

30 November 2020

## Monthly Employment and Unemployment Estimates

October 2020

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**In September, the employed population increased by 0.7%, the unemployment rate decreased by 0.2 percentage points and the labour underutilisation decreased by 0.1 percentage points**

September 2020 – definitive estimates:

- The employed population has increased by 0.7% from the previous month and by 1.7% from three months before, but it has decreased by 2.5% from the same month of 2019<sup>1</sup>.
- The unemployed population has decreased by 1.7% from August 2020 and increased by 9.9% from June of the same year and by 19.5% from September 2019.
- The unemployment rate (concept of the International Labour Organization, ILO) stood at 7.9%, 0.2 percentage points (pp) less than in the previous month, 0.6 pp more than three months before and 1.4 pp more than in the same month of the previous year.
- The labour underutilisation rate<sup>2</sup> was estimated at 15.4%, down 0.1 pp from the previous month and from three months before and up 2.7 pp from a year earlier.

October 2020 – provisional estimates:

- The employed population has increased by 0.3% from the previous month and by 1.5% from three months before, having decreased by 2.1% from the same month of 2019.
- The unemployed population has decreased by 4.7% from September 2020 and by 3.9% from July of the same year and increased by 15.0% from October 2019.
- The unemployment rate (ILO concept) stood at 7.5%, down 0.4 pp from the previous month and from three months before and up 1.0 pp from the same month of the previous year.
- The labour underutilisation rate was estimated at 15.0%, 0.4 pp less than in the previous month and 0.6 pp less than in three months before, and 2.5 pp more than an year earlier.
- The monthly decrease of the labour underutilisation rate in this month was, almost exclusively, due to the decrease of the unemployed population.

Despite the circumstances caused by the COVID-19 pandemic, Statistics Portugal calls for the best cooperation 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 cooperation, for which Statistics Portugal thanks you in advance.

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<sup>1</sup> In the estimates published on this Press Release, obtained as described in the Technical Note (annex), it was considered the population aged 15 to 74 and the values were seasonally adjusted (unless otherwise stated).

<sup>2</sup> 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.

Monthly Employment and Unemployment Estimates								
Main indicators								
	Unit	Seasonally adjusted data						
		Set 2019	Out 2019	Jun 2020	Jul 2020	Ago 2020	Set 2020	Out 2020 (p)
Active population (15 to 74)		5,210.2	5,203.6	5,038.9	5,097.3	5,131.1	5,156.4	5,153.0
Employed population (15 to 74)		4,869.6	4,866.4	4,668.6	4,693.5	4,717.0	4,749.4	4,765.2
Unemployed population (15 to 74)	Thousands	340.5	337.2	370.3	403.7	414.1	407.1	387.8
Inactive population (15 to 74)		2,554.3	2,561.0	2,741.8	2,684.5	2,649.7	2,625.2	2,631.4
Labour underutilisation (15 to 74)		683.7	673.7	828.8	836.3	832.4	828.9	811.2
Activity rate (15 to 74)		67.1	67.0	64.8	65.5	65.9	66.3	66.2
Employment rate (15 to 74)		62.7	62.7	60.0	60.3	60.6	61.0	61.2
Unemployment rate (15 to 74)	%	6.5	6.5	7.3	7.9	8.1	7.9	7.5
Inactivity rate (15 to 74)		32.9	33.0	35.2	34.5	34.1	33.7	33.8
Labour underutilisation rate (15 to 74)		12.7	12.5	15.5	15.6	15.5	15.4	15.0

Source: Statistics Portugal, Labour Force Survey.

Note: (p) - Provisional estimates.

## 1. Monthly estimates analysis

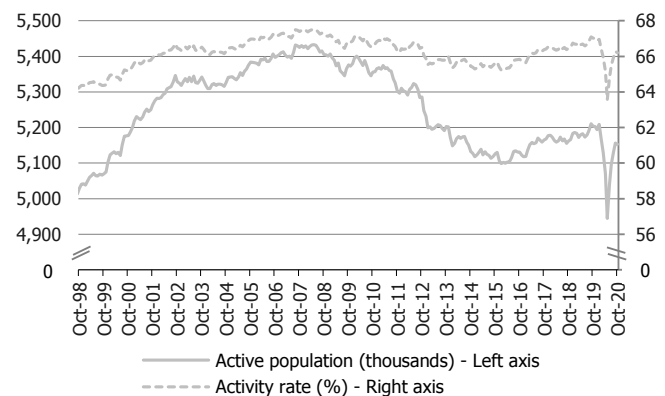
### A. Active population and activity rate

In September 2020, the active population – estimated at 5,156.4 thousand people – has increased by 0.5% (25.3 thousand) from the month before and by 2.3% (117.5 thousand) from June of the same year, having decreased by 1.0% (53.8 thousand) from September 2019.

