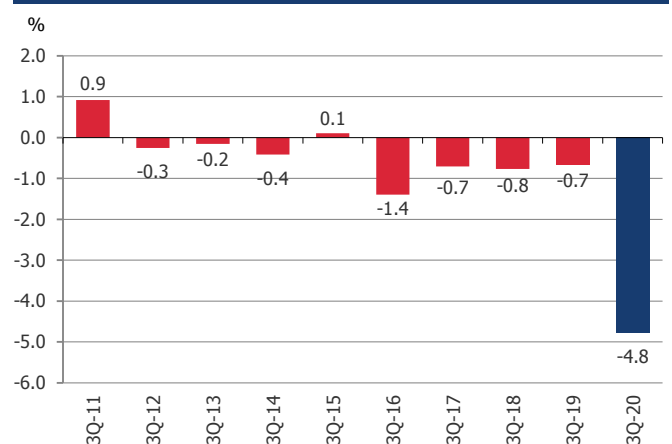
From the 2<sup>nd</sup> quarter of 2020, there was an increase of 4.1% (6.8 thousand) in the group of those who have worked more hours, which resulted from the increase of those indicating to have worked overtime hours (19.8%; 17.1 thousand). This estimate is now in line with those observed before the beginning of COVID-19 pandemic.

In turn, the group of those who have worked fewer hours than usual has decreased by 61.9% (585.4 thousand), reflecting, on the one hand and mainly, the lower number of bank holidays existent in the 3<sup>rd</sup> quarter comparing to the 2<sup>nd</sup> quarter of 2020 and, on the other hand, the decrease by 63.9% (231.8 thousand) in the number of those justifying the fewer hours worked with “Slack work for technical or economic reasons”.

#### IV. Inactive population characteristics

After, in the 2<sup>nd</sup> quarter of 2020, the inactive population aged 15 and over have registered the highest positive quarterly and year-on-year changes of the data series started in 2011, this indicator has decreased by 4.8% (185.8 thousand) from the previous quarter, which corresponded to the highest absolute quarterly change observed in a 3<sup>rd</sup> quarter.

**Figure V: Quarterly rate of change in the 3<sup>rd</sup> quarters of each year of the inactive population aged 15 and over**



A possible explanation was given by the flow analysis carried out in chapter 5, where it was found that 4.5% of the people considered to be inactive in the 2<sup>nd</sup>

quarter of 2020 (174.4 thousand) were now classified as unemployed in the 3<sup>rd</sup> quarter 2020, the highest value since 2011.

To find out what kind of inactivity subgroups of the 2<sup>nd</sup> quarter of 2020 moved to unemployment in the 3<sup>rd</sup> quarter of this year, the inactive population was divided into two groups: one referred to as "Potential workforce", composed of the two types of inactive people who are closest to the labour market since they fulfil one of the two criteria needed to be in the unemployed population (active search for work or availability to start working in the reference period); and another one called "Other inactivity", which aggregates the remaining inactive persons.

In the 3<sup>rd</sup> quarter, moved to unemployment mainly those who, in the 2<sup>nd</sup> quarter of 2020, were in the group "Potential workforce" (36.0%, which corresponds to a quarterly increase of 20.9 pp and to a year-on-year increase of 16.0 pp of that share). These are non-employed persons who, in the 2<sup>nd</sup> quarter of 2020, have not actively sought for work, nor have mentioned to be available to start working in the reference week or in the two following weeks if they had found a job. In fact, as analysed in chapter 7 of this Press Release, the number of inactive persons looking for a job but not available to work has decreased by 30.4% (7.7 thousand) from the previous quarter and the number of inactive persons who were available to work but have not search for a job has decreased by 25.2% (78.8 thousand).

It is also worth mentioning the decrease in the share of those transitioning from unemployment to the "Potential workforce" group (17.5 pp) or to "Other

inactivity" (8.6 pp) between the two consecutive quarters.

### Quarterly flows between employment, unemployment and two types of inactivity (in % of initial status)

	3Q-2019	2Q-2020	3Q-2020
	Unit: %		
Stayed in employment	95.2	92.8	95.1
Employment - Potential workforce	0.7	1.8	0.6
Employment - Other inactivity	2.7	3.7	2.7
Stayed in Unemployment	52.5	39.7	55.3
Unemployment - Potential workforce	10.6	28.0	10.5
Unemployment - Other inactivity	11.0	13.8	5.2
Stayed in Potential workforce	29.6	34.9	26.2
Potential workforce - Employment	16.9	13.9	14.9
Potential workforce - Unemployment	20.0	15.1	36.0
Potential workforce - Other inactivity	33.5	36.1	23.0
Stayed in Other inactivity	91.8	93.1	90.8
Other inactivity - Employment	4.4	3.6	4.8
Other inactivity - Unemployment	1.3	0.7	1.6
Other inactivity - Potential workforce	2.5	2.6	2.9

**Source:** Statistics Portugal, Labour Force Survey - 3<sup>rd</sup> quarter of 2020.

**Notes:**

- By "Potential workforce" is understood the group of inactives available to work, but not searching work and of inactives searching for a job, but not available to work.