In October 2020, the provisional estimate of the active population stood at 5,153.0 thousand people, having decreased by 0.1% (3.4 thousand) from the month before and increased by 1.1% (55.7 thousand) from three months before. When compared to October 2019, the active population has decreased by 1.0% (50.6 thousand).

The activity rate, which stood at 66.2%, has decreased from the previous month (0.1 percentage points - pp) and from the same month of the year before (0.8 pp), having increased from three months before (0.7 pp).

Figure 1: Active population and activity rate (seasonally adjusted data)



Note: The October 2020 estimates are provisional.

### B. Employed population and employment rate

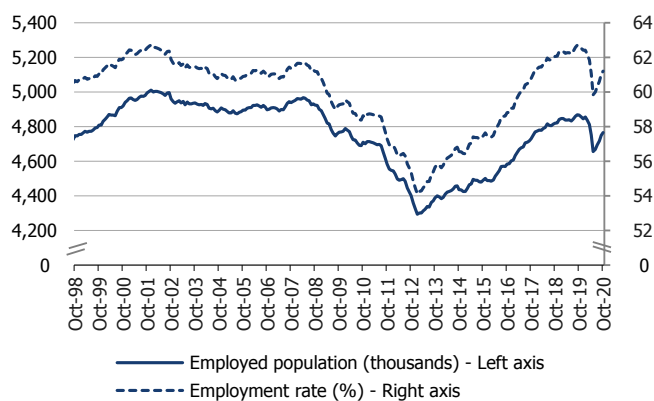
In September 2020, the employed population estimate was 4,749.4 thousand people and it has increased by 0.7% (32.4 thousand) from the previous month and by 1.7% (80.8 thousand) from June 2020, and decreased by 2.5% (120.2 thousand) from September 2019.

In October 2020, the provisional estimate for the employed population, which stood at 4,765.2 thousand people, increased by 0.3% (15.8 thousand) from the previous month and by 1.5% (71.7 thousand) from

three months before, having decreased by 2.1% (101.2 thousand) from an year earlier.

The employment rate was estimated at 61.2%, up 0.2 pp from September 2020, up 0.9 pp from July 2020 and down 1.5 pp from October 2019.

**Figure 2: Employed population and employment rate**  
(seasonally adjusted data)



**Note:** The October 2020 estimates are provisional.

### C. Unemployed population and unemployment rate

In September 2020, the unemployed population estimate was 407.1 thousand people, having decreased by 1.7% (7.0 thousand) from August 2020 and increased by 9.9% (36.8 thousand) from June 2020 (three months before) and by 19.5% (66.6 thousand) from September 2019.

The unemployment rate stood at 7.9%, having decreased by 0.2 pp from the previous month and increased by 0.6 pp from three months before and by 1.4 pp from a year earlier.

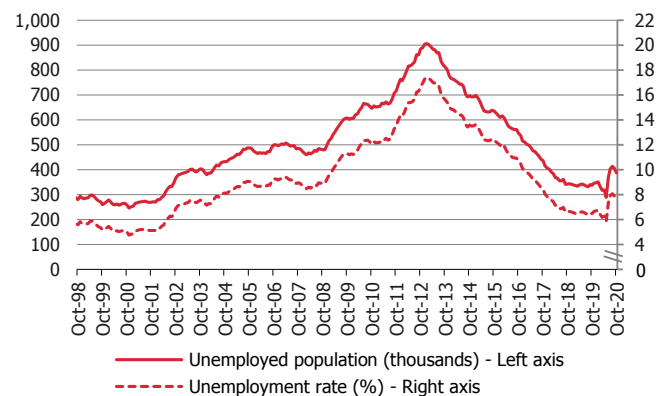
The youth unemployment rate stood at 24.3%, which corresponds to a decrease of 2.5 pp from the previous month. The adults' unemployment rate estimate was 6.8%, remained unchanged from the previous month.

In October 2020, the unemployed population – estimated at 387.8 thousand people (provisional value) – has decreased by 4.7% (19.3 thousand) from the previous month, by 3.9% (15.9 thousand) from three months before and has increased by 15.0% (50.6 thousand) from one year before.

The provisional estimate for the unemployment rate of October 2020 was 7.5%, down 0.4 pp from the previous month's level and from June of the same year and up 1.0 pp from October 2019.

The youth unemployment rate stood at 23.9%, which corresponds to decrease of 0.4 pp from September 2020. The adults' unemployment rate estimate was 6.4% and has decreased by 0.4 pp from the previous month.

**Figure 3: Unemployed population and unemployment rate**  
(seasonally adjusted data)



**Note:** The October 2020 estimates are provisional.

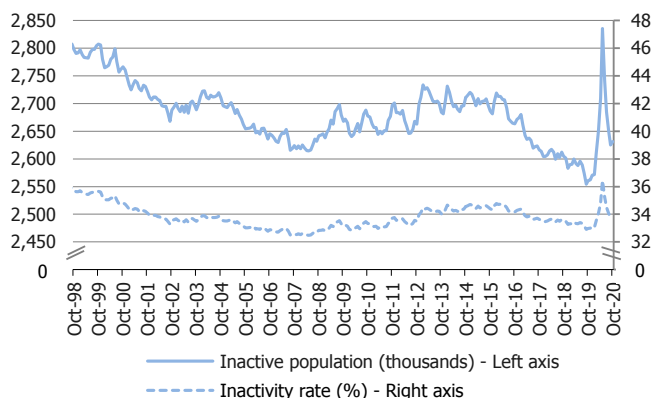
### D. Inactive population and inactivity rate

In September 2020, the inactive population – estimated at 2,625.2 thousand people – has decreased by 0.9% (24.5 thousand) from the previous month and by 4.3% (116.6 thousands) from three months before, having increased by 2.8% (70.9 thousand) from the same month of 2019.

In October 2020, the provisional estimate of the inactive population stood at 2,631.4 thousand people, having increased by 0.2% (6.2 thousand) from the previous month and by 2.8% (70.4 thousand) when compared to one year before and decreased by 2.0% (53.1 thousand) from three months before.

The inactivity rate was 33.8%, up 0.1 pp from September 2020, down 0.7 pp from July of the same year and up 0.8 pp from October 2019.

**Figure 4: Inactive population and inactivity rate**  
(seasonally adjusted data)



**Note:** The October 2020 estimates are provisional.

## E. 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>4</sup>. This indicator is supplemented by its corresponding rate – the labour underutilisation rate<sup>5</sup> – and allow its data users a broader measure of the labour underutilisation than the

<sup>4</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>5</sup> See concepts in the Technical Note and Diagram in page 9.

more restrictive measure given by the official unemployment rate (ILO concept).

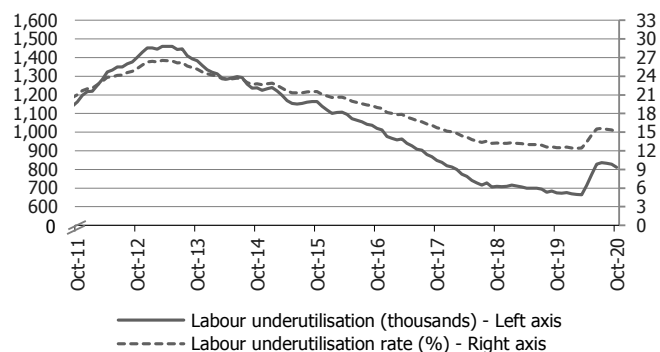
In September 2020, the labour underutilisation was estimated at 828.9 thousand people, having decreased by 0.4% (3.5 thousand) from the previous month and remained unchanged from three months before and increased by 21.2% (145.2 thousand) from the same month of 2019.

The labour underutilisation rate was 15.4%, having decreased by 0.1 pp both from the previous month and from three months before and increased by 2.7 pp from a year earlier.

In October 2020, the provisional estimate of labour underutilisation stood at 811.2 thousand people, which corresponds to a decreased of 2.1% (17.7 thousand) from September 2020 and of 3.0% (25.1 thousand) from July 2020, and an increase of 20.4% (137.5 thousand) from October 2019.

The provisional estimate of the labour underutilisation rate of September 2020 stood at 15.0%, having decreased by 0.4 pp from the month before and by 0.6 pp from three months before, and having increased by 2.5 pp from the same month of the previous year.

**Figure 5: Labour underutilisation and labour underutilisation rate**  
(seasonally adjusted data)



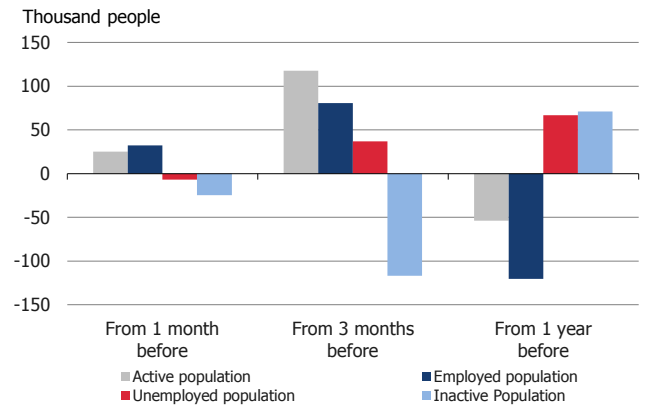
**Note:** The October 2020 estimates are provisional.