- "Other inactivity" includes every inactive person who is not part of "Potential workforce".

Another way of studying the evolution of the inactive population aged 15 and over is by focusing the analysis in those who have stopped working in 2020 (156.5 thousand). It was observed that 26.0% stated to have stopped working for having "A job of limited duration [that] has ended", 23.8% for "Other reason", where are included the termination by mutual consent, layoff and self-employed persons who went out of business, and 18.3% was "Dismissed or made redundant" (see table below). From the 2<sup>nd</sup> quarter of 2020, the number of persons inactive aged 15 and over that stated these reasons has decreased, especially in the two latter: 9.7% (4.4 thousand), 46.2% (32.1 thousand) and 40.3% (19.4 thousand), respectively.



### Inactive population aged 15 and over who has stopped working in 2020

Portugal	2T-2020	3T-2020	
	Quarterly level	Structure	
	Thousands	%	
<b>Total</b>	<b>198.1</b>	<b>156.5</b>	<b>100.0</b>
Dismissed or made redundant	48.0	28.6	18.3
A job of limited duration has ended	45.0	40.6	26.0
Own illness or disability	8.9	14.9	9.5
Normal retirement	12.6	18.6	11.9
Other reasons (e.g. termination by mutual consent, layoff, self-employed persons who went out of business)	69.4	37.3	23.8
Other reasons than the above listed (a)	14.2	16.5	10.6

Source: Statistics Portugal, Labour Force Survey - 3<sup>rd</sup> quarter of 2020.

**Note:**

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: looking after children or incapacitated adults; education or training; other personal or family responsibilities; early retirement.

The quarterly decrease of the inactive population can also be explained by the reopening of enterprises that had been temporarily closed and by the reduction of restrictions to the free movement of persons, which allowed the increase of both the employed population and the unemployed population. In fact, analysing the inactive population aged 15 to 74 who did not search for work by reason for not looking, it was observed that the number of those not actively searching due to the free movement restrictions and to the self-isolation duty has decreased by 53.0% (108.8 thousand), being now estimated at 96.7 thousand. It was also observed a decrease in the number of those not searching for a job because they were awaiting recall to work (44.2%; 22.6 thousand) and in the number of those not searching for believing that no jobs were available (11.3%; 9.1 thousand).

With the easing of COVID-19 pandemic containment measures it was also possible of the non-employed persons previously included in the inactive population to fulfil now an additional criterion to be part of the unemployed population: the availability to start

working in the reference week or in the following two weeks criterion. In the 3<sup>rd</sup> quarter of 2020, the inactive population aged 15 to 74 who mentioned to be unavailable to start working in that reference period (119.2 thousand) has decreased by 31.4% (54.7 thousand) from the previous quarter. Nonetheless, 29.9% of inactive population aged 15 to 74 who has mentioned to be unavailable to work in the reference period, stated personal or family responsibilities (where taking care of children and elderly persons are included) as the main reason for not being available. This share is higher than the usually verified in a 3<sup>rd</sup> quarter of the data series started in 2011.

Finally, it should be noted that with the Labour Force Survey it is possible to estimate the number of non-employed persons (unemployed or inactive, according to this survey criteria) aged 15 to 74 who are registered at the public employment offices from the Employment and Vocational Training Institute (IEFP) and whose reason for the registration was the job search. Also in these indicators it was possible to observe the impact of the decrease in the number of those considered to be inactive in the 2<sup>nd</sup> quarter of 2020 by Labour Force Survey due to the COVID-19 pandemic containment measures and were included in the unemployed population in the 3<sup>rd</sup> quarter for fulfilling the criteria of active search and availability for work.

In the 3<sup>rd</sup> quarter of 2020, it was estimated that 448.8 thousand non-employed persons were registered in those offices, 1.2% (5.4 thousand) less than in the previous quarter, 36.8% of which classified as inactive by the Labour Force Survey (20.9 pp less than in the 2<sup>nd</sup> quarter of 2020).

Among those registered as job-seekers (421.9 thousand; 94.0% of those registered), it was noticed a quarterly increase by 1.3% (5.5 thousand). This increase occurred among the unemployed population (48.6%; 92.6 thousand) and more than compensated for the decrease in the number of registered inactive persons (38.5%; 86.9 thousand).