In summary (Figure 6), in September 2020, from the previous month, the active population has increased (25.3 thousand), while the inactive population has decreased (24.5 thousand)<sup>6</sup>. The active population increase was due to the increase of the employed population (32.4 thousand) having exceeded the decrease of the unemployed population (7.0 thousand). The inactive population decrease was, mainly, explained by the decrease in the number of inactive persons who are not part of the labour underutilisation, i.e., were not available to work, did not seek a job and do not want to work (21.6 thousand).

Compared to three months before, the growth of the active population (117.5 thousand) came from the increase of the employed population (80.8 thousand) and of the unemployed population (36.8 thousand). The inactive population has decreased by 116.6 thousand people, mainly due to the decrease in the number of inactive persons available to work but not seeking a job (67.2 thousand).

On the other hand, when comparing to September 2019, the active population decrease (53.8 thousand) was explained by the decrease observed in the employed population (120.2 thousand), which has exceeded the unemployed population increase (66.6 thousand). The inactive population has increased by 70.9 thousand people, as a result of the increase in the number of inactive persons available to work but not seeking a job (56.5 thousand).

**Figure 6: Change in the active, employed, unemployed and inactive population in September 2020**  
(seasonally adjusted data)



<sup>6</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.

## 2. The impact of the COVID-19 pandemic on the results of 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 monthly employment and unemployment estimates.

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>7</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>8</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 while, in October, the self-isolation duty became not as restrictive as before, which may have made possible the fulfilment of the criteria of active job search and willingness to start working, essential for the flow between the inactive population and the unemployed population. However, in the evolution of the pandemic, a new state of emergency was declared on 8 November, with restrictions of movement at night and during weekends for the majority of the population. Compared to the state of emergency enacted in March, these measures had a smaller impact on

<sup>7</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>8</sup> Essential criterion for their classification as unemployed; for more details, see the concept of unemployed in the Technical Note.

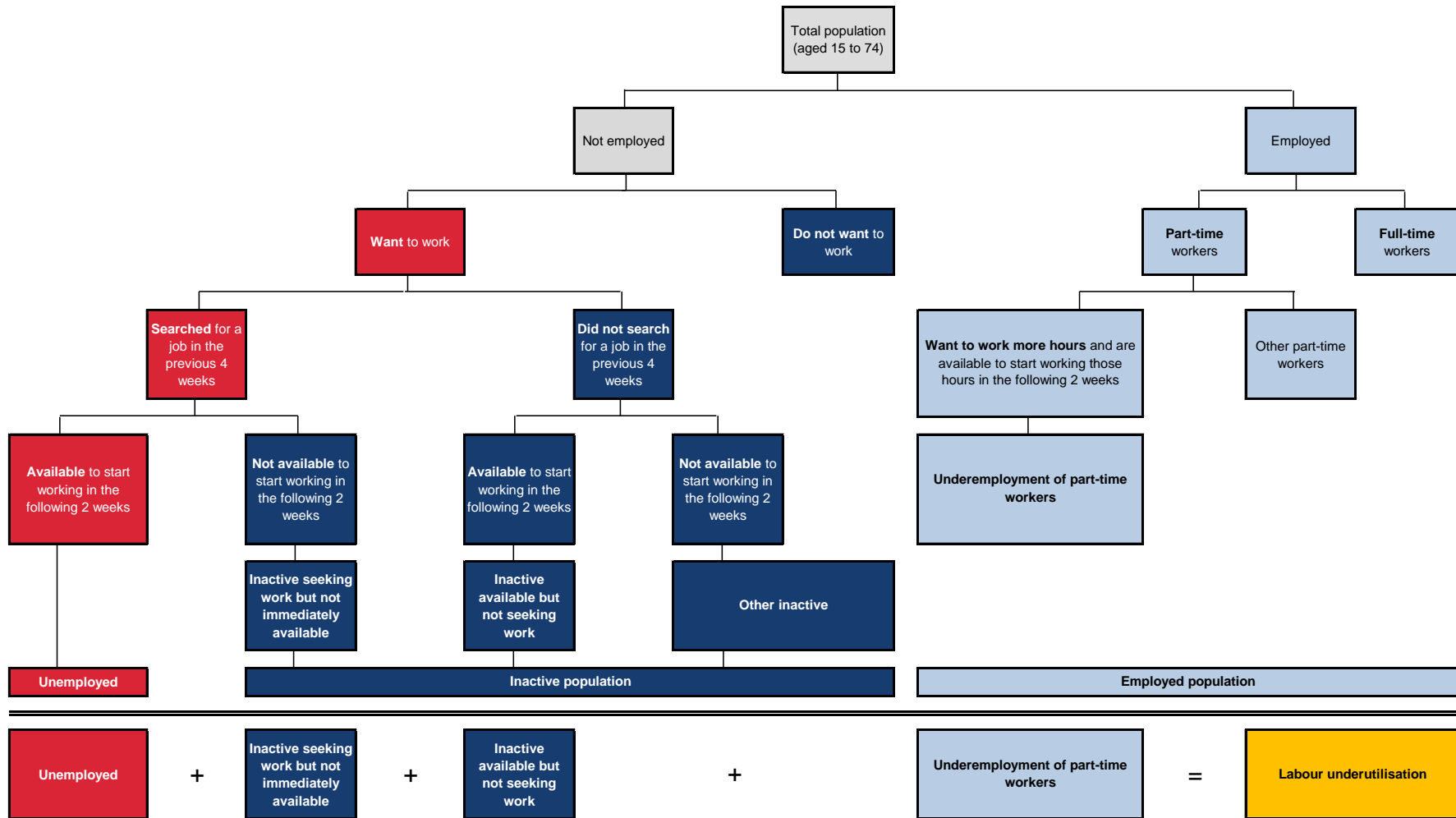
economic activities, the free movement of people and the availability to work due to the maintenance of in-person school activities.

In fact, it is visible in the definitive results of September (central month of the moving quarter covering August, September and October<sup>9</sup>), when compared to the estimates of the month before (August), the increase in the employed population and the decreased in the unemployed population, as well in the inactive population. Compared to three months before, there was an increase in the employed population and the unemployed population, as opposed to a decrease in the inactive population. On the other hand, the provisional estimates of October tell a monthly increase in the employed population (15.8 thousand) and the inactive population (6.2 thousand), contrasting with a decrease in the unemployed population (19.3 thousand). These estimates suggest that those who were part of the unemployed population in September and left in October, moved into the employed population (found a job) or into the inactive population (they no longer met at least one of the following criteria: active job search; availability to start working in the reference week or in the following two weeks). Regarding the inactive population, there was an increase of 3.0 thousand in the number of inactive people looking for job and an increase of 3.2 thousand in the number of other inactive (do not seek and are not available). The inactive available, but not seeking, remained unchanged.

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<sup>9</sup> For more information, please see the Technical Note.

**Criteria used when classifying the population aged 15 to 74 by labour status**





**Table 1: Active population and active rate by sex and age group (15 to 74)**

	Seasonally adjusted data					Not seasonally adjusted data				
	Oct 2019	Jul 2020	Aug 2020	Sep 2020	Oct 2020 (p)	Oct 2019	Jul 2020	Aug 2020	Sep 2020	Oct 2020 (p)
	Thousands									
<b>Active population (15 to 74)</b>	<b>5,203.6</b>	<b>5,097.3</b>	<b>5,131.1</b>	<b>5,156.4</b>	<b>5,153.0</b>	<b>5,212.0</b>	<b>5,111.5</b>	<b>5,143.4</b>	<b>5,160.6</b>	<b>5,158.7</b>
Men (15 to 74)	2,617.1	2,558.2	2,571.3	2,587.4	2,585.6	2,621.3	2,568.5	2,580.9	2,592.9	2,589.0
Women (15 to 74)	2,586.5	2,539.1	2,559.8	2,569.0	2,567.4	2,590.7	2,543.0	2,562.5	2,567.7	2,569.7
Youth (aged 15 to 24)	379.1	327.0	323.7	331.8	323.8	386.2	329.6	334.2	341.1	329.7
Adults (aged 25 to 74)	4,824.5	4,770.2	4,807.4	4,824.6	4,829.2	4,825.8	4,781.9	4,809.1	4,819.5	4,829.0
	%									
<b>Activity rate (15 to 74)</b>	<b>67.0</b>	<b>65.5</b>	<b>65.9</b>	<b>66.3</b>	<b>66.2</b>	<b>67.1</b>	<b>65.7</b>	<b>66.1</b>	<b>66.3</b>	<b>66.3</b>
Men (15 to 74)	70.6	69.0	69.3	69.8	69.7	70.7	69.2	69.6	69.9	69.8
Women (15 to 74)	63.7	62.3	62.9	63.1	63.0	63.8	62.4	62.9	63.0	63.1
Youth (aged 15 to 24)	34.8	29.8	29.5	30.3	29.5	35.4	30.1	30.5	31.1	30.0
Adults (aged 25 to 74)	72.3	71.4	71.9	72.2	72.2	72.3	71.5	71.9	72.1	72.2

Source: Statistics Portugal, Labour Force Survey.

Note: (p) - Provisional estimates.