**Table I: Population aged 15 and over absent from work in the reference week, by labour market status and absence reason**

Portugal	Quarterly level			Structure		
	3Q-2019	2Q-2020	3Q-2020	3Q-2019	2Q-2020	3Q-2020
	Thousands			%		
<b>Total</b>	<b>767.8</b>	<b>1,117.9</b>	<b>828.8</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Employed population	765.5	1,078.2	814.9	99.7	96.4	98.3
Unemployed population	-	§	§	-	§	§
Inactive population	§	36.6	12.1	§	3.3	1.5
<b>Employed population absent from work</b>	<b>765.5</b>	<b>1,078.2</b>	<b>814.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>Due to:</i>						
Annual or bank holidays	576.9	88.2	538.8	75.4	8.2	66.1
Own illness, injury or temporary disability (includes "sick leave")	160.1	178.5	164.8	20.9	16.6	20.2
Maternity/paternity leave/adoption	19.2	41.5	33.0	2.5	3.8	4.0
Slack work for technical or economic reasons (includes layoff)	§	680.1	66.2	§	63.1	8.1
Other reasons (e.g. marriage leave, general government special mobility - "supernumerary plan", pre-retirement, irregular/occasional activity)	§	76.7	§	§	7.1	§
Other reasons than the above listed (a)	§	13.2	§	§	1.2	§

**Source:** Statistics Portugal, Labour Force Survey - 3<sup>rd</sup> quarter of 2020.

**Note:**

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: parental leave; flexible (working time banking) or variable working hours; bad weather; strike or other labour dispute; school education or training; seasonal work; unpaid leave.

**Conventional signs:**

§ Extremely unreliable value.

- Null result

Table II: Employed population who worked in the reference week, by reason of actually working more or fewer hours than the usually worked					
Portugal	Quarterly level			Rate of change	
	3Q-2019	2Q-2020	3Q-2020	On year	On quarter
	Thousands			%	
<b>Total</b>	<b>4,182.2</b>	<b>3,653.0</b>	<b>3,984.9</b>	<b>-4.7</b>	<b>9.1</b>
<b>Same number of hours</b>	<b>3,580.5</b>	<b>2,539.9</b>	<b>3,450.3</b>	<b>-3.6</b>	<b>35.8</b>
<b>More hours than usual</b>	<b>203.1</b>	<b>168.1</b>	<b>174.9</b>	<b>-13.9</b>	<b>4.1</b>
<i>Due to:</i>					
Flexible (working time banking) or variable working hours	67.6	65.6	62.2	-8.1	-5.2
Overtime hours	125.3	86.0	103.1	-17.8	19.8
Other reason	10.2	16.5	9.7	-4.8	-41.2
<b>Fewer hours than usual</b>	<b>398.6</b>	<b>945.1</b>	<b>359.7</b>	<b>-9.8</b>	<b>-61.9</b>
<i>Due to:</i>					
Annual holidays	98.3	22.4	87.9	-10.5	291.9
Bank holidays	131.8	459.9	38.4	-70.8	-91.6
Own illness, injury or temporary disability	18.4	11.4	14.7	-20.1	28.4
Slack work for technical or economic reasons	42.0	362.9	131.1	212.3	-63.9
Flexible (working time banking) or variable working hours	45.3	31.6	40.7	-10.2	28.7
Maternity leave/paternity/adoption or parental leave	8.2	12.7	7.6	-6.9	-40.0
Other personal or family responsibilities	12.3	13.3	12.8	3.7	-4.1
Other reason	27.0	19.6	11.7	-56.8	-40.5
Other reasons than the above listed (a)	15.4	11.2	14.9	-3.4	32.3

**Source:** Statistics Portugal, Labour Force Survey - 3<sup>rd</sup> quarter of 2020.

**Note:**

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: bad weather; strike or other labour dispute; education or training; start of/change in job during reference week; end of job without taking up a new one during reference week.