**Table 2: Employed population and employment rate by sex and age group (15 to 74)**

	Seasonally adjusted data					Not seasonally adjusted data				
	Oct 2019	Jul 2020	Aug 2020	Sep 2020	Oct 2020 (p)	Oct 2019	Jul 2020	Aug 2020	Sep 2020	Oct 2020 (p)
	Thousands									
<b>Employed population (15 to 74)</b>	<b>4,866.4</b>	<b>4,693.5</b>	<b>4,717.0</b>	<b>4,749.4</b>	<b>4,765.2</b>	<b>4,870.8</b>	<b>4,728.4</b>	<b>4,739.3</b>	<b>4,755.9</b>	<b>4,767.6</b>
Men (15 to 74)	2,461.9	2,360.4	2,365.3	2,389.2	2,399.3	2,466.1	2,379.2	2,381.0	2,398.9	2,403.0
Women (15 to 74)	2,404.5	2,333.1	2,351.7	2,360.2	2,365.9	2,404.8	2,349.2	2,358.3	2,356.9	2,364.6
Youth (aged 15 to 24)	311.8	241.4	236.9	251.2	246.4	312.4	248.2	246.0	255.2	246.3
Adults (aged 25 to 74)	4,554.6	4,452.2	4,480.2	4,498.2	4,518.8	4,558.4	4,480.2	4,493.3	4,500.7	4,521.3
	%									
<b>Employment rate (15 to 74)</b>	<b>62.7</b>	<b>60.3</b>	<b>60.6</b>	<b>61.0</b>	<b>61.2</b>	<b>62.7</b>	<b>60.8</b>	<b>60.9</b>	<b>61.1</b>	<b>61.2</b>
Men (15 to 74)	66.4	63.6	63.8	64.4	64.7	66.5	64.1	64.2	64.7	64.8
Women (15 to 74)	59.2	57.3	57.7	57.9	58.1	59.3	57.7	57.9	57.9	58.0
Youth (aged 15 to 24)	28.6	22.0	21.6	22.9	22.4	28.7	22.6	22.4	23.3	22.4
Adults (aged 25 to 74)	68.2	66.6	67.0	67.3	67.6	68.3	67.0	67.2	67.3	67.6

Source: Statistics Portugal, Labour Force Survey.

Note: (p) - Provisional estimates.

**Table 3: Unemployed population and unemployment rate by sex and age group (15 to 74)**

	Seasonally adjusted data					Not seasonally adjusted data				
	Oct 2019	Jul 2020	Aug 2020	Sep 2020	Oct 2020 (p)	Oct 2019	Jul 2020	Aug 2020	Sep 2020	Oct 2020 (p)
	Thousands									
<b>Unemployed population (15 to 74)</b>	<b>337.2</b>	<b>403.7</b>	<b>414.1</b>	<b>407.1</b>	<b>387.8</b>	<b>341.1</b>	<b>383.1</b>	<b>404.1</b>	<b>404.7</b>	<b>391.1</b>
Men (15 to 74)	155.1	197.8	206.0	198.2	186.3	155.2	189.3	199.8	194.0	186.0
Women (15 to 74)	182.1	205.9	208.2	208.9	201.5	186.0	193.8	204.3	210.7	205.1
Youth (aged 15 to 24)	67.3	85.7	86.8	80.7	77.4	73.7	81.4	88.2	85.9	83.4
Adults (aged 25 to 74)	269.9	318.0	327.3	326.4	310.4	267.4	301.7	315.9	318.8	307.7
	%									
<b>Unemployment rate (15 to 74)</b>	<b>6.5</b>	<b>7.9</b>	<b>8.1</b>	<b>7.9</b>	<b>7.5</b>	<b>6.5</b>	<b>7.5</b>	<b>7.9</b>	<b>7.8</b>	<b>7.6</b>
Men (15 to 74)	5.9	7.7	8.0	7.7	7.2	5.9	7.4	7.7	7.5	7.2
Women (15 to 74)	7.0	8.1	8.1	8.1	7.8	7.2	7.6	8.0	8.2	8.0
Youth (aged 15 to 24)	17.7	26.2	26.8	24.3	23.9	19.1	24.7	26.4	25.2	25.3
Adults (aged 25 to 74)	5.6	6.7	6.8	6.8	6.4	5.5	6.3	6.6	6.6	6.4

Source: Statistics Portugal, Labour Force Survey.

Note: (p) - Provisional estimates.

**Table 4: Inactive population and inactivity rate by sex and age group (15 to 74)**

	Seasonally adjusted data					Not seasonally adjusted data				
	Oct 2019	Jul 2020	Aug 2020	Sep 2020	Oct 2020 (p)	Oct 2019	Jul 2020	Aug 2020	Sep 2020	Oct 2020 (p)
	Thousands									
<b>Inactive population (15 to 74)</b>	<b>2,561.0</b>	<b>2,684.5</b>	<b>2,649.7</b>	<b>2,625.2</b>	<b>2,631.4</b>	<b>2,552.6</b>	<b>2,670.2</b>	<b>2,637.5</b>	<b>2,621.1</b>	<b>2,625.7</b>
Men (15 to 74)	1,089.2	1,151.2	1,137.3	1,121.1	1,124.0	1,085.0	1,140.8	1,127.8	1,115.6	1,120.5
Women (15 to 74)	1,471.7	1,533.3	1,512.4	1,504.1	1,507.5	1,467.5	1,529.4	1,509.7	1,505.5	1,505.2
Youth (aged 15 to 24)	710.5	769.5	772.8	765.0	773.8	703.4	766.9	762.3	755.7	767.9
Adults (aged 25 to 74)	1,850.5	1,915.0	1,876.9	1,860.2	1,857.6	1,849.2	1,903.3	1,875.2	1,865.4	1,857.8
	%									
<b>Inactivity rate (15 to 74)</b>	<b>33.0</b>	<b>34.5</b>	<b>34.1</b>	<b>33.7</b>	<b>33.8</b>	<b>32.9</b>	<b>34.3</b>	<b>33.9</b>	<b>33.7</b>	<b>33.7</b>
Men (15 to 74)	29.4	31.0	30.7	30.2	30.3	29.3	30.8	30.4	30.1	30.2
Women (15 to 74)	36.3	37.7	37.1	36.9	37.0	36.2	37.6	37.1	37.0	36.9
Youth (aged 15 to 24)	65.2	70.2	70.5	69.7	70.5	64.6	69.9	69.5	68.9	70.0
Adults (aged 25 to 74)	27.7	28.6	28.1	27.8	27.8	27.7	28.5	28.1	27.9	27.8

Source: Statistics Portugal, Labour Force Survey.

Notes: (p) - Provisional estimates.

**Table 5: Labour underutilisation and labour underutilisation rate (15 to 74)**

	Oct 2019	Jul 2020	Aug 2020	Sep 2020	Oct 2020 (p)	Oct 2019	Jul 2020	Aug 2020	Sep 2020	Oct 2020 (p)
	Thousands									
<b>Labour underutilisation (15 to 74)</b>	<b>673.7</b>	<b>836.3</b>	<b>832.4</b>	<b>828.9</b>	<b>811.2</b>	<b>671.5</b>	<b>811.1</b>	<b>813.7</b>	<b>817.0</b>	<b>797.1</b>
Unemployed population	337.2	403.7	414.1	407.1	387.8	341.1	383.1	404.1	404.7	391.1
Underemployed part-time workers	157.2	169.8	174.8	181.1	179.6	153.7	157.8	158.6	169.6	176.0
Persons seeking work but not immediately available	23.8	15.6	17.9	21.8	24.8	21.5	17.3	17.7	20.3	22.6
Persons available to work but not seeking	155.6	247.1	225.6	218.9	218.9	155.1	252.9	233.3	222.4	207.5
	%									
<b>Labour underutilisation rate (15 to 74)</b>	<b>12.5</b>	<b>15.6</b>	<b>15.5</b>	<b>15.4</b>	<b>15.0</b>	<b>12.5</b>	<b>15.1</b>	<b>15.1</b>	<b>15.1</b>	<b>14.8</b>

Source: Statistics Portugal, Labour Force Survey.

Notes: (p) - Provisional estimates.

## TECHNICAL NOTE

### Labour Force Survey

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.

### Monthly Employment and Unemployment Estimates

In 2014, Statistics Portugal initiated a monthly release of Labour Force Survey estimates for the main labour market indicators in addition to the usual quarterly estimates releases.

With this initiative, Statistics Portugal intends to provide to users monthly updated information on labour market recent developments, allowing, at the same time, a more complete reading picture than that provided so far by Eurostat in its monthly releases of the unemployed population and unemployment rate estimates for Portugal. With this dissemination, Statistics Portugal satisfies also a specific requirement from the PEEIs (Principal European Economic Indicators).

Taking advantage of the continuous nature of the Labour Force Survey collection process, it is possible to monthly obtain estimates related to successive sets of three months (moving quarters), assuring consistency with the quarterly released estimates.

The monthly estimates refer to *centred* moving quarters, where the reference month ( $m$ ) corresponds to the central month of each moving quarter. In fact, the reference month of each Press Release corresponds to the central month of the quarter composed by  $m-1$ ,  $m$  and  $m+1$  months. As a consequence, the monthly changes are calculated on values that contain common months. Therefore, the comparison of moving quarters without common months should be done in relation to reference months three months earlier.