**Table III: Population aged 15 to 74, by different characterisation variables**

Portugal	Quarterly level			Rate of change	
	3Q-2019	2Q-2020	3Q-2020	On year	On quarter
	Thousands			%	
<b>Inactive population who has not seek work, by reason for not looking</b>	<b>2,531.9</b>	<b>2,810.3</b>	<b>2,621.7</b>	<b>3.5</b>	<b>-6.7</b>
Awaiting recall to work	12.3	51.2	28.6	132.3	-44.2
Own illness or disability	581.3	539.3	556.8	-4.2	3.3
Looking after children or incapacitated adults	99.2	110.6	110.0	10.9	-0.6
Other personal or family responsibilities (e.g. domestic responsibilities)	128.3	118.2	110.1	-14.2	-6.9
Education or training (includes school holidays)	667.0	751.3	707.7	6.1	-5.8
Retirement	655.4	669.8	678.3	3.5	1.3
Belief that no work is available	65.0	80.8	71.7	10.4	-11.3
Too young	29.8	20.0	41.1	38.0	106.1
Too old	160.8	202.7	181.1	12.7	-10.6
Not worth looking	30.0	51.4	36.4	21.4	-29.2
Other reasons	97.4	205.5	96.7	-0.7	-53.0
Other reasons than the above listed (a)	§	9.6	§	§	§
<b>Inactive population not available to start working, by reason of unavailability</b>	<b>115.9</b>	<b>173.9</b>	<b>119.2</b>	<b>2.8</b>	<b>-31.4</b>
Cannot leave present employment within two weeks	§	§	-	§	§
Must complete education or training (includes school holidays)	49.2	69.2	38.2	-22.3	-44.8
Personal or family responsibilities (e.g. domestic responsibilities)	21.4	38.3	35.6	66.5	-7.1
Own illness or disability	26.8	25.4	29.9	11.4	17.5
Other reason	17.5	39.8	15.5	-11.4	-61.1
<b>Non-employed population registered in a IEFP<sup>(b)</sup> public employment office and reason of registration, by labour market status</b>	<b>363.2</b>	<b>454.2</b>	<b>448.8</b>	<b>23.6</b>	<b>-1.2</b>
Unemployed population	203.1	192.3	283.5	39.6	47.4
Inactive population	160.1	261.9	165.3	3.3	-36.9
<i>of which:</i>					
Registered as job-seeker	319.7	416.4	421.9	32.0	1.3
Unemployed population	200.6	190.2	282.8	40.9	48.6
Inactive population	119.1	226.1	139.2	16.9	-38.5

**Source:** Statistics Portugal, Labour Force Survey - 3<sup>rd</sup> quarter of 2020.

**Note:**

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: already found a job; insufficient educational attainment; do not know how to look.

(b) IEFP - Employment and Vocational Training Institute

**Conventional signs:**

§ Extremely unreliable value.

- Null result



## 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. Due to rounding, the totals in tables and diagrams do not always match the sum of parts.

For more detailed information consult the Labour Force Survey [methodological document](#) (only in Portuguese) available at the Statistics Portugal website.

### Some concepts

**Unemployed:** person aged 15 and 74 who, during the reference period, was simultaneously in the following situations:

- without work, i.e. was not in paid employment or self-employment;
- seeking work, i.e. had taken specific steps in a specified recent period (reference period or the three previous weeks) to seek paid employment or self-employment; and
- currently available for work, i.e. was available for paid employment or self-employment during the reference period.

**Employed:** person aged 15 and over who, during the reference period, was in one of the following situations:

- did any work for pay or profit for at least one hour, including a familiar gain in money or gender;
- was not working but had jobs from which was temporarily absent<sup>(a)</sup>;
- had a business, but was temporarily not working for a specific reason;
- was in a pre-retirement situation while working.

<sup>(a)</sup> According to the internationally defined criteria, there is a group of persons who, although absent from work in the reference week, should be classified as employed. This is the case of persons on vacation, taking holidays, maternity/paternity leave or absent due to illness. For other predefined absences, it is necessary to check the duration of such absence: if the absence lasts up to 3 months, the person shall be deemed to have a formal link to employment; if it lasts more than 3 months, the person will only be classified as employed if he/she continues to receive an income from work equal to or greater than 50%. Otherwise, these persons are considered as not employed.

**Labour force (active population):** all persons aged 15 and over who, during the reference period, made up the available labour force for the production of economic goods and services (employed and unemployed).

**Extended labour force:** labour force enlarged by the inactive seeking work but not immediately available and the inactive available but not seeking work.

**Labour underutilisation:** indicator that aggregates the unemployed population, the underemployment of part-time workers, the inactive seeking work but not immediately available, and the inactive available but not seeking work.

**Young people not in employment, education or training:** population of young people of a given age group that, in the reference period, was not employed (i.e., was unemployed or inactive) and was not involved in education or training over a specific period of time (the reference week or in the previous three weeks).

*(to be continued)*

*(continuation)*

**Participation rate:** ratio between the labour force 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).

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

**Employment rate (15 and over):** ratio between the employed population and the working age total population (15 and over).

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

**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.

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

**Inactivity rate (15 and over):** ratio between the working age inactive population (15 and over) and the working age total population (15 and over).

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

**Labour underutilisation rate:** ratio that defines the relationship among the labour underutilisation and the extended labour force.

$$\text{L.U.R. (\%)} = (\text{Labour underutilisation} / \text{Extended labour force}) \times 100$$

**Rate of young people not in employment, education or training:** ratio between the population of young people of a given age group not in employment, education or training and the total population of young people of the same age group.

### **On year rate of change**

The in 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 in 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.

Due to rounding, totals may not correspond exactly to the sum of the parts.

**Next Press Release:** 10 February 2021.