The option for disseminating centred moving quarters series aimed at avoiding delays in the detection of turning points in the economic cycle that arise from the use of simple moving averages, but it implies that the estimates for the latest released moving quarter are provisional (see "Revisions" section below).

As estimates of centred moving quarters, the values (not seasonally adjusted) of the reference months February, May, August and November of each year correspond to the estimates of the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> natural quarters, respectively, whose results are published and analysed with greater detail in the quarterly releases of the Labour Force Survey estimates.

The estimates for the last reference month are always provisional, as they correspond to a moving quarter where for the third month the data collection is not completed yet. In fact, for the first two months ( $m-1$  and  $m$ ) the data collection from the Labour Force Survey is already completed, while for the third month ( $m+1$ ) only partially collected data are available.

In this context, in each monthly Press Release the provisional estimates for the reference month and the definitive estimates for the previous months are published.

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### Information available

The data series selected for monthly releases refer to both employed and unemployed population, by sex and age group, and to the corresponding rates. In relation to these data series, it should be noted the following:

- For the purpose of creating long monthly data series needed for subsequent adjustment of seasonality, the two latest data series of the Labour Force Survey (from 1998 to 2010; from 2011 onwards) were previously linked.
- Unless otherwise stated, the data series analysed in this Press Release are seasonally adjusted. For this reason, the analysis focuses on the comparison with the most recent periods. As agreed, Eurostat started using these estimates in its unemployment monthly releases. The original data series (not seasonally adjusted; as in the Statistics Portugal quarterly releases), are available in Tables 1 and 2 of the annex and at the Statistics Portugal Portal ([www.ine.pt](http://www.ine.pt)).
- The indicators analysed in this Press Release were calculated for the age subgroup of those aged 15 to 74 (as in the Eurostat News Release), which differs from the criterion adopted at the Statistics Portugal quarterly releases (people aged 15 and over, in line with the concepts in force of the International Labour Organization).

The back series for all the released and analysed indicators in this Press Release, since February 1998 (quarter from January to March 1998), are available at the Statistics Portugal Portal.

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

### Revisions

The monthly released data are subject to revisions, as previously mentioned. The revisions come from obtaining the definitive estimates for the previous month (moving quarter) due to the conclusion of its last month collection process. In addition, the revisions also come from the updating of the seasonally adjusted data series whenever a new observation is added. Therefore, in each Press Release the not seasonally adjusted definitive estimates for the previous reference month are published.

The impact of those revisions, measured by the difference between the estimates now released for September 2020 (definitive estimates) and the ones for that month published in the last Press Release, is the following:

Revision of September 2020 estimates - main indicators			
	Unit	Seasonally adjusted data	Not seasonally adjusted data
Active population (15 to 74)		2.4	2.2
Employed population (15 to 74)		- 5.9	- 5.9
Unemployed population (15 to 74)	Thousands	8.4	8.2
Inactive population (15 to 74)		- 2.4	- 2.2
Labour underutilisation (15 to 74)		7.7	7.5
Employment rate (15 to 74)		- 0.1	- 0.1
Unemployment rate (15 to 74)		0.2	0.1
Men's unemployment rate (15 to 74)		0.2	0.2
Women's unemployment rate (15 to 74)	p.p.	0.1	0.2
Youth unemployment rate (15 to 24)		0.3	0.3
Adults' unemployment rate (25 to 74)		0.2	0.1
Labour underutilisation rate (15 to 74)		0.2	0.1

In September 2020, the upward revision of the seasonally adjusted unemployment rate was followed by an upward revision for young people (+0.3 pp), for man and adults (+0.2 pp, for both) and women (+0.1 pp). The upward revision of the unemployment rate was followed by an upward revision of the unemployed population (+2.1%; +8.4 thousand) and by a downwards revision of the employed population (-0.1%; -5.9 thousand).

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### 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 continues to receive an income equal to or greater than 50%. Otherwise, these persons are considered as not employed.

**Labour force (active population):** all persons aged 15 or 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.

**Unemployment rate:** ratio between the unemployed population and the labour force.

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

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

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

**Participation rate (15 and over):** ratio between the labour force and the working age total population (15 and over).

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

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

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

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

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

For the indicators selected for monthly dissemination, it was considered the age subgroup of those aged 15 to 74.

For a more detailed definition of the concepts and methodological features of this statistical operation, consult the [Labour Force Survey](#) or the [Monthly Employment and Unemployment Estimates](#) methodological documents (both only in Portuguese) available at the Statistics Portugal website.

**Next Press Release:**

7 January 2020: "Monthly Employment and Unemployment Statistics – November 2020".

8 January 2020: Eurostat News Release.